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December 1942

# Fourth International

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## The Attack on "The Militant"

*By James P. Cannon*

## North Africa: A Lesson in Democracy

*By Marc Loris*

The 1942 Election . . . . . *Editorial Comment*

The Roots of Inflation . . . *by William F. Warde*

Why the German Revolution Failed *by Walter Held*

## West Coast Longshoremen and "Bridges Plan"

*By C. Thomas*

*From the Arsenal of Marxism:*

## Prospects and Tasks in the East

*By Leon Trotsky*

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Twenty Cents

## Manager's Column

FOURTH INTERNATIONAL agents have responded very well to our request for more subscriptions. Total subs for the month have more than doubled those of the previous month and this is only the beginning of what we hope will be a concerted drive on the part of each agent to get every potential subscription in his territory.

Our agents in New York have turned in twenty-four subscriptions, six of them being one-year combination subs to both FOURTH INTERNATIONAL and THE MILITANT. Our agent in Boston, who has proved himself to be a real livewire, sent in fourteen subscriptions, three of them being one-year combinations. The next five high for the month were: Chicago, Youngstown, Cleveland, Detroit and Philadelphia.

In relation to the drive for subscriptions, our agent M.B. of Cleveland writes: "We've launched a sub drive here in Cleveland in the form of a contest between the east and west sides of town, with a party promised for the winning side and a book to the winning individual. Here's the results of the first week." A check for \$8 was enclosed to cover the subs gathered during the first week of their contest.

One of our agents in downtown New York is having good results in obtaining subscriptions to FOURTH INTERNATIONAL because she is not leaving subs to chance but is using the individual approach, following up each opportunity, checking, re-checking, and each week she has a few more subs to turn in.

\* \* \*

Our agent in Los Angeles writes that FOURTH INTERNATIONAL is being utilized by study groups there. One study group assigns a person to review the magazine by briefly characterizing the articles in it and reporting extensively on one or two articles that the group decides need more elaboration. Or, as an alternative, an article or two are assigned to different persons in the study group to be reviewed.

Also, we hear from our agent in Minneapolis that the FOURTH INTERNATIONAL is being used there to furnish study groups

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Editor FELIX MORROW

### TABLE OF CONTENTS

The Attack on "The Militant" *By James P. Cannon* 355  
The 1942 Elections ..... *By the Editors* 356  
North Africa: A Lesson in Democracy

*By Marc Loris* 359

The West Coast Longshoremens and  
The "Bridges Plan" ..... *By C. Thomas* 362  
The Roots of Inflation ..... *By William F. Warde* 368

#### Discussion:

Three Theses on the European  
Situation and the Political Tasks ..... 370

Our Differences with the "Three Theses"  
*By Felix Morrow* 372

#### From the Arsenal of Marxism:

Prospects and Tasks in the East *By Leon Trotsky* 374  
Why the German Revolution Failed *By Walter Held* 377  
International Notes: Ireland ..... 382

214

Manager's Column Inside Front Cover

with educational material. The article by Loris, *Revolutionary Tasks Under the Nazi Boot*, was used in discussing the Balkan countries and their relationship to the African campaign. The article by Joseph Hansen, *A Defamer of Trotsky*, was reviewed and discussed.

The FOURTH INTERNATIONAL agent in Seattle reported that the magazine had sold with success at a social, so we asked for details and here is the answer: "Before I give any lengthy impressions, I want to have the experience of several more socials. In talking to several new possible subscribers

from the shipyards, I have found that while THE MILITANT is easier to sell to the worker who is not advanced politically, the F.I. can be sold. With work the way it is, it is easy to sell the literature that sells for ten or twenty cents. . . ."

\* \* \*

From a subscriber in the south comes this interesting letter: "I sent you a letter stating that I was leaving town soon and did not know when I would return . . . but I forgot to add that I want my copy of FOURTH INTERNATIONAL and THE MILITANT to continue coming

here, so my family can read them until my return."

\* \* \*

From Northern Ireland comes a plea for more literature: "Most of our members are factory workers. THE MILITANT is, therefore, of special importance, but we also require a regular supply of FOURTH INTERNATIONALS, at least one dozen copies, if you can manage. . . . We are well enough stocked in basic Marxist literature, including most Pioneer publications, but would welcome one or two copies of Trotsky's works on Germany, and also his Spanish pamphlets. . . . Also, we have vainly sought a copy of Volume 3 of Capital through the second-hand bookshops here and in Britain. Could you possibly obtain one for us? We have ample supplies of Cannon's Testimony, but require a stock of Goldman's Speech. To conclude this extensive list of requests, could you spare us a series of the bound volumes of NEW and FOURTH INTERNATIONALS?"

From England: "We have just received the August issue of FOURTH INTERNATIONAL. Congratulations on a very good issue. I have also received the copy of the June issue for which I asked you. Many thanks. Despite the very high standard of all the articles in the August issue, I feel compelled to mention that Marc Loris' article on the Old Man created a tremendous impression here."

From Chile: "Although this letter should have been written in English, it is being written in Spanish since none of us is sufficiently acquainted with your language. We trust, of course, that if you don't speak Spanish, there will be some one who can read this note.

"My intention is to ask you to send me FOURTH INTERNATIONAL and THE MILITANT. I wish you would indicate here how I can send the price of the subscription. . . ."

"In our district, the receipt of your publications has the greatest interest, for that is the chief source of information which we are enabled to procure for *Lucha Obrera*, our local periodical.

"Greetings to the sentenced North American comrades (the most militant of North Americans) who are showing us by their example (which is that of our great masters) how we ought to fight."

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## The Attack on 'The Militant'

### *They Collaborate with Fascists Abroad and Attack Freedom of the Press at Home*

By JAMES P. CANNON

*National Secretary, Socialist Workers Party*

(Reprinted from "The Militant" of November 28, 1942.)

During the same week that the American authorities clasped hands with the French Quisling, Darlan, in Africa and sought collaboration with the fascist Franco in Spain, here in the United States they took the first steps to suppress a bona-fide anti-fascist workers' paper—*The Militant*.

As reported last week, the issues of November 7 and November 14 were held up by the Post Office authorities. Since then the November 7 issue has been destroyed at the Post Office on orders from Washington, and the issue of November 21, which carried a report and protest against these arbitrary actions has likewise been held up. We have learned from attorneys of the Post Office Department that *The Militant* has been subjected to these persecutions because of its editorial policies and criticisms of the Administration.

*The Militant* thus has the honor of being the first workers' paper to suffer a reactionary attack on the freedom of the press, just as the Trotskyist movement was singled out for the first prosecution under the notorious anti-labor Smith Act. But the Trotskyists are hit first only because they are the spear-head of militant resistance to the developing reaction. These attacks against the Trotskyists are, in essence, aimed at all workers' rights and against the labor movement as a whole. The entrenched reactionaries are feeling their way toward a general assault on the constitutional rights of free speech and free press. They want to silence all criticism.

The arbitrary, bureaucratic violation of *The Militant's* mailing rights is only the latest in a series of actions against the Trotskyist movement in the United States during the past year. They all fit into the same pattern.

(1) In June 1941 FBI agents raided the headquarters of the Socialist Workers Party in Minneapolis and St. Paul, seizing literature which was on public sale there. Three weeks later the Department of Justice secured indictments against 29 members of the Socialist Workers Party and leaders of Local 544-CIO. After a five-weeks' trial before a jury which did not contain a single trade unionist, in Minneapolis in October-November, 18 defendants were found guilty of violating the Smith Act of 1940. These were sentenced to prison terms of one year to 16 months. Appeal of these convictions has just been heard in the Circuit Court at St. Louis, and will be carried, if necessary, to the Supreme Court.

(2) Several weeks ago the Department of Justice apparently sought to lay the basis of a new frame-up against

us, when two FBI agents questioned me about a train wreck that occurred over a year and a half ago. The obvious implication of the inquisition was that Trotskyists engage in such acts of violence and sabotage, although the whole record of our movement, and its literature, prove the contrary.

(3) The inquisition about the train wreck fits in with the announcement that a motion picture of ex-Ambassador Davies' "Mission to Moscow"—a brazen whitewash of the monstrous Moscow Trials of 1936-37—is soon to be released with the obvious design to prejudice public opinion in favor of the hangman, Stalin, and against the victims of his frame-ups. The quasi-governmental auspices of this motion picture of the ex-Ambassador's doctored book present a most sinister aspect of this affair.

(4) In the November elections this year the Socialist Workers Party ran as its candidate for U. S. Senator from Minnesota, Grace Carlson, who had received almost 9,000 votes in the previous election. Although other candidates received their returns, *the vote given the SWP candidate was uncounted and unrecorded by the election authorities.*

(5) Now the Post Office authorities have struck at the mailing rights of *The Militant* without even specifying which articles or editorials are objected to.

To cap these crimes, news of these suppressions has itself been suppressed. The managers of the paper were not notified of the suppressions and were informed of them only after they had inquired concerning the non-delivery of the paper. None of the big capitalist papers has published reports of this blow against the freedom of the press.

Thus Trotskyists have been the first to be indicted and tried under the infamous and unconstitutional "gag" act of Poll-Tax Representative Howard Smith. The Department of Justice is apparently trying to devise a "train wreck" frame-up against us. A "propaganda" frame-up is soon to be unreeled on the motion picture screen. The SWP candidate in Minnesota is the first to be deprived of electoral rights. *The Militant* is the first labor paper to suffer suppression since this war began. Finally, the authorities have tried to suppress news of this suppression.

Such are the facts in the sustained campaign of prosecution directed by the Roosevelt administration against our movement.

In a featured article in the *New York Times*, Sunday, September 21, 1941, Roosevelt's Attorney-General Biddle was

quoted as saying: "Insofar as I can, by the use of the authority and influence of my office, I intend to see that civil liberties in this country are protected; that we do not again fall into the disgraceful hysteria of witch-hunts, strike-breakings and minority persecutions which were such a dark chapter in our record of the last world war."

We could quote similar declarations of intent from President Roosevelt and other high officials of his administration.

These declarations flagrantly contradict the policy of persecution initiated by Roosevelt's administration against our movement. Despite their promises Roosevelt and his aides have set their feet upon the path of persecution blazed by the Wilson administration in the last war. President Roosevelt takes up where Wilson left off: Attorney-General Biddle, with his raids and prosecutions, imitates Attorney-General Palmer; Postmaster General Walker suppresses socialist and labor papers like his Democratic predecessor Burleson; OWI head Davis suppresses the news of our suppression like propaganda minister Creel during the last war. They "use the authority and influence" of their offices, not to protect civil liberties, but to abridge them. Persecutions speak louder than promises.

The Administration claims that it is waging this war to defend democracy against the fascists and to preserve the four freedoms, among them the freedom of speech and freedom of the press. But what are they actually doing? They attack free speech. They attack the free press. While dealing with Quislings and fascists abroad, they strike at genuine anti-fascists at home.

The uncompromising anti-fascist policy of the Trotskyists is known to every informed person. The Trotskyists of Spain fought in the Spanish Civil War against Franco's fascist dictatorship; they are fighting against him today while Washington seeks an alliance with him. Under terrible persecution the Trotskyists of France fought against Darlan and all the other men of Vichy. Jean Meichler, a Trotskyist leader, was executed by a Nazi firing squad in France. Leon Lesoil, leader of the Belgian Trotskyists, has just died in a German prison for fighting against the Nazis. The Trotskyists in Germany fight under the most adverse illegal conditions for the overthrow of Hitlerite imperialism.

Roosevelt's Department of Justice knows precisely what we stand for. The leaders of our party explained our program and policies in full detail to the judge, prosecutors and jury at the Minneapolis Trial. This testimony has been published and distributed in thousands of copies to workers all over the country, all over the world in fact.

Our program and our record demonstrate that we Trotskyists are anti-fascist to the core. We are unremitting fighters in the interests of labor. We fight for the preservation of all democratic rights and civil liberties, against every form of inequality and injustice. As revolutionary socialists, we are principled opponents of the Roosevelt administration and

criticize it from the standpoint of the socialist and labor movement.

These are our crimes in the eyes of the Administration, and they add to their crimes in attacking us for them. The Roosevelt regime claims to oppose fascism but it collaborates, when expedient, with the fascists. It claims to be defending the four freedoms while trying to deny these freedoms to its political opponents. We Trotskyists, however, are defending democratic rights here at home against Roosevelt's assault upon them. We are fighting for the freedom he hypocritically pretends to be safeguarding.

### Warning to the Labor Movement

But we are not defending these rights for ourselves alone. We are fighting on behalf of the entire labor movement in the United States. We are only the first to be attacked. If the government can put through these initial moves without a wide protest, prosecution of others will surely follow.

If *The Militant* can be suppressed, any CIO or AFL paper can be likewise suppressed. If our party's candidates are not given their electoral rights, other parties can be similarly disfranchised. If the leaders of Local 544-CIO can be convicted under the Smith "Gag" Act, this law will be used against other militant trade union leaders. If the FBI can succeed in their frame-ups against us, they will extend the frame-up system to others.

The persecution against the Trotskyist movement is simply the first step toward an all-out campaign against the militants in the trade unions and the civil liberties of all working-class critics of the Administration. The workers have already been denied the right of collective bargaining and the right to strike. Are they now to be deprived (by the powers that be) of the elementary right to express their convictions, to criticize the acts of the government and the reactionary plots of the profiteers, to defend their interests *even in words*? Wages have been frozen. Are civil liberties also to be frozen? The cost of living is mounting daily. Is the wave of reaction to be permitted to rise along with it?

These are the issues involved in our fight against the persecution of our party and the suppression of *The Militant*.

These are the reasons why our fight should be supported by the whole labor movement and every sincere believer in democratic rights and civil liberties.

Over 100 years ago, when William Lloyd Garrison started his famous abolitionist newspaper, *The Liberator*, he wrote in its first issue: "I am in earnest—I will not equivocate—I will not excuse—I will not retreat a single inch—and I WILL BE HEARD."

With this same spirit, we intend to wage our struggle against the censorship of today's reactionaries. It is with this call that we summon to action every individual and organization determined to fight for the preservation of genuine democracy here in the United States.

# The 1942 Elections

By THE EDITORS

The outstanding feature of the biennial elections this November was the defeat sustained by Roosevelt and his Democratic Party. The Democratic majority in the House of Representatives was reduced from 85 to 8. Nine Republicans replaced eight Democrats and one Independent in the Senate. The Republicans ousted Democrats from the governorship in

four states, including two of the most populous and important, New York and California.

From coast to coast the trends in the elections were unmistakable. Candidates bearing Roosevelt's colors or stamped with a liberal and New Deal label were marked for defeat. Among the casualties were such standard-bearers of Roose-

velt as Hague's Senator Smathers of New Jersey, McNeeley of West Virginia, Lee of Oklahoma, Governors Van Wagoner of Michigan, Olson of California, Hurley of Connecticut and the Farmer-Labor candidates of Minnesota. Contrariwise, the more reactionary and conservative the candidates, whether they ran on the Republican or Democratic ticket, the greater were their chances for election. Among those placed in office were "Poll-Tax" Representative Howard Smith of Virginia, Senators Wayland Brooks of Illinois and Ferguson of Michigan, ex-President of the U. S. Chamber of Commerce and now Senator Hawkes of New Jersey, Governor Baldwin of Connecticut, attorney for the union-busting Sikorsky Corporation, Governor Stassen and Senator Ball of Minnesota. Representative Hamilton Fish of New York and many other targets of Administration supporters and its liberal following emerged victorious.

Roosevelt was delivered a smashing blow in his home state of New York. Dewey, the defeated Republican candidate in 1940, was elected Governor by 610,000 votes, ending a 20-year Democratic rule of this key state. This followed upon the defeat administered to Roosevelt within his own party organization, which nominated Farley's choice Bennett for Governor against Roosevelt's candidate Mead.

Where Republican candidates were defeated, as a rule they ran more closely to the Democrats than the other way around. The Republican Party carried states containing nearly 80,000,000 of the national population of 130,000,000. These states have an electoral vote of 292, much more than is needed for a presidential majority.

## The Significance of Roosevelt's Defeat

The war, it might well have been expected, would serve to enhance the power of the Commander-in-Chief and consolidate the classes around him in national unity. Yet the opposite occurred in the first elections after Pearl Harbor. The election results clearly demonstrate that Roosevelt's power has sharply declined and his prestige suffered since his election for the third term by such a great majority in 1940.

What does this mean? For 12 years Roosevelt has been the political mainstay of American capitalism, the immovable center around which all other political forces in the capitalist camp have revolved. Roosevelt's re-election for the third term, breaking a tradition of over 150 years standing, showed how irreplaceable he had become in the political life of the capitalist regime in the United States.

Roosevelt's admirers attribute his prolonged rule to his extraordinary personal abilities and political dexterity. They turn the real relations upside down. Roosevelt's personal qualities only made him fitted to occupy the exceptional position, to play the particular role, to acquire and to exercise the predominant power he has so long maintained.

Roosevelt took the presidency when American capitalism had been plunged into its most severe crisis, which produced a tremendous sharpening of relations between all classes. The conflict between the ruling monopoly capitalists and the workers threatened to overturn the political stability and social structure of the country.

Roosevelt shouldered the task of overcoming this crisis and reconciling the conflict of interests between the classes. Thanks to a series of favorable conditions (the temporary upturn in world economy from 1933 to 1937, the wealth of the United States, the political immaturity of the working class, the pre-war boom, etc.), the Roosevelt of the New Deal became the super-arbiter of American politics. He was the dead

center of the raging storms which shook American society throughout this period. There was no important issue or occasion, no vital sphere in which Roosevelt did not act as pacifier and stabilizer, the infallible though temporary resolver of contradictions.

First and foremost, Roosevelt moderated the conflicts between organized capital and organized labor. The political savior of American capitalism was at the same time regarded as the foremost friend of labor. He was the incarnation of the policy of class collaboration.

That was the guiding line of his New Deal program and his pre-war administration policies.

Roosevelt was not only the moderator between capital and labor. As the acknowledged political head of the official labor movement he was likewise the arbiter between contending factions within labor officialdom. Lewis, Green, Murray, Hillman, Tobin and virtually every other trade-union leader have at one time or another hailed Roosevelt as their chief. When these officials squabbled amongst themselves, Roosevelt stepped in to reconcile their differences. He intervened in the struggle between the AFL and the CIO; within the AFL for Green and Tobin against Hutcheson; and within the CIO for Murray against Lewis. And in the Minneapolis case he intervened to protect the autocracy of the AFL bureaucrats against the militant leaders of the Minneapolis teamsters.

Roosevelt mediated between contending sections of the bourgeoisie in his capacity as chief political executive of the general interests of American capital. He sought to soften the struggle between monopoly capitalists and agricultural capitalists, between the upper and the lesser bourgeoisie, between the smaller farmers and Big Business, between Southern capital and Northern capital. He was the super-boss in his own heterogeneous Democratic Party, the tie which bound together the labor and liberal following on the left wing with the ultra-reactionary Southern Bourbon and big capitalists on his right. He yoked together the corrupt professional machine politicians, Kelly-Nash in Chicago, Hague in New Jersey, etc. with his "progressive" supporters.

The war has expanded rather than contracted these functions. As Commander-in-Chief of the armed forces, Roosevelt must adjust relations between the civilian population and the armed forces and settle bitter rivalries between the various branches of the armed forces themselves. Like Wilson, as head of American imperialism, he has become exalted to super-arbiter of the destinies of the world. As administrator of Lend-Lease and the colossal resources of the country, Roosevelt determines the rise or fall of political regimes and the course of many countries. He is today the court of last resort in controversies within the unstable coalition of the "United Nations," just as he has been within the United States. Finally, thanks to Stalin's diplomatic dependence upon the Allied imperialists, he has become supervisor of the relations between the USSR and the richest section of the world bourgeoisie.

If Roosevelt cannot get along without the support of all these conflicting forces, they in turn cannot get along without him. He is indispensable for reconciling their differences, for suppressing their irrespressible conflicts, for maintaining their present relations. Roosevelt is therefore the chief source of political stability within all these heterogeneous combinations. Anything which weakens Roosevelt's position or authority automatically undermines the stability of these blocs, and hurls into confusion everything from the bourgeois-democratic regime in the United States to the equilibrium of the "United Nations."

Such are the implications involved in the rebuke to Roosevelt in the elections. He is beginning to lose his social support among the masses and therewith his political supremacy. The main political prop of bourgeois democracy is beginning to crack. This collapse is still in its initial phases. Although Roosevelt remains in office he has lost control of Congress and part of his popularity among the masses. But the symptomatic significance of these developing tendencies is for this very reason all the more important. His popularity and power is rooted in the past while a new constellation of political forces is starting to take shape in the United States.

### The Shift Away from Roosevelt

The election results indicate that two different sections of the people are beginning to leave Roosevelt's camp. One consists mainly of middle-class elements; the other of industrial workers, hitherto the principal supports of Roosevelt's New Deal. These two social forces are traveling away from the Roosevelt Democracy but at the moment in opposite directions.

The war has already dealt tremendous blows to the middle classes and they incline to blame the policies of the Roosevelt administration for their sufferings. The mounting cost of living, high taxes, tire and oil rationing, the induction of 18-19 year olds into the armed forces, the wholesale wiping out of petty proprietors of gas stations, groceries, etc.; the increasing difficulties of small business men, the lack of agricultural labor—all these and many other grievances exasperating the middle classes caused them to turn upon the Roosevelt lieutenants. They expressed their resentment for the most part by voting for Republican or anti-Roosevelt candidates. This is most clearly evidenced by the vote in the Middle Western states of the farm belt, in upstate New York, in rural Connecticut. This shift away from the New Deal signifies that the more mercurial and angered elements among the middle classes are seeking new avenues of political expression.

Votes of no-confidence were registered in a positive manner by voting against Roosevelt's candidates and for his opponents as did the middle classes, or else by the negative method of abstention from voting at all. This latter was the workers' favored method of protest. They exhibited their loss of faith in Roosevelt, their dissatisfaction with the present state of affairs not so much by returning to the Republican ranks and voting for conservative capitalist candidates as by refusing to go to the polls. This "outburst of apathy" amongst the workers has been commented upon by all observers. It is confirmed by the unusually small vote in almost all industrial areas—except New York.

The official labor leaders bestirred themselves to get out the vote for Roosevelt's people, but the workers failed to respond to their call. They felt for the most part that they had nothing at stake in the elections, that there was too little difference between the Democratic and Republican capitalist candidates and conservative programs, that in these elections the ballot offered no means of solution for their problems.

This signifies that many workers are beginning to turn against their former political leadership but have not yet found a new party, a new program, a new political road through which they can hope to express their needs and gain their ends.

The heavy vote cast for the American Labor Party in New York demonstrated, however, that the vanguard of the industrial workers is ready for independent labor political

action and organization. The same key state in which Roosevelt suffered his biggest defeat was the place where the Labor Party movement attained its greatest victory. It did so under the most adverse circumstances. The Labor Party candidate, Alfange, was a nonentity, a Tammany legal light, unknown and unaffiliated to the American Labor Party before his nomination. The Labor Party proposed no program different from the most subservient supporters of Roosevelt. The ALP in the past several years has been the cockpit of a fierce unprincipled struggle for organizational control between the right-wing labor bureaucrats and Stalinists. The ALP leaders were compelled to nominate an independent candidate at the last hour against their will and only because they did not dare support Bennett, the candidate of the Democratic Party's right wing. Roosevelt's labor lieutenant Hillman, President of the Amalgamated Clothing Workers, one of the two principal trade union pillars of the ALP, came out in favor of the Democratic candidate.

Yet despite these colossal handicaps, the vote for the ALP gubernatorial candidate exceeded the most optimistic expectations. He received 10 per cent of the vote in New York State; eighteen per cent in New York City. It is estimated that from ten to fifteen per cent of the worker-voters throughout the country boycotted this election. In New York about the same percentage came out and voted for the Labor Party slate. The Labor Party converted them from apathy into action!

Every revolutionist, every militant worker, ought to grasp the real significance of this vote. The ALP of New York did not vote for a joint Democratic and Labor Party candidate as they did in 1936, 1938 and 1940. They voted for the candidate of their own class party. They voted *against* Roosevelt's and Lehman's express appeal to them to support Farley's man. It is true that these workers also voted for Roosevelt's general war program, but that corresponds to their present stage of political and theoretical development. From the class point of view, the predominating fact is that they aspire to carry out that program through their own independent political organization. That is why all those "radicals" who abstained "on principle" from giving critical support to the Labor Party candidates displayed their inability to analyze and appraise current political developments in the labor movement.

The very factors which the petty-bourgeois pretenders advanced as proof for non-support of the Labor Party go to prove the opposite. The workers wanted the Labor Party, despite all the above-cited defects in the existing Labor Party setup. The workers of New York supported the Labor Party in the same spirit as the Russian workers support the present Soviet state. This confirms the correctness of our party's support of the ALP candidates and should stimulate continued work for the promotion and improvement of that movement.

The official labor leadership and their ultra-left petty-bourgeois shadows may act to hold back the advancing Labor Party current. But the Labor Party idea is spreading in the ranks of the working class; it gained strength in New York. More than any other single fact in the elections, this points the way to the future.

The Socialist Workers Party was able to run only two candidates in the elections: George Breitman for U. S. Senator in New Jersey and Grace Carlson on a sticker campaign for U. S. Senator in Minnesota. The votes for its candidates have not yet been tabulated. However, the main aim in these two campaigns was to reach more workers than ever before with the Socialist program. This aim was achieved.



The entrance of the United States into the war immediately strengthened all reactionary forces at the expense of the labor movement. The elections will undoubtedly tend to fortify these tendencies. The Southern Bourbon bloc now holds the balance of power in Congress and, in alliance with other agents of Big Business and ultra-reactionaries like Hamilton Fish, are in a position to exert tremendous pressure upon Roosevelt and to speed up their campaign against organized labor. Immediately after the elections, Senator O'Daniel of Texas demanded complete suspension of the Wage-Hour Laws and talked about a 72-hour week. Roosevelt's henchman, Congressman Rankin of Mississippi, also demanded repeal of the Wagner Act and urged removal of "the Communist crackpots in key positions" in the name of "the white Anglo-Saxons of the South."

The labor leaders' subservience to Roosevelt and his war program is bound to bear even bitterer fruits as Roosevelt more and more becomes the captive of the labor-hating, union-busting elements of Washington and Wall Street. The workers can avoid these consequences only by forcing a break with

the Roosevelt war machine, by recovering the lost independence of the trade unions, and by extending the basis of independent political action. As an indispensable instrument of this struggle, which involves the very existence of the labor movement, they will have to build their own Labor Party.

Such a party with a fighting program will not only rally millions of industrial workers to its banner. It will also win over many of the discontented middle-class elements who are looking for new political leadership.

The recent elections was only the first stage in the political evolution of these elements. For want of a better alternative they are taking a step backward before the organized workers will help them take a step forward away from their captivity to the capitalist parties. The Labor Party is not only a political formula for the organizational independence of the industrial workers but likewise a means of collaboration between them and the progressive sections of the middle classes.

That is why the Labor Party slogan is the key to the next stage in the political progress of the American people.

## North Africa: A Lesson in Democracy

By MARC LORIS

Basing themselves on an examination of the economic system and the social structure of the great modern nations, Marxists describe the present war as an imperialist war. Capitalist civilization has passed its apogee and the two great world wars represent imperialism's desperate attempts to emerge from a situation which has no way out. The task of those who want to work for a higher development of humanity is not to collaborate in this hopeless and maniacal enterprise, but to open a way out by laying the foundations for a new social order.

This fundamental truth is obscured for a time by superficial considerations such as the "defense of the nation," the "struggle for democracy," the "struggle against the plutocracies," etc. Among the masses, these are rather ill-defined feelings, but the government propagandas take them, pervert them and use them to cover up the real aims of the war.

However, the socialist explanation does not remain buried in the heads of a few revolutionists. In spite of all the artifices of propaganda, each important development of the war, whether on the military plane or on that of internal and external politics, confirms the socialist analysis.

The most recent of these developments is the invasion of North Africa. It is important because it is the first large-scale offensive action undertaken by the most powerful of the belligerents. Precisely because of this importance, the event cannot fail to help us see the real character of this war.

In breaking the news to the American public on November 7, Roosevelt announced that American forces had landed in Africa "in order to forestall an invasion of Africa by Germany and Italy." Neither Roosevelt nor any other source has given any details about observed preparations of such an Axis invasion. Apparently even the conservative *New York Times* felt obliged to give the story the title "U. S. Meets 'Threat,'" putting the word "threat" in quotation marks.

Roosevelt had to repeat the formula of Hitler, who likewise invaded Norway "in order to forestall an invasion by England." This is an old stratagem of warfare. But what

price, then, all those resounding denunciations of Nazi "treachery"?

Let us examine a little more closely the preparation of the military operations in North Africa. The conciliatory attitude of the American government toward the Vichy clique was for a long time the object of criticism by liberals who were astonished by the "riddle of the State Department." The day after the invasion of North Africa, Secretary Hull hurried to give the key to the mystery. Hull indicated the various objectives of the American policy toward Vichy, especially the purpose of maintaining diplomatic relations. The first purpose was:

"Opportunity for the Government of the United States to get from week to week highly important information virtually from the inside of Germany-controlled territory and from North Africa regarding Axis subversive activities, and other important phases of the international situation."

And the last purpose was:

"And last, but most important, to pave the way and prepare the background in the most effective manner possible for the planning and sending of the military expedition into the Western Mediterranean area, and to assist the movements supporting present British operations farther East."

Thus Secretary Hull gleefully boasted that the American diplomatic representatives were in Vichy territory to conduct fifth-column work. It was also revealed in London that groups of spies in Morocco had for a long time been "in touch with the British at Gibraltar through United States officials in Africa."\*

Of course, we would not dream of being indignant about all this. The means which Washington uses are imposed by the serious struggle which it wages against Berlin: the aim of this struggle is nothing less than the domination of the world. But this is precisely why these means are exactly the same as those which Hitler uses. This very simple and very

\*All quotations unless otherwise indicated are from dispatches in the *New York Times*.

clear idea forces us to say: all "moral" considerations with which either of the two camps seeks to cover up its objectives are nothing but lies. The similarity of methods flows inevitably from the similarity of imperialist aims.

Immediately after the invasion of North Africa a State Department spokesman declared:

"United States food shipments from time to time to the natives of French North Africa have given us an opportunity to put into that area, in addition to consuls and officials already there, twenty Americans expert in the French language and skilled in promoting good will toward the United States."

For more than three years the American press and radio have thrown out pages and kilowatts of indignation about the methods of Nazi infiltration. This moral indignation must now look for other targets. If the Germans knew how to utilize "tourism," the Americans were no less able in utilizing "philanthropy." A little more cynicism on the one side, a little more hypocrisy on the other: this is the only difference between the "fascist methods" and the "democratic methods."

A few days before the American debarkment in Africa, the *New York Times* still recalled the "infamous" character of the Kurusu mission, which covered up Japan's plans for the attack in the Pacific. Henceforth the *Times* and its confreres will have to be more reserved in their moral indignation, lest they suggest an impertinent comparison with the recent feats of the American diplomatic service in North Africa.

## Democratic Fascists or Fascist Democrats?

When Secretary Hull finally revealed the secret of American policy toward Vichy, he emphasized that it was now evident that Washington had no inclination toward the Vichy clique and he took a rather disdainful attitude toward less intelligent Americans who had not been able to understand this from the beginning. The journalists present noted that:

"It was apparent that the Secretary took a keen pleasure in replying to the many critics of Administration policy in this field over the last two years."

It was also disclosed by the State Department that:

"The relations with Vichy were not maintained because of any fondness for the Vichy leaders, and the United States throughout has made clear its contempt for the Frenchmen who were playing the German game."

However, Mr. Hull's "keen pleasure" in replying to the critics of the Administration had to be of short duration, for while Hull was speaking in Washington those who represented the United States in Algiers were showing anything but "contempt" for some of the Frenchmen who played the German game, namely Admiral Darlan and his clique. The "Vichy scandal" was succeeded by the "Darlan scandal," of incomparably greater scope.

Darlan, as the reader will recall, was the head of the French navy appointed by Daladier. At the time of the military debacle in June 1940, this "democrat" thought only of a deal with Hitler, rallied to Petain, subsequently became "Chief of Government" in Vichy and Petain's "heir." In order to find more easily a common language with Hitler, he subjected France to a reign of terror. Now, this ex-democrat turned fascist has become an ex-fascist democrat and he works, we were assured November 18 by Major Akers, one of the American military chiefs of North Africa, to "free" France.

Although obliged to omit many instructive sidelights, we will try to follow this metamorphosis of Darlan from jailer into liberator. Truly, the story is fantastic for those who maintain illusions about bourgeois democracy. But facts are facts.

During the first few days, information was confused and scarce. Monday, November 9, the day following the debarkment, while the fight was going on at Oran and in Morocco, it was reported that an armistice had been signed in Algiers and "approved" by Darlan, who was in Algiers when the American troops arrived.

On Tuesday, November 10, it was reported by American sources that "Admiral Darlan, chief of Vichy's armed forces, is now in Allied hands at Algiers, being entertained by one of our American generals in a style befitting his station." In actual fact, on that very day the Berlin radio had already announced that "Darlan has given his allegiance to the United Nations cause." The official announcement by the American command in Africa did not come until four days later. On November 11, the German-controlled Vichy radio made known the text of an appeal by "prisoner" Darlan, saying: "I assume authority over North Africa in the name of the Marshal [Petain]. . . . Political and administrative organizations remain in force." The American side did not confirm the news, which subsequently proved to be authentic.

On Friday, November 13, Darlan broadcast a new proclamation announcing that he was in command in North Africa, and ending: "All governors and residents must stay at their posts and continue their administration *in conformity with existing laws as in the past*. . . . Long live the Marshal!" (Our italics.) This news, again came from Vichy, without any American comment. In fact, questioned about Darlan on November 10, General Eisenhower, American commander in North Africa, "implied that political developments had no place at present in important military developments." Berlin and Vichy, as we saw, were very well informed of each of Darlan's moves and the secrecy kept by the American command worked only against providing information to the American people. We admit that the news about Darlan was rather hard to break!

On November 14 finally came the official announcement by the American command that Darlan and Eisenhower "would act in cooperation for the defense of North Africa." It is not for nothing that the *New York Times*, which decidedly knows how to use quotation marks, called Eisenhower "Commander in Chief of the so-called 'army of liberation'." Meanwhile, Darlan was assuming more and more the functions of government. He had changed his master but not his methods: one of his aides declared that "he was ready to halt all demonstrations."

On November 16 Darlan, it was reported, "instituted a legislative body to assist him." Hurrah for democracy! It was also reported that Gaston Bergery, Ambassador of the Vichy government to Turkey, was rallying to Darlan, as were Flandin and Pucheu. Flandin is a reactionary politician who had been for a short time Petain's Foreign Minister. Pucheu, as Darlan's Minister of Interior, had arrested and imprisoned thousands of Frenchmen opposed to Nazism and had helped the Germans in preparing lists of those to face Nazi firing squads.

At this moment the scandal rose to proportions truly dangerous for the Anglo-American camp. The democratic myth, so necessary to the imperialists, was seriously discredited. Roosevelt had to intervene and on November 17 made a statement that changed nothing but consoled those who wished to be consoled. The gist of the statement was that the United



States was making a "temporary arrangement" with Darlan. But the statement cautiously left doubt as to what "temporary" meant: whether only for the short time of actual fighting in North Africa or until the final conclusion of the world peace. In any case, the Darlan regime remains the lot of North Africa for an indefinite period.

Liberals everywhere, frightened by the abyss opened by the Darlan scandal, are snatching at Roosevelt's declaration, thinking of only one thing: closing their eyes, for reality brings too many disagreeable surprises.

The final commentary on Roosevelt's statement came in a dispatch from North Africa on November 18, announcing that "the local administration will, wherever possible, be entrusted to the same persons who handled it before the campaign." Since the head of the central African administration is also the same as before, namely Darlan, everyone can see the great change brought about by the passage from the fascist to the democratic camp!

We must note again how the American military chiefs explain their deal with Darlan. On November 15, General Clark, Eisenhower's second in command, expressed his "pleasure" in dealing with Darlan and "disclaimed any purpose to interfere in French affairs." Eisenhower himself had previously declared, in order to explain his arrangement with Darlan, that "political developments had no place at present." Keeping Darlan in office is explained as "abstention from politics," and especially from interference in French affairs! What a refinement of hypocrisy!

## A Bourgeoisie Without a Perspective

The invasion of North Africa and the American policy led to a new political division of the French bourgeoisie. It had already been split into two factions, the collaborationists—themselves divided between Paris and Vichy—and the Gaullists. A third has now appeared, the Darlanists. The question of the perspectives of the French bourgeoisie has thus been raised once more. To attempt to analyze this question we must go back a few steps.

It is impossible to understand anything of the history of France during these last years without starting from the fundamental fact that in June 1936 the country was on the threshold of proletarian revolution. The revolutionary offensive was betrayed by the treacherous leaders of the workers (Jouhaux, Blum, Thorez) thanks to that instrument of perfidy, the Popular Front. But if the French bourgeoisie came out of that ordeal momentarily saved, it remained disabled, without perspective for the future, like a ship which has escaped the tempest but has lost its rudder.

Thus the French bourgeoisie entered a war in which it had nothing to gain and much to lose. The military debacle only increased its confusion. Terrorized by Hitler's quick victory, it had to abandon its traditional attitude of opposition to Germany. The Vichy government pledged itself to "collaboration." On the whole, the bourgeoisie followed it, but without enthusiasm. On the one side, a minority wanted more active collaboration with Germany. On the other, a less noisy minority, soon growing large, had its eye on England and America. The majority thought only of existing from day to day, compromising itself as little as possible and saving whatever could be saved. Economically the majority of the bourgeoisie went to work for Germany; but the economic poverty and the uncertainty of a final military victory of Germany prevented the Petainists from opening a long perspective in this direction,

of creating a consistent policy capable of uniting the entire class and opening up a future for it.

In such a situation of crisis and disintegration, with all its traditional values destroyed, when the class has no general unifying perspective but is adrift, momentary considerations come to the fore. Each individual interprets "national interest" in his own way and each change in the military situation brings with it somersaults from one camp to the other—"betrayals." After the disappearance of the imperial dynasty of China in 1911, the Chinese generals became celebrated throughout the whole world for the ease with which they changed camps. Henceforth we will take the French generals, or rather the admirals, to illustrate this phenomenon.

Darlan's "crisis of conscience" appears to have lasted less than twelve hours. Sunday, November 8, in the morning, he sent French soldiers and sailors to be killed by the Americans, and in the evening he had made an "arrangement" with the Americans as formerly he had "collaborated" with the Germans. Pro-German and pro-fascist at breakfast, he went to bed in the evening pro-American and democrat.

Three or four factions are now disputing the right to speak in the name of the "national interest." But this is a dangerous game, for it clearly reveals to the French masses, to the deepest layers, the disintegration of the political consciousness of the French bourgeoisie, its inability to play a leading role, and thus prepares the consciousness of the masses for a total overthrow of capitalist society.

According to the standards of the bourgeois "democrats," the regime in North Africa should have been a Gaullist government. Some time ago an amateur politician wrote of "The Free French clique of monarchist de Gaulle, whose odor is so foul that Washington fears to give it full recognition lest sympathy of the French people be further alienated from the Allied cause."\* Everybody can now witness Washington's care for decency and its respect for the feelings of the French people! In fact, at the present stage of the political consciousness of the French masses, a de Gaulle regime would answer the needs of bourgeois democracy much more than a Darlan regime. But the installation of a de Gaulle government could take place in North Africa only by a political struggle against the Vichy heads, coupled with military action. This might have been an invitation to insubordination of the French troops against their pro-fascist superiors. Even if this revolt had taken place in the name of patriotism and democracy, it would have created a dangerous precedent. Moreover, the militant patriotism of the de Gaulle movement would risk entering into conflict at one time or another with American interests while the cynical servility of Darlan had already proved its docility in the experience with the Nazis. The general conclusion is that democracy, even bourgeois, is the last thing that counts in imperialist "arrangements."

Last but not least, we must not forget that all this happened, not in France but in North Africa, a colonial country where the French are a small minority among an Arab population of fifteen millions savagely exploited by French imperialism. The farthest thought from Roosevelt's mind is the carrying of the "four freedoms" to the peoples of North Africa. A dispatch from Oran on November 15 tells us that the "French troops cooperating with the Americans raided a village near Oran today to take arms from the Arabs, who have been picking them up in the confusion around the recent battlefields." We can easily understand that the American com-

\*Henry Judd, *The New Internationalist*, August 1942.

mand had nothing more urgent than to come to an understanding with the great imperialist pro-consuls it found there in office: Nogues, Esteva, Chatel. The deal with Darlan only crowned that operation.

Moreover, it is possible that after Darlan will have given all he can give, the Americans will drop him. The liberals will write that at last democracy has triumphed. We need hardly add that even if Darlan goes, the whole French imperialist administration will remain in office.

### Everything Falls into Place

The American collaboration with Darlan must have tremendous political repercussions, not only in France but throughout all Europe. For years millions of men have known intolerable suffering under the Nazi iron heel. A great number of them imagined that their liberation will come through the Anglo-American troops. The first act of the commander of these troops after the first debarkment was to collaborate with a lackey of the Nazi executioners, who finds a few hours sufficient for passing from one camp to the other. The people who are now still suffering and struggling under their own Darlans will learn quickly and well—we can be sure of that—the political lesson that must be drawn from this ignoble event.

A reformist trade unionist who has just escaped from France and arrived in London reported on November 19 that in a few days "President Roosevelt has lost about 75 per cent of his prestige with the French masses" as a result of his deal with Darlan, and that "the French people evinced consternation and indignation." We can easily believe him.

Anglo-American imperialism is, in a sense, caught in its own trap. To cover up its war aims it presents itself as a champion of freedom against the Nazis. The Hitlerian crimes have given this claim a semblance of reality in the eyes of the

masses. But sooner or later, since the war is not conducted for freedom but for domination, the democratic myth must crack and the masses will see the imperialist reality. The "liberator" comes to offer to the peoples their jailer of yesterday.

The real character of the war will thus be revealed little by little to the broad masses. Hopes change into consternation and indignation. The promises of either camp are shown to be lies. Everything will fall into place. As for us, we leave to others the task of being astonished and scandalized. Our only weapon against our powerfully armed adversaries is the truth. Our strength is that we base ourselves upon social reality. And so we can only congratulate ourselves when things appear in their true light.

The indignation against the "democracies" will inevitably turn against the movements which have tied their political fate to Anglo-American imperialism. These include all the pro-Ally democratic groups, including the Stalinists. In each country of Europe, American collaboration with Darlan, whether it is of long or short duration, is a blow to all these tendencies and it greatly facilitates the work of the consistent revolutionists who have never taught the masses to look to one imperialist camp or the other for their salvation. The warnings of the revolutionists are confirmed. Their authority cannot fail to grow among the masses.

In spite of all the initial incidents, the two camps take more and more symmetrical positions on the historical scene. Darlan, utilized in turn by Hitler and by Roosevelt, symbolizes this symmetry. Hitler's "new order" has already revealed its emptiness. Anglo-American "democracy" now begins to reveal its own falsity. On both sides of the scene the masks are falling off. This means we are approaching the final act, where a new figure enters the scene: the revolutionary proletariat.

# The West Coast Longshoremen and The 'Bridges Plan'

By C. THOMAS

In his article, "Trade Unions in the Epoch of Imperialist Decay," published in the *Fourth International* of February 1941, Leon Trotsky shows that "There is one common feature in the development, or more correctly the degeneration, of modern trade union organizations in the entire world: it is their drawing closely to and growing together with the state power." Trotsky further shows that unless the trade unions struggle militantly for their independence from government interference they will suffer the fate of the unions in the fascist countries. Furthermore, if the government succeeds in strangling the unions, the responsibility for the catastrophe will rest solely upon the labor bureaucrats who "do their level best in words and deeds to demonstrate to the 'democratic' state how reliable and indispensable they are in peace time and especially in time of war."

The maritime industries in Great Britain and the United States provide a fertile field for study of this process.

During and after the First World War, the relationship of the maritime industry to British economy made it imperative for the ruling class of Great Britain to insure a docile per-

sonnel in the British merchant marine and a servile leadership in the unions; for the transportation system which interlocked the distant possessions and which was the key to Britain's world strength likewise constituted the point most vulnerable to union pressure. In return for a check-off system through which the shipowners collected 90 per cent of the union dues, the bureaucrats heading the union demonstrated how "reliable and indispensable" they were to the state power. By accepting joint shipowner-union control of the hiring halls and by accepting the Continuous Discharge Book, which acts as a blacklist, they broke the militancy of the British seamen.

In the United States during the last war, contrary to England, most of the foreign trade was carried in foreign bottoms. There was no merchant marine to speak of. Wall Street possessed no large colonial empire as did London to give the merchant marine strategic importance. Nor did the American bourgeoisie as a whole feel it urgent to build a large merchant marine as auxiliary to the war fleet. The "isolationist" outlook, rooted in the exploitation of a rich internal market,

had not yet conceded first place to the views of the "interventionists" who for some decades had looked forward to American domination of the world through construction of an invincible sea power. In that period, internal transportation, especially the railroads, had approximately the same relation to American economy that water-borne transportation had to British economy. Therefore it was the railroads that were taken over by the U.S. government. It was the railway unions which suffered imposition of the machinery of collaboration, making it impossible for them to exercise any degree of independence to this day.

In the Second World War, however, American imperialism has taken as its aim the domination (and policing) of the entire world. Today the maritime industry bears the same strategic relationship in maintaining and extending the economic base of American imperialism that it bore for England in the last war. Hence it has become imperative to Wall Street to end the independent role of the maritime unions either indirectly by tying the trade union bureaucracy to the state apparatus, or, failing that, openly by attempting to smash the unions in a head-on assault.

It is true, of course, that the two methods can be combined. Every inch gained through the "appeasement" policy of the trade union bureaucrats places the government in a stronger position for the open collision. So long as the present relationship continues, the Administration naturally favors the velvet glove.

## The Mechanism of Strangulation

The most important device developed by the British ruling class in drawing the maritime unions into the stranglehold of the state power is the "labor-management-government" board. Prior to the outbreak of World War II, maritime unionists in this country had to rely more or less upon the experience of the British workers for their knowledge of the anti-union role played by this device. Upon entry into the war, however, the whole process of labor-management collaboration was greatly speeded up in the United States.

The trade union bureaucrats as a whole have vied with one another in demonstrating how "reliable and indispensable" they are in foisting this collaboration upon the workers. The Stalinists, however, occupy a special position. During the fatal honeymoon with Hitler which paved the way for the attack upon the Soviet Union on June 22, 1941, they advanced the slogan, "The Yanks Are Not Coming," and put up a measure of resistance to the anti-union drive for collaboration. With the attack, however, they switched over in line with Stalin's foreign policy and today are among the loudest in the chorus for more and more labor-management committees and bigger and better labor-management-government boards.

Harry Bridges, who heads the CIO longshoremen of the West Coast and who has long been known as a wheel-horse of the Stalinists, advanced a "plan" after the switch in the Stalinist line, to establish a government board to assume direction and control of the maritime industry. The Stalinist propaganda machine hailed the "plan" as the work of a creative genius. A "labor-management-government" board was actually established under the "Bridges plan" as it has become known in the industry. Sufficient time has now elapsed to arrive at some conclusions concerning the workings of this board and its role in tightening the government vise upon the maritime unions.

In a speech to the Industrial Relations Section of the Commonwealth Club, April 8, 1942, at San Francisco, Harry Bridges declared:

"The International Longshoremen's and Warehousemen's Union, a large part of which embraces the loading and discharging of practically all ships entering Pacific Coast ports, proposed to its employers and to the government a plan to have the entire longshore industry on the Pacific Coast operated exclusively under the control of a joint management-labor-government board. *We devised the program, and we pushed for its adoption.*

"In proposing the establishment of such a board, the union agreed to set aside *any and all provisions of its entire collective bargaining contract*, if any such provisions or the contract in any way blocked an all-out war effort." (Our emphasis.)

To make clear that he fully recognized the extent of the concessions he proposed, Bridges added:

"It should be remembered that our collective bargaining agreement covering nearly all longshore work on the Pacific Coast, was the result of maritime and general strikes of 1934, and 1936-37, and represented *all* the gains of our union as a result of those struggles and many negotiations and arbitration procedures." (Our emphasis.)

The Pacific Coast Maritime Industry Board was established in March 1942. F. P. Foisie, president of the Pacific Coast Waterfront Employers Association and a member of the Board, gave the following account of the character of the Board:

"The Board was set up by administrative order of Admiral Land, under authority of the President's Executive Order which created the War Shipping Administration. Under this authority, all American owned shipping has been taken over by the Government. Shipping (shore and ship) is in a fair way to follow.

*"The members of the Board are appointed by and removed at the pleasure of the War Shipping Administration.*

"Its authority, as well as appointment, derives from the Government. Because organized labor and organized employers are represented, it partakes of the nature of a tri-partite war board. *England leads the way for us in setting this pattern.*" (Our emphasis.)

The Stalinists may trick the workers into believing that the "Bridges plan" sprang full-blown from the brow of the Olympian 'Arry, but the bosses are entirely familiar with the origin of the idea and place the credit for "creative genius" where it belongs—with the British ruling class!

## Shipowners Appoint and Remove

"The members of the Board are appointed by and removed at the pleasure of the War Shipping Administration." What is the composition of this august body into whose hands such power is given? At the time of the formation of the Maritime Industry Board, the War Shipping Administration was composed of a majority of \$1-a-year men, who prior to their appointment occupied official positions in various shipping companies. We quote from the April 24, 1942 issue of the *West Coast Sailor* which gives a partial list of the personnel of the WSA:

Admiral Land (Chairman); Wm. Radner, General Counsel (formerly counsel for the Matson Navigation Co.); J. E. Cushing, Pacific Coast representative (formerly president, American-Hawaiian S.S. Co.); A. R. Lintner, representing Seattle area (formerly manager, American Mail Lines); H. Robson, Director General (formerly executive vice-president, United Fruit Co.); Ralph Keating, Director of Allocations and Assignments (formerly United Fruit Co.); M. L. Wilcox, Director of Operations (formerly United Fruit Co.); B. Jennings, Director of Operations (formerly with the Oil Tanker Co.); D. S. Brierly, Director of Maintenance (Maritime Commission "career" man); Dan

Ring, Director of Personnel (Maritime Commission "career" man); and Capt. H. L. McKay, Director of Forwarding (U. S. Navy Retired).

(Since this list was compiled a number of changes have been made in the personnel, but the changes were insignificant, as one ex-shipowner was substituted for another.)

The WSA then, an aggregation of shipowners and career men, "appoint and remove at their pleasure" the personnel of the Maritime Industry Board. However, in order to further the deception that the Board is an "impartial" body, the WSA appointed two representatives from the union, two from the Waterfront Employers, and an "impartial" chairman, Dean Wayne L. Morse of the University of Oregon. It was to foster the illusion of impartiality that Mr. Foisie remarked: "Because organized labor and organized employers are represented, it partakes of the nature of a tri-partite war board." Or, a "labor-management-government" board.

## Board Imposes Speed-Up

When the order creating the Board was made public, Dean Wayne Morse made a speech in which he said: "I want, the country wants, the armed forces have the right to expect, a longshore speedup, and more speedup, and then some more." Echoing this sentiment, Bridges declared "in this period the unions must be converted into instruments of the speedup." Thus the function of the Board was clearly defined by the "Government" in the person of Morse, the "impartial" chairman, and by "Labor" in the person of Harry Bridges. As for the shipowners they responded with a fervent "Amen!"

Has the Board fulfilled the function assigned to it by the "labor-management-government" spokesmen?

When the War Labor Board was established, Dean Wayne Morse was promoted to that Board as a representative of the "Public." Professor Paul Eliel, who had previously functioned as assistant to Morse, took his place as chairman of the MIB. On June 10, 1942, approximately three months after the MIB was established, the *Daily Commercial News* (San Francisco) published a statement by Eliel which read in part:

"Longshore output in Pacific Coast docks, spurred on by rulings and findings of the Pacific Coast Maritime Industry Board, has increased at least 10 per cent in the last three months, Professor Paul Eliel, chairman of the board estimated last night. He described the estimate 'as conservative' and said much better showings were made in individual cases."

In an editorial in the *Pacific Shipper* for July 6, 1942, the following comment appeared:

"Since Pearl Harbor, the Pacific Coast longshoremen have increased loading and discharging speed and efficiency on an average of between 10 and 15 per cent, while records have been set in the handling of individual ships. Considerable responsibility for this increase has been due to the function of the Pacific Coast Maritime Labor Board under the direction of Paul Eliel, professor of economics from Stanford University."

As both the sources quoted represent the shipowners' viewpoint, the estimates must be considered conservative. An increase in longshore output means a quicker turn around, less time in port for the ship, and a corresponding increase in profit. The shipowners were all for it!

But it is a peculiar thing about bosses, that war or no war, their appetite for profits is hard to satisfy. On July 13, 1942, just one week after the *Pacific Shipper* had announced an increase in longshore output of between 10 and 15 per cent, Mr. F. P. Foisie, president of the Waterfront Employers Association, made a speech to the Industrial Rela-

tions Section of the Commonwealth Club, San Francisco, in which he discussed the Maritime Industry Board, its accomplishments and failures. After grudgingly crediting the MIB with speeding up the longshoremen by setting aside provisions of the agreement which presumably "interfered with the war effort," Mr. Foisie added:

"The bald fact is that the notorious inefficiency of cargo handling in our Pacific Coast ports continues almost unabated. Recent betterments are slight and spotty. *Efficiency lost during the past seven years has not been restored.* That fact is common knowledge to all concerned."

"No adequate comparison is possible between the handling of commercial cargoes before the war and the war cargoes since. But the restrictive rules in the labor agreement limiting production remain in effect; and proposals to remove them are steadily opposed. The Board guarantees to restore any and all restrictive rules at the end of the war if the Union will abandon them for the duration. The responsibility for this refusal rests squarely on the Union leadership. The argument advanced is that the morale of the men will suffer."

"In addition to restrictive rules, restrictive practices which are fastened on the industry by job-action of the last eight years have also been continued in full vigor. These restrictive practices are evident on much if not most of the work and witnessed daily; feet still drag; loafing is widespread; leaving the job and the dock while on pay is common; early quitting and late starting is general; use of unnecessary men; the list is long. The facts are evident.

"The longshore members must shoulder the responsibility for these restrictions on the outturn of work. Pay for work not done is hurtful of labor's own long-range interests. Efforts of union officials to correct these conditions thus far have been futile. The habits are set and those union officials who attempt to impose penalties on their men (except for union offenses) run the risk of being crucified. This loss of control by the union over its wayward members is the result of past teachings of job-action and contract violation. The union seems incapable of disciplining its men and must either pass discipline to the joint control of union and management, or it will become the responsibility of the Maritime Industry Board itself."

After gratuitously commenting that "A goodly share of the longshoremen, men of character and quality, do excellent work," Foisie hastens to add,

"but they suffer a steady browbeating on the job from ne'er do wells, a relatively small group who raise all the hell, and make wretched the lives of everybody around them, on the job, in the dispatching hall, and at union meetings. *Nothing but the restoration of discipline and discharge—wholly missing from this industry since 1934—will do the least bit of good.*" (Our emphasis.)

"There can be little doubt that reasonable efficiency can be restored and increased only when a measure of discipline is returned to the industry, restrictive practices abandoned, and restrictive rules set aside for the duration. That these will come I have no doubt, but apparently they will not come until the war needs are brought home to us more vividly. *This is the major chore for the Board to undertake, and the time is right.*" (Our emphasis.)

For the spokesman of the shipowners, Paradise Lost is dated 1934 A.D.—Paradise Regained, a return to pre-1934 conditions on the Pacific Coast waterfront. Merely that, and nothing more! And that task Foisie assigns to the Maritime Industry Board when he says: "This is a major chore for the Board to undertake, and the time is right."

Foisie's speech received considerable attention in the local capitalist press which featured those sections of his address containing the gist of his complaints against the longshoremen. The response of the "impartial" chairman, Mr. Paul Eliel, was both prompt and immediate. The *San Francisco*

*News* revealed: "Mr. Eliel called into conference the other board members—Henry Schmidt and Cole Jackson, representing the ILWU; Mr. Foisie and Frank Gregory, representing the employers—to outline steps to correct conditions and to study disciplinary action. An agreement, he said, probably would be reached within a few days."

Germain Bulcke, now president of the Longshore Local 1-10 San Francisco, was quoted in an interview with a newspaper reporter: "Mr. Bulcke said in order to give more weight to penalties, it was decided that they would be imposed by the Maritime Industry Board instead of the union." The skids were being greased and the longshoremen were due to take another ride!

The ILWU, Local 1-10 publishes a mimeographed sheet which is called the *Longshoremen's Bulletin*. A considerable section of the *Bulletin*, of July 14 is devoted to a discussion of the provocative speech made by Foisie on July 13 at the Commonwealth Club. The *Bulletin*, edited by a Stalinist hack, presents a consistent Stalinist line on all questions. We quote:

"Monday night's meeting opened with the reading of a communication from Paul Eliel, Chairman of the Pacific Coast Maritime Industry Board. . . .

"The communication stated in effect that a thorough discussion had been held with the Board and all Union officers and that all hands agreed:

"That the time has now arrived where the Board can no longer rely on urging and education as a means of assuring that its orders are carried out. During the past weeks a considerable number of instances have been called to the attention of the Board indicating that some members, at least, of Local 1-10 have neither appreciated the seriousness of the present situation and the necessity of complying with the orders of this Board, nor have they properly assumed their obligations as American citizens.

"As a result, such members of the Local—undoubtedly a small minority—have continued to ignore the Board's orders and have failed completely to carry out their part of the pledge made by the organization to let no obstacles stand in the way of increased production in ship loading.

"The Board further decided to inaugurate a system of recommending specific penalties in all instances in which the orders of the Board were being ignored or where longshoremen were failing to do their share in carrying out your organization's production program."

In the same issue of the *Bulletin*, Henry Schmidt, a member of the Board representing the union, in commenting on the above communication, "stated that 99% of the members are behind the Maritime Board's production plan, and that the small minority provides ammunition for the shipowners to attack the ILWU as a whole."

What we have here is an American example of the technique employed in England to destroy the independence of the union by transferring the prerogatives of the union membership to the "labor-management-government" board! First the spokesman for the employers charges that, "those union officials who attempt to impose penalties on their men (except for union offenses) run the risk of being crucified," and that "the union seems incapable of disciplining its men," and must therefore surrender this right to the "joint control of union and management, or it will become the responsibility of the Maritime Industry Board itself." (What touching concern the president of the Waterfront Employers Association displays for "those union officials" who "run the risk of being crucified" for disciplining the "wayward members" of the union!)

On the basis of Foisie's charges a meeting of the Board

is hastily called by the "impartial" chairman "to outline steps to correct conditions and to study disciplinary action." After which a communication is dispatched to the union which "stated in effect that a thorough discussion had been held with the Board and all Union officers and that all hands agreed," with the substance of Foisie's contentions and proposals regarding the matter of discipline. It's as simple as one, two, three!

## Union Majority Against Board

The waterfront unions on the Pacific Coast that emerged out of the great strike struggles of 1934 and 1936-37 succeeded in establishing a strong tradition of internal democracy. That tradition still prevails. Never before have they experienced the slightest difficulty in disciplining a minority of their own membership in carrying out a policy that was voluntarily adopted by the majority. Now, we are asked to believe that the longshoremen have suddenly lost their ability to impose discipline upon a "small minority" which Schmidt estimates as being 1 per cent of the membership! How is that possible? The answer is—it isn't possible; the charge is nothing but a vile slander against the longshoremen.

The campaign to remove the power of the union membership to discipline its own "wayward members" is nothing but a confession that the majority of the members of the Longshoremen's Union do not support the instrument of collaboration with the bosses known as the "labor-management-government" board. Therefore, they are not inclined to "discipline" those members who violate the decisions of the Board. It thus becomes necessary for the Stalinist leadership, the employers, and the "impartial" chairman to usurp the right of the union to discipline its own members, and place that power in the hands of the Board, for the "protection" of the union officials and, incidentally—of the profits and privileges of the shipowners!

About a week after Foisie had made his speech to the Industrial Relations Section of the Commonwealth Club, Professor Eliel appeared as guest speaker and while he did not refer directly to Foisie's remarks, it was generally understood that his address was in the nature of a reply to Foisie. His speech was a mixture of defense and apology: "The Board cannot in four months recast the entire structure of industrial relations in Pacific Coast ports which has developed over more than 20 years of struggle and conflict." Just give the Professor time!

On the matter of "discipline" he informed his audience that already the Board "has obtained union acceptance of limitations on authority of (union) gang stewards," and added: "The restoration of authority to employers is essential." The latter statement has a familiar ring! Foisie in his speech had insisted that: "Nothing but the restoration of discipline and discharge—wholly missing from this industry since 1934—will do the least bit of good." Eliel assured his listeners that the Board had already recorded some achievements in the direction of "restoring the authority of the employers" which he, together with Foisie, regarded as "essential!" After all, the Professor does owe his appointment to the War Shipping Administration which has the authority to "appoint or remove" members of the Maritime Industry Board. The War Shipping Administration is composed in its majority of \$1-a-year shipowners. "Whose bread I eat, his song I sing!"

The Industrial Relations Section of the Commonwealth Club in San Francisco as a "luncheon club" provides a con-



venient sounding board for employers, labor fakers, impartial arbitrators, etc. Closely following on the heels of Mr. Eliel, Roger D. Lapham, formerly head of the American-Hawaiian Steamship Co. and now a representative of the employers on the War Labor Board, and Dean Wayne Morse, formerly "impartial" chairman of the Maritime Industry Board and now representing the "public" on the WLB, appeared as guest speakers. Mr. Lapham inveighed against: "Labor leaders (who) must learn that their high, wide and fancy decade is over," and "Labor leaders (who) still demand privileges and favors because they have given up the right to strike." Mr. Morse flayed the unions with the following: "If union and Government agencies cannot settle jurisdiction disputes or if their orders are not carried out, legislation, or even treason proceedings may be instituted to insure that war production continues." (Our emphasis.) Following these two examples of government "paternalism" toward the workers, the editor of the *Daily Commercial News* delivered a broadside demanding that "restrictive working rules and practices *must go!*"

The *Daily Commercial News* is the same paper which on June 10 printed a laudatory report on the increase of ten per cent in longshore output. Now, on August 3, following the line laid down by Foisie, the paper published a front-page editorial demanding the elimination of "restrictive rules and practices" in the longshore agreement. Among the specific "restrictions" mentioned in the editorial was this one: "Pacific Coast Longshoremen, still working a straight-time six hour day, have placed limitations on the amount of cargo that can be handled in a sling load." An accompanying article protested that "the present six-hour day in the Pacific Coast longshore industry, granted during the depression for the purpose of spreading the work, means that out of every 24 hours of work time, longshoremen are eligible for 18 hours of overtime." It must be pointed out here, that the limitations on the hours worked had been eliminated by the Board. What is involved in the six-hour day is not a restriction on production but a "restriction" on the profits of the employer, who had to pay overtime after six hours. The Board hasn't gotten around to dealing with the six-hour day yet, but as the Professor indicated—give 'em time!

Actually, what is involved in the campaign against "restrictive rules and practices" is an attack upon the whole union agreement and the union which enforces it. A union contract, or agreement, by its very nature is "restrictive"! It "restricts" the right of the employer to inflict his will upon the worker without check or restraint. The union is the instrument through which the terms of the union agreement are enforced. A union agreement from which the "restrictive rules and practices" had been removed would change the union into a "company" union. And that is, as Mr. Foisie points out, a "major chore for the Board to undertake."

How are the longshoremen led against their will into the swamp of collaboration? Here deception plays an important role. Illusions are deliberately fostered by the ruling class, their lackeys and labor lieutenants, to keep the workers in subjection. One of these illusions is that the power of the Government—with a capital G—is all pervading and cannot be successfully challenged. Another is that the government (which, as Karl Marx proved, functions as the executive committee of the ruling class) stands above the contending class forces in society. For example, the Maritime Industry Board is embellished and bedizened with all the trappings of

government authority. The "impartial" chairman, Professor Eliel, represents in his person the august might of the national government. The employers aren't fooled by this pretense, but unfortunately, most of the workers are. Thus there is a noticeable difference in the attitude of the lackeys and labor fakers when they address the workers and when they speak to the bosses or their representatives in government office.

## The Role of Deception

In the *Longshoremen's Bulletin* of July 14, for example, Eliel is quoted as hoping "that the longshoremen will comply with orders of the Board" since he "doesn't want to see the day when the Board will have to *command* longshoremen to obey." One can scarcely imagine the Professor assuming such arrogance in addressing the shipowners! In the same issue of the *Bulletin* the "editor" who manages to display a rather perverted sense of humor under the pseudonym of "Snoose McGoose," has the following comment to make: "Snoose McGoose says: 'Get in and do your stuff for Uncle Sam and your Alma Mater or the professor will start swinging the big stick—no fooling!'"

One can scarcely appreciate the irony of threatening the longshoremen with the Professor's "big stick" unless he is familiar with the history of the violent struggle that gave birth to the maritime unions on the Pacific Coast: a struggle in which the maritime workers faced the guns, knives and tear gas shells of the hired gunmen of the shipowners, the cops of every port on the coast, and finally the California State Militia; a struggle which reached such a degree of intensity that the workers of the San Francisco Bay Area, both organized and unorganized, laid down their tools and mobilized in a general strike in support of the waterfront workers against the boss terror. It is the workers with this experience and this tradition that the Stalinist hack who edits the *Bulletin* has the gall to threaten with the Professor's "big stick." It is to these workers that the sanctified Professor has the arrogance to say he "doesn't want to see the day when the Board will have to *command* longshoremen to obey."

The Professor's "big stick" is supposed to be symbolic of government authority. His is the "Voice" of Government! In the *Bulletin* of September 15, Bridges is quoted as saying: "Under the Board set-up we have as much say-so as the employers. We must trust our representatives and back them up. If they by any means fail us we have the power to have them removed. They are working for you and the Government and are Government employees." Thus is the illusion fostered!

The union has two representatives, the employers two, and one—the chairman—is "impartial." Therefore, says Bridges, "we have as much say-so as the employers." On any issue, however, which might separate the two labor representatives from the two boss representatives, the "impartial" chairman exercises a decisive voice. A glance at the record of this chairman's "impartiality" will reveal that the longshoremen are far from having "as much say-so as the employers."

During the 1934 strike, Paul Eliel was a director of the Industrial Relations Section of the San Francisco Industrial Association. It was this association which organized the employers of San Francisco and set up a committee to assume full control of all strike-breaking activities. In his book, *Waterfront and General Strikes, San Francisco, 1934*, Eliel



reveals that as "representative of the Industrial Association" he went to the Teamsters' Union on June 8, the day after it passed a resolution refusing to handle "hot cargo" and threatened the officials that "their refusal to handle this freight would precipitate a crisis and necessitate the hauling of the freight by other means unless a settlement of the longshore difficulty could be effected" (p. 45).

The teamsters refused to concede. Their support greatly strengthened the striking longshoremen. As Eliel explains: "Had it not been for this stand of the Teamsters' Union the strike of longshoremen would undoubtedly have collapsed within a week or ten days at most" (p. 50).

The "crisis" which Eliel had threatened in his attempt to inveigle the Teamsters into breaking the longshore strike was precipitated by the Industrial Association on July 5, 1934, when it tried to open the port of San Francisco, using scab teamsters to haul the freight. Two strikers were killed and 109 injured in the resulting police attack. This "crisis" has become known as the "battle of Rincon Hill."

Eliel's strike-breaking activities as director of the Industrial Relations Section of the Industrial Association are not generally known, since he kept under cover and other individuals signed the statements issued to the public. Having failed to smash the unions by direct attack, Eliel has assumed the mantle of an "impartial" chairman and with a new sponsor, Harry Bridges, "brilliant" producer of the "Bridges plan" and with the Stalinists cast in a supporting role, is now playing a return engagement.

## The Role of Intimidation

Another method used in compelling passive acquiescence in the decisions of the Board is a mixture of intimidation and fraud. It has become a practice for bureaucrats of all varieties in the labor movement to attempt to silence any opposition to their false policies by accusing them of "being against the war" or in case of a persistent opposition of being "agents of the Axis." Too often, they are successful in silencing opposition merely by the utilization of this technique of intimidation. The Stalinists in the leadership of the longshoremen's union use variations of this technique. For instance, in the September 16 issue of the *Bulletin* the editor lists three distinct types of opposition within the union against the Board:

"First, those who are afraid they are going to lose all their conditions and are not going to get them back. These fellows start whispering campaigns through selfish motives, making such cracks as—'why have a hiring hall now? what's the use of paying dues? why, the Blue Book days are right around the corner.'

"Well, to these fellows we say—the Blue Book days are a thing of the past and all who, by insidious propaganda, spread this filth are (if they don't know it) playing up the Axis alley."

(The "Blue Book" referred to above was the name given to the Longshoremen's Association of San Francisco and the Bay District, a company union formed by the shipowners during the 1919 stevedore strike in San Francisco. Many of the longshoremen were forced to belong to this company union in order to get work on the docks prior to 1934.)

"The second group we have to contend with is those who want to win the war providing George does it and that they don't have to make any sacrifices." The editor then comments on this group in the following manner: "If we all took this attitude it wouldn't be long until we'd be eating sauerkraut with chopsticks and our work week would be from then on with no pay whatsoever."

"A third group in America is the Jap and fascist sympathizers who want this country and the United Nations to lose this war—and they will do everything to aid the Nazi cause.

"These people we must smoke out—get them into the open and deal with them. They are not potential fifth columnists—they are saboteurs and every move they make is dangerous."

Therefore, according to the Stalinist frame-up technique, any opposition to their policy of capitulation and surrender to a boss-controlled Board falls into one of these three categories.

Categories one and three, those who are accused of being either actual Axis agents or of objectively aiding the Axis by their opposition are given short shrift. The second category, those who "want to win the war" but "don't want to make any sacrifices" are considered worthy of further "education." What, you object to making "sacrifices"? Well, just listen to this:

"Recently in the Caribbean a tanker was torpedoed at midnight. The force of the explosion was so great that all provisions were blown out of the lifeboat. Only a half-filled water keg was salvaged and a whiskey glass of brackish water every twelve hours was all that was allowed each man for 24 days.

"A couple of fish hooks were found in the boat and the men cut flesh from their bodies to bait the hooks to catch fish which they ate raw."

Nothing is too fantastic for a Stalinist hatchet man to use in trying to convince the longshoremen that in order to "win the war" it is necessary to give the shipowners their pound of flesh.

The following announcement appeared in the November 5 issue of *The Victory Hook*, official publication of the Maritime Industry Board:

"Walking bosses were given full authority this week to fire longshoremen whose conduct on the job helps Hitler and the Axis.

"The Coast Agreement still is in full force to protect workers from unfair discharge, but the walker can take immediate action in cases of insubordination, drunkenness on the job, early quitting, leaving the job without providing replacement, walking off the job during the middle of the night, or similar offenses. He can also act against men who refuse to obey orders of the Pacific Coast Maritime Industry Board.

"With assent of union members, the Board instructed the walker to discharge offenders at once, or notify the gang boss to discharge the men.

"The name and brass number of the man is to be given to the Board at once, and the man will not be dispatched from the hiring hall until he has appeared before the Labor Relations Committee." (Our emphasis.)

Thus "passive acquiescence" in obeying orders of the Board proved to be a transitional stage to *forced* acquiescence. The Bridges leadership is proving in action how "reliable and indispensable" it is in the drive to smash the union hiring hall.

Thus it is evident that the "labor-management-government" representatives on the Board are experiencing some difficulty in getting the longshoremen to peacefully surrender the conditions gained through bitter struggle against the shipowners and their agents. In Foisie's speech of July 13, we find an enlightening commentary on the reason for most of the difficulty:

"Industries which have a history of long established union-management co-operation know there is nothing to fear from invasion of management by labor. Quite the contrary. The dividing line between the two tends to thin out. Where there is a background of conflict the soil is not good out of which to grow full blown the flower of union-management co-operation; but the Board's 'cultivation' is beginning to bear fruit."

Foiese here testifies to a phenomenon that Marxist students of the labor movement have long observed: that it is extremely difficult to convince those workers whose organization was forged in the fires of the class struggle that there is an identity of interest between the employer and his wage-slave. The picket line does make poor soil "out of which to grow full blown the flower of union-management co-operation." The longshoremen learned part of their lesson in 1934. They have no confidence in the shipowners whose thugs and gunmen they faced in the struggle to organize their union. They have little fear of the state government, whose militia they confronted in the same struggle, and less of the city government which flung its police force against the ranks of the striking maritime workers. All these they met and van-

quished. Unfortunately they still entertain exaggerated illusions about the federal government, illusions diligently fostered by their own leadership. Whether they will permit these illusions to carry them as far as the British unions along the road of surrendering their independence and undermining and weakening their organization is yet to be determined. The last word has not yet been spoken—far from it! A sharpening of the class struggle, an upsurge in the labor movement will probably see the Pacific Coast longshoremen again occupying an advanced position—despite and against their present misleadership. No, the soil is not good and despite the "Board's cultivation," the tree is likely to bear a fruit that the shipowners will not find very palatable.

## The Roots of Inflation

By WILLIAM F. WARDE

Inflation is unquestionably one of the principal economic problems confronting the Administration and the American people today. Roosevelt's speeches, Congress' prompt compliance with his demands for emergency legislation, and his appointment of economic czar Byrnes indicate that. What Roosevelt or any other capitalist spokesman or commentator does not and cannot give is the slightest scientific analysis of this problem and the economic processes which are producing it. For this a totally different method and class outlook are necessary.

American economy today is in the initial phases of inflation. This is substantiated by all facts and figures, to say nothing of the unconcealed alarm of the authorities and the actions they have already taken or contemplate.

### The Trend Toward Fiscal Inflation

Fiscal inflation proceeds at a feverish pace. The Federal Reserve Board review for 1941 reported a record growth of bank credit, bank deposits and currency along with a 50 per cent decline in the excess reserves of its member banks.

Bank deposits are at an all-time high. For all banks in the United States they stood at 71 billions at the beginning of July. This is about 16 billions higher than in July 1929. The increase over the previous year is 8 per cent.

Bank loans increased nearly 3 billions in 1941. The demand deposits of individual partnerships and corporations were \$4,935,000,000 on June 30, or 14 per cent larger than a year ago. Bank holdings of government securities on June 30 totaled \$25,935,000,000, an increase of 34 per cent in one year. These holdings keep mounting week by week as the banks are obliged to absorb billions upon billions of government obligations. Estimates indicate that Federal Reserve Member banks will hold some \$48,800,000,000 of government obligations by June 30, 1943, and some \$74 billions a year after. That will mean a 262 per cent increase in two years.

This results in a steady depletion of bank reserves. By the end of 1941 excess reserves had declined to \$3,100,000,000, a reduction of \$3,500,000,000 or 100 per cent in a year! Reserves are sinking monthly; on October 21, 1942 they had dropped to \$2,700,000,000. The Federal Deposit Insurance Corporation states that the ratio of capital to total assets has fallen to 9 per cent, the lowest level on record.

The burden of financing the war imposes tremendous strains upon the banking system. Adrian Massie, vice-presi-

dent of the New York Trust Company, declared on May 27th: "It is risky . . . for the banking system to undertake this financing. But these are days when the American way of life (read: American capitalism) is at stake. Its preservation is worth the risk involved in this program." Mr. Massie avoids mentioning just what this risk is. It is the risk of unbridled inflation.

The big banking interests and financial journals keep harping upon the dangers involved. "On the basis of the estimates already presented here," says the July 1942 *Economic Record* of the National Industrial Conference Board, "it would a year hence require a decline of less than 13 per cent in the price of government obligations to cause the loss (theoretical, if not actual) of all the capital funds of the banking system. . . . Two years hence less than a 9 per cent decline may be necessary to wipe out bank capital."

In the *Bankers Magazine* for September 1942, W. R. Burgess, vice-chairman of the board of the National City Bank of New York, speculates: "How will the banks get the money to buy all these securities? A year ago they had excess reserves of 5 billions. Today they have only 2 billions. How can you buy \$24 billions of bonds with 2 billions of cash?"

The increasing pressure upon the banks has already required the intervention of Washington. Recently on three successive occasions the Federal Reserve System has had to come to the rescue of its big money market banks in New York and Chicago by lowering excess reserve requirements. The Federal Reserve System has also lowered its rediscount rate to one-half of one per cent, the lowest in history, so that other banks can more easily borrow the funds they need to buy more government securities.

The expansion of bank deposits and credit, the decline in bank reserves, government borrowing by tens of billions, the enormous increase of currency in circulation have the most profound and irresistible inflationary effects. Bank reserves are further depleted and inflationary pressure becomes greater as money in circulation increases, since currency withdrawn from the banks uses up their reserves, dollar for dollar.

The first week in November, the amount of currency in circulation in the United States reached an all-time record of \$14,312,000,000. There is today almost 30 per cent more money per person in circulation than a year ago. There is twice as much money in circulation today as during 1929 and

1933! The previous high levels attained during the peak of prosperity and the depth of depression have been surpassed.

The rate of increase mounts month by month. After jumping \$3,891,000,000 in a single year, currency in circulation increased \$230,000,000 during the first week in November, the biggest jump since the banking crisis of 1933. The increase is sure to continue until Christmas which is always the high point of the year; currency in circulation should soon pass 15 billions. "Months ago," concludes the *N. Y. Times*, "it was thought that the time was at hand when the saturation point for money in circulation had been reached, but the rise has continued and is likely to do so."

While all these billions are pouring into consumers' hands, the production of consumer goods keeps dwindling. Over one-half of the nation's productive forces is now devoted to war production. As a result there is 20 to 30 billions of dollars more purchasing power than the amount of goods available for civilian consumption. Far from decreasing, this disproportion between consumer goods and purchasing power is expected to be doubled in the following year with the further diversion of productive capacity to war production. The magnitude of this "inflationary gap" equals Great Britain's national income in 1940.

On one hand, there is twice as much money as ever before; on the other, no more goods on the market than there were in 1932. Said Randolph Paul, Treasury General Counsel, on September 7: "One out of every two wage-earners will be receiving income for contributing to the production of goods that he cannot purchase. . . . The excess of purchasing power over the volume of consumer goods must lead to a rise in prices." It must also lead to a 50 per cent slash in living standards. In fact, the rise in prices is well under way. Fiscal inflation is inescapably producing price inflation.

## The Rise in Prices

A general rise in the prices of commodities accompanies inflation, just as deflation is marked by a general drop in the price levels. The rise of prices provides a gauge of the inflationary process. Before Roosevelt's price-fixing orders, the Governor of the Federal Reserve System pointed this out on May 26, 1942. "The U. S. has already passed through the first stages of an inflationary development. Two-thirds of this [price] increase occurred during the past twelve months. Retail prices of food, clothing and house-furnishings had risen since September 1939 by 25 per cent."

Since that time, five months ago, prices have continued to mount. The September 1942 *Economic Record* of the National Industrial Conference Board stated: "The annual food bill of the average wage-earner's family was \$170 higher at August 1942 prices than at August 1939 prices. . . ." It estimated that the average family had to pay \$214 more for food, clothing and shelter in August 1942 than two years earlier.

Price-control regulations and bureaus, speeches and promises have not stopped the rise in the cost of living. Says the CIO *Economic Outlook* for September 1942: "Since the price-freeze order went into effect in the middle of May . . . the over-all cost of living . . . increased 1.2 and all food prices increased 3.7." This labor paper estimates that since January 1941 the increase in the over-all cost of living has been 17 per cent; food prices have gone up 30 per cent; and this increase in prices has cost the consumers, the bulk of them wage workers, nine billions of dollars.

In September Roosevelt applied sweeping measures for price regulation and appointed Byrnes economic dictator to enforce price ceilings. With what results? According to the Division of Industrial Economics of the National Industrial Board (Nov. 7), food costs went up 2.5 per cent in the single month of October, while the over-all cost of living continued to climb skyward, rising 0.9 per cent.

It is superfluous to demonstrate by more extensive citation of statistics what every worker and his wife can verify daily from direct contacts with the market.

## American and World Inflation

The problem of inflation, like other economic problems posed by this war, cannot be correctly understood by itself or from a purely national standpoint.

The United States is in the midst of a war that represents the gravest crisis in the entire history of world capitalism. Washington is not simply the capital of the United States; it is today the directing economic, political and military center of the world and the World War. International factors determine not only the course and conduct of military and political affairs; they likewise dominate our national economy and the economic policies of the government.

Inflation is only one of the many disastrous economic consequences of the war which include the disintegration of the world market, that prime achievement and foundation of progressive capitalism; the pauperization of the peoples; the sweeping ruin of the middle classes; overwork and forced labor; the destruction of productive forces and national resources; the unsettlement of the monetary units and financial systems in all countries; the monstrous growth in national debts, unbalanced budgets, intolerable taxation, etc. All these are signposts along the road which leads to bankruptcy and ruin.

These phenomena and processes are as universal as the war itself of which they are the offspring. They can be modified temporarily by administrative measures but their fundamental trends cannot be arrested or reversed. The inherent tendencies in capitalist war economy lie beyond the control of all governments, no matter what their political character, fascist or democratic, or the level of their economic development. They sweep like a plague through colonial countries like China as well as over the most advanced imperialist powers, like Germany and the United States. They are inevitable consequences of imperialist decay, accelerated and aggravated in the extreme by the war. The economic dislocations and distress already generated by the war are only the first installments of more fearful convulsions ahead.

What is now taking place in American economy is a refraction of these international developments through our specific national conditions. All the concomitants of war economy, including inflation, are appearing somewhat later here because the United States entered the war a little later than the other belligerents and is considerably wealthier than any other power. But the American people will have to pay heavily for their previous privileged position. All the economic consequences of war are now asserting themselves in the United States with extraordinary rapidity and on a gigantic scale.

The factors at work behind the current inflationary process are numerous and complex. In order to grasp all the links in the chain of causes, and consequences which in turn become causes, we must start with the place where capitalist economy is anchored: the world market.

The world is no longer an economic capitalist unit. It has been torn to pieces by the war. The normal processes of exchange have been broken up. Trade between the belligerents is virtually nil. The vast commerce carried on by the neutrals in the last war has dwindled to insignificance in this war. Those few channels of trade which might still be maintained are constricted by the shortage and sinkings of cargo ships together with the disruption of other forms of communication and means of exchange.

Sections of world economy are relapsing step by step into the most primitive modes of exchange. A dispatch to the *N. Y. Times* on October 29 reports that "trading throughout the Middle East gradually is moving back to primitive forms of merchandise and barter." With the continuation of the imperialist war, conditions in the Middle East today anticipate world conditions of tomorrow.

Paralleling the disruption of the world market is the disruption of domestic economy among the respective belligerents, as well as the few remaining "neutral" countries. Agricultural and industrial production everywhere are being plunged into chaos.

Society rests on the foundation of labor, no matter what its form. The war is taking tens of millions of workers into the armed forces; it is concentrating tens of millions more in unproductive military production; it is propelling huge masses of capital, which is essentially accumulated labor, into the sphere of war production.

This process of the redistribution of productive forces has been most dramatically exemplified in the United States by the conversion of auto plants into the leading arms industry. The induction of ten millions into the armed forces and the swelling of a million-headed bureaucracy to serve the war administration are facets of the same process. Similar shifts have taken place, though at different rates and in differing degrees, in virtually all branches of our national economy as well as in all other countries.

There is only a certain definite quantity (and quality!) of capital and labor, only a limited amount of natural resources at the disposal of humanity. Limited shares of these productive forces and resources are available to each of the warring camps and to each of the countries within them. Hitler in his frantic search for labor throughout occupied Europe has discovered this. American capitalists are likewise beginning to find this out.

The economic disorders resulting from this diversion of capital and labor are multiplied by the devastation and destruction directly caused by the war. Cities and nations are ravaged; countries choked by blockade, division and invasion; workers, farmers, technicians—the flower of the nation—are slaughtered on the battlefields; the efficiency of those at home is lowered by starvation, overwork, loss of morale. The wealth of the world becomes progressively reduced; the scramble for the remainder in each country and on a world scale becomes fiercer.

The inflationary process is rooted in this derangement of world economy and devastation produced by the war. The fundamental driving forces behind inflation are to be found, not in the sphere of circulation but in the realm of production, and not simply in American but in world production. The redistribution and deterioration of productive forces on a national and international scale expresses itself through fiscal inflation and sharp upward shifts in commodity prices. Rising prices are today a universal phenomenon. The President of Turkey defensively remarked upon this in a recent speech: "Soaring prices are part of the world situation and are not limited to Turkey alone."

So long as these basic conditions endure—and they will not only endure but must become aggravated as the war is prolonged—the inflationary process will not simply continue but must become accelerated. Capitalism is helpless to stop the further unfolding of these processes emanating from the war and its own decomposition.

## Discussion

# The National Question in Europe

## Three Theses on the European Situation And the Political Tasks

**EDITOR'S NOTE:** Continuing the discussion on the national question in Europe, we publish in this issue the theses submitted by a group of European comrades and an answer by Felix Morrow. The official position of the Socialist Workers Party on this question appeared in our October issue.

### I

It is as clear in the third year of the new World War as it was at its beginning that this is a war of long duration, a war that has no prospect of being decided by means of military power and thus reach its "natural" end. In ever increasing tempo it has changed the economic, political and social face of the earth; it has destroyed dynasties and nations, enslaved peoples and half-exterminated them. Poland, Norway, Denmark, Holland, Belgium, France,

Czechoslovakia, Yugoslavia, Greece and a large part of Russia have one after another been conquered and occupied by the German armies. Austria, formerly incorporated, Italy, Hungary, Bulgaria and Rumania are under German domination and control, while the rest of Europe (Sweden, Switzerland, Finland and Turkey) is to a great extent under German influence. In all these countries the regimentation of human life is making gigantic progress and changes them to German prisons. The prisons, the new ghettos, the forced labor, the concentration and even war-prisoners camps are not only transitional political-military establishments, they are just as much forms of new economic exploitation which accompanies the development toward a modern slave state and is intended as the permanent fate of a considerable percentage of mankind. As always, the first victims of a system that has become impos-

sible are the "politically untrustworthy," Jews, foreigners, refugees, of whom the "published" number in France alone was admitted to be over 120,000 on August 20, 1941. This economic ruin is accompanied by a callous destruction of human lives and values and a migration of peoples of colossal extent. "Resettlements," transfer of workers, etc., which amount to hundreds of thousands, follow the movement of armies of millions. The German radio made known in the middle of August 1941 that a country, such as Belgium, had already supplied 200,000 workers to Germany.

All this is the result of a process which began a long time ago and only increases in intensity in the present war. Far from being "planned organization," this process follows laws of compulsion and seeks to break through by force, where it cannot shake off, the competition on the international scale. Before as after, the accumulation of capital and unheard of riches on the one side entails the accumulation of misery, suffering, ruin, destruction and barbarism on the other side. The world-wide economic crisis of 1929 cost already as much as the First World War, but the technical rationalization which followed it flowed into the greater crisis of the new war ten years later. Confronted with the choice of lagging behind and seeing cannons, tanks and airships of the dominant powers turned against them, German capitalism organized its own war machine and beat down the world competition with its cannons, airships and tanks. So mechanization with progressing capitalist application leads itself *ad absurdum*. The means of destruction which are supposed to solve the crisis and lead to a solution, force production of further means of destruction and cause unprecedented economic disproportions which subject the whole world. England and America answer German expansion with a rearming which is to surpass any previously known and again set back the production of consumer goods.

The English dominions, Latin America and the resources of India are drawn in increasing measure into the conduct of the war and thus, together with the deep-going changes in Asia and Africa, strengthen the tendency which leads to the universal reduction in the standard of living of the masses, to destruction, to the preparation of greater disproportions and greater crises. Not only have the productive powers of mankind ceased growing, not only have technical discoveries and improvements brought about no further increase in material wealth, but economy is retrogressing. In contrast to the use of complicated machinery, and in contrast to the concentration and over-development of an industry fit only for war purposes, there is compulsory labor, that is, the mass use of manual labor which is cheaper than machine labor, the founding and extension of small and middle-sized firms because of the shortage of consumer goods, the restoration of handwork, the dissipation and ruin of the monetary system. Uneven development is recapitulated in the whole world and along with it, agricultural production decreases constantly. Wherever one looks, there are destruction, gangrene and anarchy in alarming degree which seal the catastrophe of culture.

## II

As a result of the brutal suffering and terrific pressure which the war imposes upon the nations, hate, rage and despair are accumulated and unleashed at first in the countries conquered by Germany. The political situation in these systematically exploited countries is characterized above all by the destruction of workers' and non-fascist bourgeois parties. Step by step unions, political and cultural societies of

all kinds, religious organizations, etc. are wiped out according to the German pattern, changed or in some way put under direct fascist control. With certain exceptions, where this process has not yet been fully completed, there is no longer an independent traditional bourgeois or proletarian political or workers' movement, and in these countries (especially in Poland and Czechoslovakia) even the "national" bourgeoisie is being more and more crushed by such means as "aryanization," compulsory sales and direct expulsion. All that is left of the old organized *movements* are today nothing but illegal circles, which have little connection with each other and can in no way act as an entity. Under such circumstances protest against growing suffering must find another outlet. In the face of unbearable conditions, it directs itself against the one visible and consistently present enemy in the form of the German Conqueror. As it is pushed to that limit which is daily drawn closer and closer by this enemy, it levels all and everything and takes a direction which can be described as nothing but a "drive for national freedom." In a few countries (Yugoslavia, Czechoslovakia, in part Poland, etc.) this drive has crossed the limit and has turned into a real people's movement, which also passes the limit of the *old* movements. In it participate all classes and strata, from workers, farm laborers, farmers, urban petty bourgeoisie (tradesmen and artisans, that is, together with the farmers, those classes, which in spite of their large numbers are remnants of pre-capitalistic modes of production) to officials, priests, intellectuals and generals. In other countries, where it has not reached the point of mass resistance, the movement goes underground and finds respective expression in individual acts of sabotage, arson, train wrecks, accidents, assassinations, etc. But everywhere involved in protest movements, at the side of workers and peasants, etc., there are students, journalists, professors, officers, priests, merchants. And they range without distinction amongst the victims of the German repression. The longer the war lasts, the more will German fascism appear as the main enemy to the enslaved and exploited peoples. Everything will be leveled to a desire for the overthrow of this enemy and, in fact, it must be recognized that without it there can be no question of change in existing conditions.

## III

If in the Europe dominated by Germany there is no longer an organized and active workers' movement and even the bourgeois organizations are out of the picture, there can also be no talk of the existence of real revolutionary organizations, insofar as they are understood as united structures, which, even if illegal, would be willing and capable of influencing the development by means at least of correct agitation and propaganda. What is left of the revolutionary tendency are individuals and weak and uneven groups, which are more or less correctly oriented on the general evaluation of the situation and the abstract principles, but living at the brink of events and failing to understand how to formulate their concrete tasks. The mood and initiative of the masses, for which every revolutionist, as every revolutionary party, should have a fine sensitivity, met these organizations completely unprepared and passed over them to the order of the day which can be called "struggle for national liberation." It is no exaggeration to state that revolutionary socialism may once again miss a chance and compromise itself, if it continues to face this struggle any longer without taking part. The responsibility lies with *international* socialism, to take up the demands of all oppressed—in no matter what form they appear—to raise its voice loudly and clearly, mobilize its forces,



to enlighten the world on the meaning of events, to assist the national sections in word and deed, and to lead them to the right path. There is no more burning problem in Europe than the national liberation of nations enslaved by Germany, and its solution with the help and *through* international socialism is important and indispensable for three reasons.

First, these are *democratic* demands, which must *always* and *everywhere* be supported and without the realization of which socialism cannot win.

Second, socialism cannot find the necessary allies in city and country for the accomplishment of the revolution, cannot mobilize the masses for the final battle and cannot win their sympathy if it hasn't stepped forward as the determined defender of their demands during an entire period and thus won the leadership in battle.

Third, only revolutionary socialism is in the position to realize the democratic program and to give a goal and direction to the movement at hand, without which it must sooner or later relapse and bury socialism under itself.

Along with these general reasons which are applicable under all conditions, there are specific ones which arise from the present situation.

In Europe in order to be able to restore the tie between socialism, isolated because of retrograde development, and the workers' and mass movement, it is necessary to build revolutionary parties and restore the labor movement. But to change the existing cadres and cadre elements into revolutionary parties, it is necessary to have a more sympathetic milieu which allows them under illegality to test their forces, to school themselves, to educate new forces, to gather the most progressive elements around it, to overcome the leveling, to introduce the absolutely essential differentiation and to step forward as the vanguard of freedom. The gulf, which up to the moment of revolution exists between on the one hand the program of socialist revolution and the ripeness of the objective conditions, and on the other hand the consciousness of the masses and the immaturity of the proletariat and its vanguard, is today especially wide. This gulf, the most important element of which is at present the inexperience of the younger generation, can be bridged only by a system of *transitional demands*, but the world situation and the peculiar conditions in Europe make such a system a matter of life and death in the near future.

However one views it, the transition from fascism to socialism remains a utopia without an intermediate stage, which is *basically* equivalent to a democratic revolution. The advantage of the European situation consists in the fact that the masses are being forced on the path of national freedom and that the struggle for this because of the general situation offers a complete transitional program which encompasses all democratic demands from freedom of assembly, press, organization and religion and the right to strike to the right of self-determination of nations. It would be absolutely false to conceive it possible to take part in politics and ignore the democratic demands; it would be very dangerous to take the attitude that national freedom could not further socialistic interests. The danger of standing with "tied hands" does not confront the *one* that takes part in the restoration of democracy and becomes its daring standard-bearer but the *one* who stands passively by, does not participate and allows the movement to pass him by and thereby permits the imperialists, "democrats" and reformists to give it a *bourgeois* instead of a socialist character. The passive bearer of the socialist revolution is comparable to those Italian Maximalists who upon receiving word of an uprising in Turin decided, after the collapse of the uprising on the fifth day, to deny their aid because it was not a question of a "true communist" uprising. The result was the victory of fascism, the discrediting of socialism, the crisis of proletarian leadership, the Second World War. With the continuation of the World War the "European" problem becomes acute even for American socialism and makes a clear, active connection with it essential. It is enough for every revolutionary to render an account of the forces led into battle in this war in order to come to the same conclusion which was our starting point: It is a war of long duration, which must completely destroy all human culture, if the rebellion of the masses does not end it. Nothing can free World Socialism from the duty of stirring up this rebellion, preparing for it and acknowledging all means of struggle, which correspond to the forces at hand and which permit the formation of a revolutionary party and that has prospects of assuring results most favorable in a given situation. An abstract attitude toward revolution, however, which fails in the secondary as well as the most important tactical questions, can lead to nothing but another defeat.

October 19, 1941.

## Our Differences with the 'Three Theses'

By FELIX MORROW

There is no difference between us and the comrades of the "Three Theses" as to the *reality* of the existence of national oppression in the occupied countries. There is no difference between us as to the fact that national oppression now exists in Europe on an unprecedented scale, requiring of us an attentive and sensitive understanding of what is *new* in the European situation as well as what is similar to the First World War.

Our differences center around the relation between the slogan of national liberation and the slogan of the Socialist United States of Europe. *We* insist that these two slogans must go together, for otherwise the slogan of national liberation degenerates into mere bourgeois nationalism in the service of one of the imperialist camps. On the other hand the "Three Theses," it is all too clear, raise the slogan of national liberation independently of the slogan of the Socialist United States

of Europe. In discussions the authors of the "Three Theses" have indicated that they consider national liberation as an *immediate* agitation slogan and the Socialist United States of Europe as a propaganda slogan, i.e., not at present suitable for immediate agitation. (Despite repeated requests they have not as yet written anything on this question except the "Three Theses.") Their *separation* of the two slogans must be characterized as a nationalist deviation.

This difference between us on slogans expresses a difference in *perspectives*. We say that, whichever imperialist camp were to win the war, national oppression in Europe would continue; Anglo-American occupation of Europe would likewise constitute national oppression. An Anglo-American victory would not only bring national oppression to Germany and its allies but we believe would continue national oppression of France and other occupied countries



in order to crush the socialist revolution. The bourgeois groups in the occupied countries would undoubtedly be agents of the "democracies" in this task. The authors of the theses, on the other hand, speak of taking part "in the restoration of democracy" and of a "democratic revolution" (Thesis III) which, if words mean anything, can only mean a "revolution" other than a proletarian and the participation of the bourgeoisie and their labor agents in the "restoration of democracy." The "Three Theses," then, have a perspective of a new democratic epoch in Europe. "Of course" they think it will be merely a stage on the road to international socialism. But they *base themselves* on working for that stage of (in essence) a revival of the Third Republic in France, the Weimar Republic in Germany, etc. For them it is a *necessary stage* preceding the direct struggle for socialism.

## Who Resists the Nazis?

Pursuing this false theory of stages the authors of the theses are driven by their logic to a completely false description of the actual composition of the fighters for national liberation in the occupied countries. Who resists the Nazis? Comrade Loris and the French comrades have provided irrefutable proofs that the movement of resistance is predominantly proletarian. The big bourgeoisie collaborates with the Nazis; the rest of the bourgeoisie in part also collaborates or plays no role; even the Gaullist, Andre Philip, apologetically says that the anti-Nazi bourgeois elements "do what they can" but that the proletariat is the core of the resistance. The "Three Theses," however, more consistent than Philip in their search for the elements of a "democratic revolution," states: In the resistance movement "participate all classes and strata from workers, farm laborers, farmers, urban petty bourgeoisie . . . to officials, priests, intellectuals and generals. . . . Everywhere there are involved in protest movements workers, peasants, besides students, journalists, professors, officers, priests, merchants, etc." (Thesis II). Thus they place on an *equal plane* the resisting masses of workers and the handfuls of resisting bourgeois elements! Their false theory leads them to a false description of the actually existing situation.

While they thus evoke a mythical scene of a great movement of the bourgeois elements—they do not even mention the bourgeois collaborators of the Nazis!—the "Three Theses" insist that the workers' movement is practically non-existent. There "is no longer an organized and active workers' movement" and "there can also be no talk of the existence of real revolutionary organizations" (Thesis III). Hence, "Under such circumstances protest against growing suffering must find *another outlet*" (Thesis II). That is, while the workers' movement does not and cannot exist at this stage, "another outlet," namely an all-national movement, can and does exist. Thus the "Three Theses" *counterpose* the national movement to the workers' movement. It can now be seen clearly why they will not link together the slogans of national liberation and the Socialist United States of Europe. They consider national liberation as "another outlet" than the workers' movement.

This theory is false in fact, since the liberation struggle has actually unfolded under the leadership of workers' organizations and workers' groups. Suppose, however, there did exist in France a powerful nationalist organization led by the bourgeoisie, which had drawn into it large sections of the workers. What would be our task then? Obviously, to draw the *class line* between the bourgeois nationalists and the workers aspiring for national freedom, to teach the workers that there

is *not* "another outlet" for the workers, but that, whatever the tasks facing the workers—including national liberation—they must fight *only* under the leadership of their *own* workers' organizations.

The workers under the Nazi boot want national freedom. Good. The task is to explain to them that national freedom in this epoch is the task of the working class under the leadership of the Fourth International. The task is to expose and condemn bourgeois nationalist organizations as agents of the imperialists who can lead only to further national oppression and repression of the workers. The workers must be shown, as proved by the spectacle of bourgeois collaboration with the Nazis, that only the working class can free the country by proletarian revolution.

These are the ABC's of Marxism. It is embarrassing to have to repeat them, but the "Three Theses" make it necessary.

There *are* new problems, opportunities and tasks, but not in the direction where the "Three Theses" seek them. It is astonishing to me that its authors can write that the struggle "levels all and everything and takes a direction which can be described as nothing but a 'desire for national freedom'." As if, while the Second World War is still going on, the Nazis had succeeded in obliterating the difference between the bourgeoisie and the proletariat in the occupied countries! *What is really new in the occupied countries is that the national sentiment of the workers and peasants is sharpening their class bitterness against the collaborating bourgeoisie. National oppression has given a new edge to the class struggle.* National sentiment, hitherto serving only the bourgeoisie, today can be used *against* the bourgeoisie of the occupied countries. That is what is new.

While national sentiment can now help the revolutionary movement, it is also still susceptible of perversion to the uses of imperialism. That is why we *reject* most of the methods of combat advocated by the bourgeois nationalists and their labor agents. What is the main content of the Gaullist-Stalinist tactics, for example? Espionage for the British, individual terrorism, individual sabotage. We condemn all these as serving one of the imperialist camps and as incompatible with the proletarian methods. Individual terrorism against German officers and soldiers creates a situation in which it is impossible to *fraternize* with the German soldiers—the absolutely indispensable prerequisite for unity of the German and French workers and soldiers against all the imperialists. Terrorism and individual sabotage, aiding the Soviet Union very little if at all, place terrible obstacles in the way of the fraternization and revolution which alone can really aid the Soviet Union. The Gaullists and their Stalinist allies are by these methods uselessly sacrificing heroic fighters who could be invaluable to the revolutionary struggle. It should be plain, then, how important it is to combat the false ideology and methods of the bourgeois nationalists and their labor agents. Ideological victory over them is the prerequisite for the efficacious struggle by the working class for national liberation. But there is not a word about this in the theses. In their search for a national movement as distinct from the workers' movement, they falsely subordinate the workers' methods of struggle to the "unity" of national struggle.

We welcome a reply from the authors of the "Three Theses." We shall be only too happy to find that any of our criticisms are but the result of misunderstanding of their vague, confused and contradictory theses. But I must confess that I also recall the false importance which the same comrades

gave to the resistance of the German churches to Nazi co-ordination; these comrades then thought that the workers could make significant advances through support of the churches' resistance. I cannot help feeling that the authors

of the "Three Theses" have throughout exhibited a tendency to dissolve the workers' movement into "broader" bourgeois movements. In all comradeship, we must ask them to think—and write—their position out to its ultimate implications.

# From the Arsenal of Marxism

## *Prospects and Tasks in the East*

By LEON TROTSKY

(A speech delivered at the Communist University of the Toilers of the East on the occasion of the third anniversary of the University in 1924.)

Comrades!

Although it is not customary at anniversary celebrations to take up time with theoretical discussions, permit me nevertheless to make a few observations of a general character to bear out my statement that your university is not an ordinary, revolutionary, educational institution, but a lever of world historic significance.

The political and cultural movement of today rests on capitalism. It is an outcome of capitalism; it has grown out of it and has finally outgrown it. But, roughly speaking, there are two types of capitalism—the capitalism of the imperialist countries and colonial capitalism. The most striking example of the first kind of capitalism is—Great Britain. At present it has at its head the so-called "Labour" government of Ramsay MacDonald.

Great Britain is the seat of classical capitalism. Marx wrote his work *Capital* in London where he had the opportunity of being in direct touch with and to observe the development of the foremost country in the world. In the colonies capitalism is not a product of local conditions and development but is fostered by the penetration of foreign capital. This is the reason for the existence of two types of capitalism. The question arises, to speak not exactly in scientific, but nevertheless in correct terms: why is MacDonald so conservative, so narrow in his outlook and so dull? The answer is—because Great Britain is the classical land of capitalism, because there the development of capitalism was organic, from handicraft through manufacture to present-day industrialism, and because it was gradual and "evolutionary." That is why, if you were to open MacDonald's skull, you would find an accumulation not only of the prejudices of yesterday and the day before yesterday, but an accumulation of the intellectual dust and prejudices of the last few centuries.

At first sight there seems to be a historic contradiction in the fact that Marx was a child of backward Germany, the most backward of the great European countries in the first half of the nineteenth century (excepting Russia, of course). Why, during the 19th and the opening years of the 20th century, did Germany produce Marx and Russia, Lenin? This seems to be an obvious anomaly! But it is an anomaly which is explained in the so-called dialectics of historical development. In British machinery and British textiles, history pro-

vided the most revolutionary factor of development. But this machinery and textiles went through a slow process of development in Great Britain, and on the whole the human mind and consciousness are extremely conservative. When economic development is slow and systematic, enlightenment is slow in penetrating into the thick skulls of ordinary human beings.

### The Driving Forces in History

Subjectivists and idealists generally say that human consciousness and critical thought, etc., etc., take history in tow, just like tugs take barges in tow. This is not so. We, here, are Marxists and therefore know that the driving power in history is the productive forces which have hitherto developed, so to speak, behind the backs of the people, and which find it very difficult to penetrate into the conservative thick skulls of ordinary human beings and to kindle in them a spark of new political ideas. I repeat that this is very difficult when the development is slow, organic and evolutionary. But when the productive forces of the metropolis, of a country of classical capitalism, such as Great Britain, find ingress into more backward countries, like Germany in the first half of the 19th century, and Russia at the merging of the 19th and 20th centuries, and in the present day in Asia; when the economic factors burst in a revolutionary manner, breaking up the old order; when development is no longer gradual and "organic," but assumes the form of terrible convulsions and drastic changes of former social conceptions, then it becomes easier for critical thought to find revolutionary expression, provided that the necessary theoretical prerequisites exist in the given country.

That is why Marx made his appearance in Germany in the first half of the 19th century, that is why Lenin made his appearance here in Russia and why we observe what looks at first sight like a paradox, that the country of the oldest, most developed and most successful European capitalism, I mean Great Britain, is the home of the most conservative "Labour" Party. On the other hand, in our Soviet Union, in a country with a very backward economic and cultural development, we have (we can say it frankly, for it is a fact) the best Communist Party in the world.

It must be said that, according to its economic development, Russia is midway between a classical metropolis, such as Great Britain, and a colonial country, like India or China. Moreover, that which constitutes the difference between our Soviet Union and Great Britain, as far as methods

and forms of development are concerned, is still more noticeable in the development of the countries of the East. Into the latter, capitalism penetrates in the form of foreign finance capital. It introduces machinery into these countries, it destroys their old economic basis and erects on its ruins strongholds of capitalist economic development. The progress of capitalism in the countries of the East is not gradual and slow and is by no means "evolutionary," but drastic and catastrophic, frequently much more catastrophic than here, in former Czarist Russia.

Comrades, it is from this fundamental viewpoint that we must study events in the East during the next few years, or rather decades. If you will take the trouble to study such prosaic books as the reports of British and American banks for 1921-22-23, you will find in the figures of the balance sheets of the banks of London and New York a forecast of imminent revolutionary events in the East.

Great Britain has once more assumed the role of world usurer. The USA has accumulated enormous quantities of gold: the cellars of the banks contain three billion dollars. This is a drag on the economic system of the USA. You will ask: To whom do the US and England lend their money? You of course know that they do not give any to us, to Soviet Russia. Nor has Germany received anything, and France managed to get but a few crumbs to save the franc. To whom, then, do they give loans? They give them chiefly to the colonial countries, for they finance the industrial development of Asia, South America and South Africa. I will not take up your time by quoting the figures which I have before me. Suffice it to say that, previous to the recent imperialist war, colonial and semi-colonial countries received from the USA and Great Britain probably only about half as much as capitalistically developed countries, whereas now the financial investments in colonial countries exceed to a considerable extent the investments in old capitalist countries. Why? There are many reasons for this, but the two main reasons are: lack of confidence in bankrupt and emasculated old Europe, with rabid French militarism in the very heart of it, a militarism which foreshadows more convulsions; and on the other hand—the need of colonial countries as providers of raw material and consumers of machinery and other British and American manufactured goods.

### The Development of the East

During the war and at the present day we witness a feverish industrialization of colonial, semi-colonial and, generally speaking, of all backward countries: Japan, India, South America and South Africa. There is no doubt whatever that if the Kuomintang Party in China succeeds in uniting China under a national-democratic regime, the capitalist development of China will make enormous strides forward. And all this leads to the mobilization of countless proletarian masses which will immediately emerge from a prehistoric, semi-barbarian state and will be thrust into the whirlpool of industrialism. Therefore, in these countries there will be no time for the refuse of past centuries to accumulate in the minds of the workers. A guillotine, as it were, will be set to work in their minds which will sever the past from the future at one stroke, and compel them to look for new ideas, new forms and new ways of life and struggle. And this will be the time for Marxist-Leninist parties to make their first appearance in some countries, and to pursue a bold course of development in others. I mean, of course, the Japanese, Chinese, Turkish and Indian Communist Parties.

Comrades and workers of the East, in 1883 there came into being in Switzerland the Russian group of "Emancipation of Labor." Is that so long ago? From 1883 to 1900—17 years, and from 1900 to 1917—also 17 years, together 34 years—a third of a century—a generation: Only a third of a century has intervened between the organization of the first theoretic-propagandist group of Marxist ideas in the reign of Alexander III and the conquest of Czarist Russia by the proletariat. Those who lived through it, know it to have been a long and difficult period. But from the viewpoint of historical development, the speed with which events developed was most rapid. And in the countries of the East, the pace of development will be (as we have every reason to believe) still more rapid. Looking at things in this aspect, what is the role of the Communist University of the Toilers of the East? It is the seed-bed of "Emancipation of Labor" groups for the countries of the East.

It is true, of course, that the dangers confronting the young Marxists of the East are great, and we must not shut our eyes to this fact. We know, and you know it as well as we do, that the Bolshevik Party was formed under circumstances of hard internal as well as external struggle. You know that in the nineties of the 19th century a kind of emasculated and falsified Marxism formed a prominent part of the political education of the bourgeois intellectuals—the followers of Struve, who subsequently became a political lackey of the bourgeoisie, joined the Cadets (Constitutional Democrats), later went over to the Octobrists and veered even more to the right.

### The Bourgeois Exploiters of Marxism

Russia was backward, not only economically, but also politically. Marxism preached the inevitability of capitalism, and those bourgeois-progressive elements which wanted capitalism for its own sake and not for the sake of socialism, accepted Marxism, having previously deprived it of its revolutionary sting. Such temporary exploitations of Marxism in the interests of a bourgeois-progressive policy were typical of the southeastern Balkan countries as well as of our own country. Let us consider now if Marxism is running the same risks in the East. To a certain extent, it does. And why? Because the national movement in the East is a progressive factor in world history. The struggle for independence in India is a highly progressive movement, but we all know that it is at the same time a struggle for strictly limited national-bourgeois aims. The struggle for the liberation of China, the ideology of Sun Yat-sen—is a democratic struggle with a progressive ideology, but bourgeois nevertheless. We approve of Communist support to the Kuomintang Party in China, which we are endeavoring to revolutionize. This is inevitable, but here too there is a risk of a national-democratic revival. Such is the case in all the countries of the East in which the national struggle for liberation from colonial slavery is going on. The young proletariat of the East must rely on this progressive movement for support. But it is as clear as daylight that the young Marxists of the East run the risk of being torn out of the "Emancipation of Labor" group and of becoming permeated with nationalist ideology.

But you have the advantage over the older generations of Russian, Rumanian and other Marxists in that you live and work not only in the post-Marxian, but even in the post-Lenin epoch. Your advantage consists in having sprung

directly from the epoch which will be known in history as the Lenin epoch. Both Marx and Lenin were revolutionary politicians with whom theory and practice went hand in hand. As a general proposition, this is of course correct and incontrovertible. But there is nevertheless a distinction, and a signal distinction, between these two historic figures, which originated not only in the difference in the individuality of the two men, but also in the difference between epochs.

Marxism, of course, is not an academic science, but a lever of revolutionary action. This is borne out by Marx's saying: "The world has been sufficiently explained by philosophers, it is time to remodel it." But was it possible to make a full use of Marxism through the working-class movement during Marx's life, in the epoch of the First and subsequently of the Second Internationals? Was Marxism put into practice at that time? Of course not. Did Marx have the opportunity and the supreme happiness to apply his revolutionary theory to decisive historic action: the conquest of power by the proletariat? The answer is in the negative. Marxist teaching has of course nothing academic about it, for Marx himself is entirely a product of revolution and of a correct and critical appreciation of the downfall of bourgeois democracy. He published his *Manifesto* in 1847. He went through the revolution of 1848 as a left winger of bourgeois democracy, estimating all the events of this revolution in a Marxist way or Marxist spirit. He wrote his work *Capital* in London, and was at the same time the founder of the First International of the working class of all countries. But he was not at the head of a party which decided the destiny of the world or even the destiny of one country. Whenever we want to give a concise answer to the question: who is Marx? we say: "*Marx . . . is the author of Capital.*" And when we ask ourselves—who is Lenin? we say: "Lenin is the author of the October revolution." Lenin, more than anyone else, was emphatic in saying that he did not intend to revise, remodel or alter the teachings of Marx. Lenin came, to use the words of the Bible, not to change the law of Marx but to fulfill it.

I repeat, no one was more emphatic than Lenin in asserting this. But at the same time he had to free Marx from the misinterpretations of his teachings introduced by the generations which separated Lenin from Marx—from the Kautskyism, MacDonaldism and the conservatism of the upper strata of the working class, of the reformist and nationalist bureaucracy. He had to apply to the full the weapon of true Marxism (cleansed from misinterpretation and falsification) to the greatest event in world history. Although Marx himself was able to embody in his theory the trend of events of decades and centuries, yet his teaching was subsequently subdivided into separate elements and in the everyday struggle was frequently assimilated in a mutilated and incorrect form. But Lenin came upon the scene. Under totally new conditions, he collected all the teachings of Marx and demonstrated them in a historic action on a world scale. You have seen this action and you are associated with it. This places you under an obligation, and on this obligation the Communist University of the Toilers of the East is founded.

There is every reason to believe that the Communist University of the Toilers of the East will furnish a nucleus of workers which will act as a class-conscious, Marxian and Leninist leaven in the movement of the proletariat of the East.

Comrades, you will be in great demand, and as I said before this will not happen gradually, but all at once, and, so

to speak, "catastrophically." I advise you to read once more one of Lenin's most recent articles: "A Little Less But a Little Better." The main theme of this article is the question of organization, but it deals also with the prospective development in the countries of the East in connection with European development. The main and fundamental idea of this article is that a set-back in the development of the Western revolution is possible. This set-back can be caused by MacDonaldism, which is the most conservative force in Europe. We have before us the spectacle of Turkey abolishing the Caliphate, and MacDonald re-establishing it. Is not this a striking example of the counter-revolutionary Menshevism of the West and of the progressive national-bourgeois democratism of the East? Afghanistan is at present the scene of truly dramatic events: the Great Britain of Ramsay MacDonald is fighting there against the left national-bourgeois wing, which aims at the Europeanization of an independent Afghanistan. It endeavors to place in power in that country the most unenlightened and reactionary elements, imbued with the worst prejudices of pan-Islamism, of the Caliphate, etc. A correct appreciation of these two colliding forces will enable you to understand why the East will be drawn more and more to us—the Soviet Union and the Third International.

### Revolutionary Prospects in the East

We witness in Europe, the past development of which caused the monstrous conservatism of the upper strata of the working class, an ever-growing economic deterioration and disintegration. There is no way out for the old continent. This is shown partly by the reluctance of the USA to lend money to Europe, based on the well-founded assumption that economically Europe is played out. At the same time we see that the USA and Great Britain are compelled to finance the economic development of the colonial countries, driving them with whirlwind rapidity on to the path of revolution. And if Europe is going to be kept in the present state of decomposition by this narrow-minded, aristocratic MacDonaldism of the upper strata of the working class, the center of gravity of the revolutionary movement will be transferred to the East. And then it will become evident that if it required several decades of capitalist development in Great Britain, with the assistance of this revolutionary factor, to rouse our old Russia and the old East out of their slumber, it will require a revolution in the East, which, sweeping back to Great Britain, will break (if necessary) a number of thick skulls and thus give an impetus to the revolution of the European proletariat (applause). This is *one* of the historic possibilities which we must never lose sight of.

I read in the material you sent me about the overwhelming impression produced in Kazan by one of the women students of your university—a Turkish woman, when she addressed the women of that city, including the illiterate and the old. This might seem an insignificant episode, but it is nevertheless of considerable historical importance. The strength and meaning of Bolshevism consist in the fact that it appeals to the oppressed and exploited masses and not to the upper strata of the working class. That is why Bolshevism is being assimilated by the countries of the East, not because of its theories, which are far away from being fully understood, but because of its spirit of freedom and liberty. Your own paper tells us over and over again that the name of Lenin is known not only in the villages of the Caucasus, but even in the remotest parts of India. We know that the workers of China, who probably never read anything written by Lenin,

are irresistibly drawn toward Bolshevism. Such is the powerful influence of this great historic movement! They feel in their innermost hearts that it is a teaching for the oppressed and exploited, for hundreds of millions to whom it is the only possible salvation. That is why Leninism meets with a passionate response among working women who are the most oppressed section of society. When I read about the success of one of your female fellow students in Kazan among the illiterate Tartar women, I was reminded of my recent short visit to Baku where I heard for the first time a Turkoman Communist woman, and had an opportunity to observe in the hall the enthusiasm of hundreds of such women, who having heard our message of liberation, had awakened to a new life. I realized then for the first time that women will play a more important role in the liberation movement of the East than in Europe and here in Russia (applause). This will be the case for the simple reason that Eastern women are even more oppressed and entangled in age-long prejudices than men.

It is for this reason that the new spirit, which is now animating the popular movements, has a stronger effect on women than on men. Although the East is still under the influence of Islam and of old creeds, prejudices and customs, there are signs that this influence is waning rapidly. We can liken the present state of the East to a piece of cloth which has perished. When you look at it at a distance, its texture and design seem to be perfect and its folds are as graceful as before. But a slight touch, a zephyr breeze is enough to make this beautiful material fall to pieces. Thus we have in the East old creeds which seem to be deeply rooted, but which are in reality only a shadow of the past. For instance, the Caliphate was abolished in Turkey and nothing happened to those who made this bold attempt on an age-long institution. This shows that old Eastern creeds have lost their power, and that in the imminent historic movement of the revolutionary working masses, these creeds will not be a serious obstacle. But this also means that Eastern women, who under present conditions are enslaved and thwarted in all their desires and ambitions, will, with the removal of the veil, see themselves deprived of all spiritual support because of the newly arisen economic conditions. They will thirst for new ideas and a new consciousness capable of allotting them their proper place in society. Believe me, there will be no better comrade in the East and no better champion of the ideas of revolution and communism than the awakened working women (applause).

Comrades, that is why your university has such a worldwide historic significance. Profiting by the ideological and political experience of the West, it produces the revolutionary leaven which will permeate the East. For you the time for action is imminent. British and American finance capital is

destroying the economic foundation of the East. It is creating new conditions. It destroys the old and creates the need for something new. You will sow the seed of communism, and you will reap a far richer revolutionary harvest than the old Marxist generations of Europe.

But, comrades, I should not like my complimentary remarks to rouse in you a spirit of Eastern conceit (laughter). I see that none of you have interpreted my remarks in that way. For if anyone has become imbued with such overbearance and contempt for the West, it will prove a short-cut to national-democratic ideology. No, comrades, the communist-revolutionary students of this university must learn to look upon our world movement as a whole, and to utilize the forces of East and West for the attainment of our one great aim. You must learn to co-ordinate the rising of Hindu peasants, the strike of bourgeois democrats of the Kuomintang, the Korean struggle for independence, the bourgeois-democratic regeneration of Turkey and the educational and economic work in the Soviet Republic of Transcaucasia.

All this must be taken into account in connection with the work and struggle of the Communist International in Europe, and especially in Great Britain where slowly (much more slowly than we should wish) but irresistibly, British Communism is undermining MacDonald's conservative strongholds (applause). I repeat that your advantage over the older generation consists in the fact that you are learning the alphabet of Marxism, not in emigrant circles (far removed from the actualities of life) in countries where capitalism holds its sway, which was our fate, but in an atmosphere conquered and permeated by Leninism. We cannot tell if the last chapter of the revolutionary struggle with imperialism will be unfolded in one, two, three or even five years time. But we know that every year a fresh batch of graduates will leave the Communist University of the East. Every year will produce a new nucleus of communists who have thoroughly learned the alphabet of Leninism, and who with their own eyes have seen the application of this alphabet. If the decisive events take place in twelve months time, we shall have at our disposal one batch of graduates. If two years will have to elapse, we shall have two batches of graduates, and so on. When the moment for decisive action is upon us, the students of the Communist University of the Toilers of the East will say: "We are ready. We have not spent our time here in vain. We have not only learned to translate the ideas of Marxism and Leninism into the language of China, India, Turkey and Korea; we have also learned to translate into the language of Marxism the sufferings, aspirations, demands and hopes of the working masses of the East." When these masses ask you who taught you this, your answer will be: "The Communist University of the Toilers of the East." (Enthusiastic ovation and singing of the "International.")

# Why the German Revolution Failed

By WALTER HELD

**EDITOR'S NOTE:** Walter Held, one of the outstanding leaders of the Fourth International, is known to many of our readers by his previous articles. His present contribution deals with a profoundly important question which has been the subject of controversy for two decades. Other comrades, who have read Comrade Held's article, have indicated their intention to contribute articles on this question to subsequent issues of *Fourth International*.

The history of the Russian Bolshevik Party, the October revolution, the first years of the Soviet Republic and the Red Army is the history of a grandiose political success unparalleled in revolutionary history. Lenin and Trotsky, nevertheless, were deprived of success in the field which, in the last analysis, is the most decisive, that of international revolution. The defeat of the revolution engendered the



triumph of the counter-revolution and the fantastic rise of Adolf Hitler and German Nazism unprecedented in modern history.

From the very beginning Lenin and Trotsky were thoroughly convinced that the result of their experiment depended entirely on the fate of the international revolution. Trotsky had stressed that idea since his formulation of the theory of the permanent revolution in 1905. Lenin emphasized with equal vigor the dependence of the Russian revolution on the revolutionary upsurge envisaged by the international movement. At the Seventh Congress of the Russian Communist Party in March 1918, Lenin expounded his unalterable conviction: "Without a German revolution, it is absolutely certain that we are doomed. We shall perhaps not be defeated in St. Petersburg or Moscow but in Vladivostok or some other place, to which we will be forced to withdraw but nevertheless under all conceivable eventualities we are doomed if the German revolution doesn't begin." Speaking in a similar vein one month later, at a session of the Moscow Soviet, Lenin declared: "Our backwardness has driven us forward but we shall be defeated if we don't gain the powerful support of proletarian uprisings in other countries." Similarly Lenin posed the problem in his "Open Letter to the American Workers" in July 1918: "We find ourselves in a besieged fortress until the other armies of the international socialist revolution come to our assistance." Zinoviev, translating Lenin's ideas along agitational and propagandistic lines, as was his customary function, bombastically proclaimed in the Manifesto of the Communist International on May 1, 1919: "Before a year will have passed all Europe will have been transformed into a Soviet system." Although the high hopes of a rapid victory of the world revolution failed to materialize, Lenin did not alter his principled position. In 1920 Lenin stated in his somewhat frank and therefore unmistakable manner: "The idea of a self-sufficient autarchic Soviet Republic is completely fantastic and utopian." A quotation of March 1923 from the final period of his theoretical contributions suffices to confirm that for Lenin the basic problem had remained unchanged until the end of his life: "We are confronted with this question: Will we in our ruined condition with our small scale agrarian economy be able to hold out until the capitalist countries of western Europe complete their development toward socialism?" Whatever artifices Stalin and his unholy henchmen may have employed to attribute to Lenin the idea of "socialism in one country," it remains their own. The Stalin school of revisionism had its inception in 1924 after the death of Lenin as a consequence of the defeat of the revolution and became itself the cause of a long series of further disasters.

We may proceed from the following basis: When Lenin and Trotsky and their co-workers had the courage to introduce the proletarian dictatorship and socialist economy into backward Russia, completely devastated by the war, they did so with complete confidence in the successful outbreak of socialist revolutions in the more advanced countries. The years 1918-19 seemed clearly to have confirmed these hopes. The political crises which overwhelmed Germany, Austro-Hungary and Italy were no less significant than that of Russia in February 1917. The old political regimes collapsed, the traditional royal families of the Hohenzollerns and the Hapsburgs were blown away, strikes and uprisings flared up and millions of political slaves arose. Nevertheless the revolution was nowhere able to reach the same heights as in Russia in October 1917; the movement was checked half way, retreated

and finally ended in the despotic barbarism of fascism. Since this occurred everywhere, there must be an underlying cause for this development. It would appear to follow logically that Lenin and Trotsky had erred. Did they deceive themselves when they felt the pulse of aging capitalism and declared its death had arrived?

The answer is definitely NO. The Marxist analysis of the objective development of world capitalism had been brilliantly confirmed. The great capitalist countries had emerged from the stage of progressive development of their economy into an epoch of self-annihilation where wars and crises succeeded one another. What Marx had foreseen had occurred: the concentration of the means of production and monopoly had reached the point where they were irreconcilable with their capitalist form. At this stage, according to Marxist prophecy, the proletariat should destroy the capitalist framework and proclaim the birth of a new society. But only in Russia was this prophecy fulfilled, in all other countries the proletariat revealed itself unable to sever the umbilical cord which bound it to the bourgeoisie. What was the reason?

Lenin himself offered the key to the answer. Before 1902 he had already written: "Without a strictly disciplined organization of professional revolutionaries, without tens of talented professionally trained leaders schooled for many years, there cannot occur any consistent struggle of any class in modern society." He outlined the task of the organization: "It must lead the struggle at every stage, from the preservation of the prestige, steadfastness and honor of the party in moments of greatest suppression until the preparation, establishment and accomplishment of the armed uprisings of the masses." No successful revolution without such a party: this is the basic idea of all Leninist writings of the years 1902-4, the years marking the foundation of the Leninist party.

## No Leninist Parties in Western Europe

No such orthodox Marxist party existed at the end of the last World War, either in Germany or in any other western European country. The Social Democracy, originally passive toward the problem of revolution, had gone over into the camp of the class enemy in 1914. An opposition arose, indeed, the Spartakusbund, but this group was small in number and organizationally weak. Its leaders, Rosa Luxemburg and Karl Liebknecht, had been in prison for the greater part of the war and, moreover, did not share Lenin's conception of the tasks of the party. In 1903-4 Rosa Luxemburg had sharply polemicized against Lenin's alleged ultra-centralism and bureaucracy. Agitation and propaganda, these were for Luxemburg and Liebknecht the foremost functions of the party; on the other hand, the conscious initiative of the party leadership in the formulation of strategy and tactics played a subordinate role; the revolutionary uprising ought to arise out of the spontaneous actions of the masses, the party was to serve merely as an assistant. Rosa Luxemburg had never altered her position on this basic question. Such was the situation of German radicalism. The small opposition groups in the other countries, Italy, France, England, were even further removed from Lenin's conception.

Now the question arises: If Lenin considered the existence of a Bolshevik party as the indispensable prerequisite for revolution and, moreover, held the Russian revolution to be lost without the international revolution, why didn't he from the very beginning of his activity devote all his energy to



the creation of such an international revolutionary party? A study of Lenin's writings before 1914 provides the answer. Lenin esteemed the German Social Democracy as highly as he did the other left-wing groups. In it he saw the direct heritage of Marx and Engels. Lenin, like the other Russian Marxists, considered Karl Kautsky, editor of its weekly theoretical organ, an indisputable authority. Through Lenin's interpretation, Kautsky's academically correct generalizations received the practical application and pointedness which Kautsky, the professor, could hardly conceive. With so much greater bitterness did Lenin turn against Kautsky when he realized in 1914 that his opinion of Kautsky had been mistaken. From this point on Lenin propagandized unhesitatingly for the formation of a Third International without, however, achieving any great practical results in creating it during the war. The majority of the Zimmerwald Conference opposed the proclamation of a new international and the Manifesto of the small left-wing Leninist groups was not even once mentioned in the publications of the Spartakusbund. Thus, no one was in a better position than Lenin to realize that the subjective factors for successive revolutions in the West were lacking.

We know that Trotsky's position before 1917 was similar to that of Rosa Luxemburg for, as he himself expressed it, he had held to a certain social-revolutionary fatalism. The February revolution had drawn him to Lenin, while none of the old supporters of Lenin had Trotsky's ability to translate Lenin's conception into reality. In Russia, where the actual problem confronted them, Lenin and Trotsky ridiculed the superstitious belief in the spontaneous victory of the revolution, and considered success or defeat dependent on their own actions. The problem presented itself differently to the consciousness of the masses. The apparent ease of the victory of the October uprising naturally evoked great hopes among the Russian workers for an immediate victory of revolution in Europe, without concerning themselves with the great philosophical problems of the subjective conditions of this revolution. It was quite evident that even Lenin and Trotsky, to say nothing of the Zinovievs and Bukharins, allowed themselves for a time to be swept along on this wave of optimism.

This is especially evident in the period immediately following the revolution in Germany in November 1918. The radicalized German workers were unable to follow the complicated events of the Russian revolution between February and October 1917 because of war conditions. The Soviet Republic appeared to them as an accomplished fact which they had to emulate as soon as possible. The Russians did nothing to make the invaluable experiences of Bolshevik politics available to them. The task of international revolutionary propaganda was taken over by Zinoviev. He had only one year previously opposed the carefully prepared October insurrection, labelled it as irresponsible adventurism and insisted that it proceed through the legal channels of the Constituent Assembly. Therefore, the proletarian revolution in Germany appeared to him to be the simplest matter in the world and the National Assembly there as a simple problem. "Throw out the traitors, Ebert and Scheidemann!" Such was the proclamation he sent from Moscow to the German proletariat. "Call for the Soviet Republic with Liebknecht at its head!" It would have been more worthwhile had his advice read: "Don't allow yourself to be provoked to rash deeds. Explain patiently to the masses the betrayal of the Social Democracy. First build and stabilize your own party. Your hour will come."

Whether this advice would have helped is another question. There could be no talk then of the western European revolutionists leaning on Moscow. The Communist International was only now to be founded. From prison, Rosa Luxemburg published a sharp critique of Bolshevik politics. The Spartakusbund marched to its own destruction on its own initiative. In the period when the radicalization of the German masses was still in its initial stage, the Spartakus leaders responded to the reactionary Ebert administration with the January 1919 uprising, which was totally unprepared for and amateurishly executed.

This event constituted a catastrophe for the German movement and consequently for the development of the international revolution. The young German revolutionary party was literally decapitated, the movement incurred a blow from which it never fully recovered. The meaning and scope of this disaster was at first not fully recognized in Moscow. The voices of optimism persisted and indeed received fresh stimuli as a result of the proclamation of Soviet republics in Budapest and Munich.

In Budapest the regime of Count Karolyi had voluntarily surrendered its power to the left Social Democracy of Bela Kun, which led Lenin to make the hopeful observation that "Other countries will achieve socialism through other and more humane methods." Nevertheless it turned out that the importance of a well-disciplined party with experienced leaders trained in Marxism was even more evident on the day after the seizure of power than on the evening before. The regime of Bela Kun committed error after error, united with opportunists, neglected the organization of the masses into soviets and the building of an army, forgot revolutionary measures for the benefit of the poor peasants and farm workers, and lost its all too easily acquired power after a few months.

The Munich Soviet Republic was only a farce whose tragic demise served but to accentuate the catastrophe of the January days in Berlin.

The German Paul Levi, a disciple of Rosa Luxemburg whom Lenin had become acquainted with in Switzerland during the war, was the first German to understand the real requirements of the situation. Following the deaths of Luxemburg, Liebknecht and Jogisches, Levi, in spite of his youth, was chosen to head the newly established party and found it in a state of unprecedented ideological chaos. Numerous Utopian radical elements, lacking theoretical knowledge and political experience, had linked themselves to the Spartakusbund during the first days of the revolution. Some of them considered armed uprising as the panacea and every other form of political activity as sheer betrayal. Others desired to create their private little "pure revolutionary" world removed from reality, rather than altering the existing world through revolutionary means. Levi was thoroughly convinced that the elimination of these elements was the first requisite for the building of a serious party, and in the fall of 1919 he accomplished this split regardless of the fact that this measure reduced the membership of the party in Berlin from several thousand to a few hundred.

Lenin supported Levi's course of action and provided it with a theoretical justification in his brochure against the Utopian radicals, "Left Wing Communism: An Infantile Disorder," written during April-May 1920. By this time Lenin had abandoned all hopes for a rapid and easy victory of the revolution in the West. Nevertheless he had no basic revision to make. The validity of his position in 1902, as set forth

in his "What Is to Be Done," was doubly confirmed by experience, positively in Russia, negatively in the West. Therefore it seemed to him at this time that the attention of the revolutionaries of western Europe must be directed toward the ideological and factional conflicts which were involved in the building of the Bolshevik Party. For, wrote Lenin: "Only the history of Bolshevism in its entirety can adequately explain how under the most arduous difficulties it was in a position to create and maintain the iron discipline so essential to the victory of the proletariat." He also directed attention to the cautious tactics which the Bolsheviks undertook in the first period after the February revolution. "The Bolsheviks did not at first demand the overthrow of the government, but instead declared that its overthrow would be impossible without preparatory changes in the organization and the point of view of the Soviets. . . . Without these cautious and carefully prepared basic preparations the Bolsheviks would not have been able to accomplish the victory in November 1917 or insure its fruits." Golden words these which, however, came too late and fell upon unfertile ground.

### The Founding of the Comintern

The Communist International was founded in the spring of 1919. The Founding Congress was hardly impressive. Only a few delegates of non-Russian parties succeeded in crossing the civil war fronts and reaching Moscow. Outstanding or important leaders were not among those present. Lenin and Trotsky saw themselves surrounded by such persons as the Finns, Kuusinen and Sirola, who had displayed their mediocrity shortly before in the Finnish Civil War; by the Austrian Steinhardt whose enthusiasm greatly surpassed his political abilities; by the Frenchman Jacques Sadoul, a captain in the French army and member of its mission in Russia who had gone over to the Bolsheviks; by the American John Reed, a brilliant writer and journalist whose political experience, nevertheless, was limited; and by the German Hugo Eberlein. The latter, then only slightly known, but later one of the most corrupt elements of the Communist International, had received a mandate from his party to vote against the founding of the Communist International on the ground that the time for it was not yet at hand. In arriving at this conclusion, the young German party was echoing the opinion voiced by Rosa Luxemburg shortly before her death. Here again she demonstrated her fatal tendency of bridling the horse by the tail. While she deemed the founding of the new International premature, she did concede that the Berlin workers had been adventuristic in undertaking an armed uprising without having created a party. Lenin and Trotsky had no desire to force upon the German party the founding of the International and declared themselves ready to arrive at a compromise. However, with the arrival of new delegates, who had undertaken the journey to Moscow under the most difficult circumstances, a wave of enthusiasm for the immediate founding spread through the Congress, and Eberlein allowed himself to be persuaded to withhold his vote. Thus was the Communist International founded, Zinoviev was elected president, and Moscow designated as its center, where a certain number of representatives of the other parties would reside permanently. It was further decided on an annual congress which was to have supreme authority in all political and organizational questions.

It is obvious that Moscow was expected to render the new movement every conceivable assistance from the very be-

ginning. Shortly before he was murdered, Trotsky in one of his last writings recalled that the Council of People's Commissars issued the following decree on December 26, 1917 bearing his own and Lenin's signatures:

"In view of the fact that the Soviet power bases itself on the principles of the international solidarity of the proletariat and the brotherhood of the toilers of all countries; that the struggle against imperialism and war can lead toward complete victory only if waged on an international scale, the Council of People's Commissars considers it necessary to offer the international left wing of the workers' movement of all countries every possible assistance including financial aid, regardless of whether these countries are at war or in alliance with Russia or are neutral. For this reason the Council of People's Commissars decides to grant two million roubles for the needs of the international revolutionary movement and to put it at the disposal of the Commissariat of Foreign Affairs."

Twenty-three years later Trotsky adds: "Not even today am I inclined to withdraw my signature from this decree. It was a question of giving open aid to revolutionary movements in other countries under the control of workers' organizations. The parties receiving aid enjoyed complete freedom of criticism of the Soviet government. At the Congresses of the Communist International passionate ideological struggle always used to take place, and on more than one occasion Lenin and I were in the minority."

Only hypocrites and philistines could be opposed in principle to material assistance by an internationalist party to its co-thinkers in other countries. Even the First International at the time of Marx and Engels was proud of its international strike fund. The Second International and the International Federation of Trade Unions perpetuated these traditions. To say nothing of what goes on in the camp of the bourgeoisie which expresses such moral indignation over the international solidarity of the proletariat. It is well known that German Nazi imperialism directs political parties and groups all over the world. Democratic imperialism is no different in this respect. When the British government of Churchill and Lloyd George subsidized Denikin, Kolchak and Wrangel with many million pounds sterling they remained faithful to the tradition of William Pitt who financed royalist ambitions against the French revolution. Once the Bolsheviks had embarked upon a life and death struggle with world capitalism they were forced to wage battle with those methods prescribed by capitalist conditions.

Nevertheless, this aid from Moscow had its disadvantages. Had there existed only well-organized parties with experience and independent-minded leaders such as Lenin in the other countries, the hazards connected with Russian aid would have been minimized and the advantages that much greater. However, this was not the case. The money only served the function of masking the small and ideologically unstable groups with a facade of influence and strength which in reality they did not possess. Thus this aid from Moscow very soon tended to make the party apparatus independent of the membership. With the degeneration of the Russian revolution the Moscow subsidies were transformed into devices of coercion and corruption.

That the Communist International was nevertheless no artificial creation of Moscow, but was rather a response to a general political need was demonstrated in the first years of its existence. In Germany, Italy, France, Scandinavia, yes even in

ultra-conservative England, great masses were turning away from the brutal counter-revolutionary or the ideologically flimsy policies of the Social Democracy and were gazing hopefully toward the East. What was more perplexing was the fact that a considerable section of the old Social Democratic leaders declared themselves ready to affiliate with the Comintern. Thus the Germans, Crispian and Dittman, who adopted a semi-opportunist and weak pacifist position during the war; the Frenchmen, Cachin and Frossard, who had been 100 per cent social-patriotic and had worked with Mussolini; the Czech Smeral, who had until then been the agent of the Hapsburg monarchy; and finally even Ramsay MacDonald, then the religious pacifist leader of the Independent Labour Party, and the future Prime Minister of the British Empire, politely inquired about the prerequisites for entry into the new International.

Lenin and Trotsky were greatly disturbed by these approaches. It was not their purpose to create a new edition of the Second International in whose ranks each could follow his own inclinations. Therefore, at the Second Congress convoked in the summer of 1920, they presented 21 conditions for acceptance into the Communist International. These required the recognition of the essential principles of Bolshevik politics, the soviet system and the dictatorship of the proletariat, the break from ministerial socialism and social patriotism. Social Democrats and liberals of all shades have attributed the roots of all the evils and the basic reason for all the misery of the post-war workers' movement to these Moscow theses. Trotsky countered such complaints with the droll paradox: "Yes, it is possible that these theses were not formulated sharply enough." In reality these theses did not accomplish their function of serving as a vaccine against the opportunistic degeneration of the new International. Their purpose was achieved only insofar as the open opportunists declined to accept the 21 conditions and were thus excluded. Among the signatories were people like the previously mentioned Cachin and Smeral, who were indifferent to the theory and comforted themselves with the philistine wisdom that it wouldn't be easily enforced. Even among the sincere signers, there was hardly one who understood how to translate the algebra of the 21 points into the arithmetic of every-day politics. Neither money nor strict regulations could remedy the evil from which western European radicalism was suffering: the lack of "ten experienced, outstanding leaders who were in a position to conduct consistent politics in the revolutionary Marxist manner." Only through patient educational work and careful selection could such leadership be developed.

Paul Levi, who was one of the first to become aware of the consequences of this situation, received the high honor of the chairmanship of the Second Congress. Lenin's brochure against ultra-left infantilism was being printed at the time. The German Communist Party had committed a grave blunder in March 1920, in connection with the putsch of Kapp and his reactionary clique of generals and fascists. In the absence of Levi, who was serving time in prison, the Central Committee had answered the putsch with the declaration that this struggle between monarchist reaction and the republic was of no concern to the workers since they were both enemies of labor. Levi had protested most vehemently against this position from prison, and had called for energetic participation in the struggle against Kapp. His position was adopted within a few days, and the leaders of the Russian party were outspoken in their recognition of the fact that Levi had saved the honor of his party. Levi seemed to have every reason to

be happy. But, as the proverb goes, into every life some rain must fall, and the Second World Congress did not delay in adding a drop of poison to his cup of happiness. Since the main debates centered chiefly around the 21 points, the delegates directed all their polemics against the right and thus found themselves voicing the same opinions as the radical Utopians of the left. Zinoviev and Bukharin, as well as those like Bela Kun and Rakosy who thanks to their brief stellar roles became members of the Executive Committee of the new International, opposed Levi's expulsion of the gallant ultra-lefts. The expulsion was not reversed but the expelled, who had formed a "Communist Workers Party," were recognized as a "sympathetic section" of the new International. The existence of two sections, an "official" and a "sympathetic," could only provoke confusion in the ranks of German labor. With this decision, a course was embarked upon which was to develop dangerously for the fate of the new party and the International.

At the end of 1920 the young Communist Party of Germany was suddenly transformed into an influential party with recognized leaders, a sizable representation in the Reichstag, numerous publications, a considerable following in the factories and a numerous membership. The Independent Social Democratic Party, which had split from the Social Democracy in 1917 and had become swollen into a mass party during the revolution, had undergone another split at the Congress in Halle, the majority favoring affiliation with the Communist Party and the Communist International. Zinoviev himself appeared at the Halle Congress and had been victorious in his debate with Martov, Lenin's old adversary. Zinoviev's optimism reached new heights and was shared by his colleagues Bukharin, Bela Kun, Rakosy, etc. "Now that we have a real mass party in Germany, we must begin to do something with it," they philosophized in the small bureau of the Comintern in Moscow. One after another, in Berlin, there appeared Bela Kun, Borodin (the very same Borodin who was to play an important and equally disastrous role five years later in China) and Rakosy, to whom important powers were designated by the Presidium of the Comintern to watch over the politics of the German party. Through their machinations, Levi was persuaded to relinquish his position as chairman of the German party. This gave free reign to the adventurists.

### The "March Action"

In March 1921, when the Social Democratic Police Commissioner, Hoersing, ordered the police to march into the miners' district of Central Germany, the new leadership of the Communist Party called for a general strike, for the arming of the workers and the overthrow of the government. For the masses of workers this pronouncement came like a bolt out of the clear sky. Under Levi's leadership the party had until then pursued a policy of proletarian united fronts. And suddenly there was this regression to putschist infantilism. The irony in this call for a general strike was in calling it a day before Good Friday, when most factories were closed for four days. While most German workers were celebrating Easter, the leadership of the German Communist Party was conducting a revolution. It fraternized with the putschist "Communist Workers Party" and howled louder than the latter. Like a modern Robin Hood, Max Hoelz plundered the homes of capitalists and divided the booty among the poor. The year before, the Communist Party had excluded this freebooter from its ranks and now it was hailing him as a hero.

Communist leaders committed even worse stupidities. In order to "electrify" the masses, they incited attacks on their own party office and publications on the part of party members disguised as the "enemy," in order to then "answer" these actions by railroad strikes, dynamiting of courts, attacks on savings banks and the police—a tactic which Adolf Hitler emulated with far greater success in 1933. The March Action ended with a terrific fiasco; the young party, just starting to become a serious factor in the political life of Germany, was made to appear ridiculous.

In a confidential report, shortly before the March Action, Paul Levi had warned the party leadership against taking the path of adventurism. When the putschist riots began, he was in Vienna. He hurried back to Germany, where Clara Zetkin, an old working-class leader and a member of his faction, persuaded him from making public a manifesto against the action during the struggle. Instead, immediately following the close of the event, he published a brilliantly written pamphlet, "Our Road: Against Putschism." Outside of Rosa Luxemburg's Spartacus program, this is one of the most noteworthy contributions to be found in the whole history of the German Communist Party. He wrote in the preface: "I turn to the membership of the party with a picture which must deeply pain those who helped to build the party which was here destroyed. These are bitter truths. But it is a cure, not poison, which I am offering you." Nevertheless, Moscow rejected this remedy and officially recognized the putschist faction. A few months later, at the Third World Congress of the Comintern, Zinoviev declared: "When we first received information about the March Action, we all had the feeling that things had finally begun to move. At last the movement had started in Germany. At last a breath of fresh air." Accordingly, a telegram was sent to the putschists: "You have acted correctly," and Levi and his following were denounced as a "Rightist menace." So the heroes of the

March Action felt justified in expelling the inconvenient Levi from the party.

Lenin and Trotsky shook their heads at all this folly. They were unaware that the March Action was contrived by the Secretariat of the ECCI. Since they reckoned that the international revolutionary movement was in for a period of calm, their attention was directed to the introduction of the New Economic Policy in Russia. Military communism, with its system of compulsory requisitions, had alienated a large section of the peasantry from the Soviet state, and had led industrial production to a blind alley. As Kronstadt clearly demonstrated, even the workers found the privations too intolerable. As far back as 1920, Trotsky had recommended that the kulaks should be guaranteed a certain per cent of their crops and should be permitted free trade within a limited sphere. At first, Lenin opposed this. Finally, not fearing a step backward, he accepted Trotsky's plan, in order to gain a more advantageous position for making further progress. To a certain extent private capital was again permitted for industry and the handicrafts. As a matter of fact, Lenin was even considering a plan of attracting foreign capital for the reconstruction of Russia's industry by means of an extensive system of concessions, and Trotsky supported the idea. Just like every bold turn of Lenin's policy, this plan aroused opposition in his own ranks. "We must not allow the Soviet Republic to deteriorate into a shopkeepers' state," was a favorite argument of the Secretariat of the Comintern, among Zinoviev, Bukharin and Bela Kun. Since Lenin and Trotsky based the necessity for the introduction of the New Economic Policy on the failure of the international revolution to materialize, Zinoviev and his associates in the Secretariat thought they could provide a speedy remedy. This was precisely their chief motive for unleashing the infantile March Action.

*(The second and final section of this article will appear next month.)*

## INTERNATIONAL NOTES

### Ireland

*The following is from a letter from Dublin, dated August 21, 1942:*

Labour has had a big success in the local government elections. These are elections for the various city and country councils which see to local affairs. In Dublin, where Labour has always been weak, the success was especially marked. Of the 35 seats of the last Dublin Corporation elected in 1936, 13 seats were held by Fine Gael (Cosgrave's party), 12 seats by Fianna Fail (the government party), 7 by Independents and only 2 by Labour with 1 independent labour (Larkin, who is now official Labour).

The seats now stand as follows: Labour 13, Fine Gael 11, Fianna Fail 9, Independent 1, Progressive 1.

Popular discontent with the government was bound to lead to a swing away from Fianna Fail, but it is very encouraging to find that this did no good to Fine Gael. The voting was by proportional representation. The first choices were even more strongly Labour. One of the best Labour men up was Barney Conway, of Larkin's Union; he

helped organize the big strike of 1913, fought in 1916 in the Irish Citizens' Army under Jim Connolly. And he is a good militant ever since, but with no backing of political theory; he lives in a slum tenement, he is not a typical trade union bureaucrat. He headed the poll in his area, and is therefore one of the city aldermen.

Dublin is not isolated. Throughout all the country districts, there was a swing towards Labour. The practical effect of this is negated by the decision of the government to operate the county management bill, by which a government nominee is given full powers of administration in each district, leaving the elected councillors the right only to collect rates. It remains to be seen what the reaction will be, with Labour in a fighting mood. A general election is due early next year. All the newspapers now urge or forecast a bloc of the two main parties against Labour to avoid an election.

The Labour Party fought the campaign on a very small war chest and with a tiny party apparatus, especially in Dublin. In Dublin the whole weight of the campaign fell on the left wing. So far so good. Just where is it leading to?

Internal party history during the last few years has been a series of defeats for the very vague left wing. The right wing eliminated from the constitution Connolly's Workers' Republic as the party aim, and substituted a vague phrase about a democratic republic. On top of that the party has accepted credit reform—the hobby of the national secretary, Luke Duffy.

### *The Labour Party Program*

Roughly the Labour Party's financial theory is as follows. At present every Irish pound note printed is backed by sterling securities. We are to break the link with sterling and have our own currency backed by the potential resources of the country. Extra currency is to be printed sufficient to pay trade union wages to the unemployed who will then be set to work on public work schemes of permanent value. For instance forestation. Their wages will be spent mainly on agricultural goods, leading to prosperity for the farmers. The forests, etc., created by this additional labour force will in a few years time be sufficient backing for the Irish pound in other countries. In practice the tendency of this theory is to provide a substitute for militant labour action and reduces the party to call-

ing for a Dail majority to carry out this financial change.

It is clear that the struggle for a Labour Government must go hand in hand with the development of a coherently organised and conscious left wing.

### *Ireland and the War*

On the question of neutrality, the country is absolutely unanimous. Partly this is due to anti-imperialist sentiment. Partly to realisation and fear of the horrors of war. But the feeling that nothing else matters much so long as we can keep out of the war has led to political apathy. Economic suffering has been accepted as the price of neutrality. And while there is resentment against the few who, by buying up commodities that are short, make money out of the crisis, no party, not even Labour, has suggested a coherent solution for the economic crisis.

To a large extent the war crisis is, of course, insoluble. The belligerents reserve for their own use the steel, coal, petrol and other war materials which Ireland must import. Consequently, the industries close down, and even agriculture is hampered. Many of the industries were artificially created by a high tariff policy, especially under Fianna Fail. These hot-house plants, of course, die off first, and men are thrown out of employment and cannot be absorbed by the land. But others such as the cement industry were economically justified. Cement, however, has ceased production owing to lack of coal, and sale of cement except for government purposes is illegal.

The town gas supply depends on imported coal, and has been very drastically cut down. Electricity is supplied by the Shannon hydro-electric plant, but is normally supplemented by coal-powered stations, so this too is rationed. There is no coal allowed for the steam threshers which have to operate on wood, which is also short. There is a petrol allowance for tractors and essential services only. During the winter months there is a small allowance of kerosene for lighting, just enough to make farming life possible.

Efforts are made to dig up the turf bogs to provide a substitute for coal, but, though an army of men is working at this, it is impossible to get enough. There is a drastic fuel famine.

On the other hand, the government is paying a subsidy of two million pounds to the milling millionaire ring to compensate them for the smaller amounts of wheat available and keep their profits up to normal.

The cost of living figures are what you might expect. For food only, with base July 1914=100, the indices are (for the second quarter of each year) 1939—157; 1940—180; 1941—197; 1942—208. I think there has been a sharp rise since the last figures available.

The cost of living index for all items has risen more steeply than for food. The food index figure does not, however, show the situation accurately, in its effect upon low wage earners. There are no cheap substitute fats such as margarine. Drippings are very hard to get and often reserved for favored customers, or by the black market pirates. There is no lard. So the only fat for cooking is butter, which is short and expensive. There is no bacon, or practically none, and no oatmeal. Potato prices have not risen significantly, but with this exception the price rises are especially on food items which are important in the workers' diet.

By an emergency order wage increases are made illegal.

I was very interested to read the article that *Fourth International* published on price rises in the U.S.A., showing how it makes possible armament production. You can see from these figures that we have the same kind of inflationary tendency here, but for a different reason. By and large capitalism here has no independent existence, it is on too small a scale, it is closely linked with, and often dependent upon, English financial imperialism. Our inflation is not the result of free decisions on policy made by the Eire government, but is the consequence of inflation in the industrial countries.

But note that unemployment is not on the increase in Eire! Employment in England is the safety valve and remittances sent home keep the wives going. There is a lot of sentiment against emigration, draining the country of its best blood, etc. But the hard fact is that on the present crisis and under the present economic system the country couldn't carry on without it. It is another case showing how indirectly the economy of small countries is secondary to that of the big imperialists.

### *The Agrarian Situation*

The most unexpected thing is, however, in relation to agriculture. We are having difficulty in producing enough food, and we are a farming country! Long before the war Irish farming had degenerated into cattle fattening for the English market, on permanent pastures which are never ploughed. Now we have a compulsory tillage order. Holdings over 10 acres must be 12½ per cent ploughed. Wheat growing here was formerly ruined by American competition; now, of course, we cannot get much foreign wheat. So a guaranteed price is offered to the farmers; it is illegal to feed wheat products to animals, and the whole wheat is now milled into flour, so that the bran and pollard formerly available for pig and poultry feeding is now used as human food, making a wholesome, but not very popular brown loaf. In spite of this, we were just saved from a wheat famine last year by the timely arrival of some foreign wheat!

This year a good harvest is expected. But, of course, the effect of having no bran or pollard is that most of the pigs and poultry have vanished or are liable to go. The bacon factories, many of them, have had to close down or are producing very little.

Another effect of the tillage necessary in the emergency is that by reducing the grazing area it is tending to reduce the cattle and dairy farming. Meanwhile the English government is telling English farmers to buy up the Irish milch cows! But how is it that when England increases her tillage, she can also increase her livestock, while in Ireland, it works the other way round? The answer is heavy industry linked to farming.

### *British Agriculture*

In England the pre-war tractor force of 52,000 has been increased to 120,000 and each machine is more intensively used. The arable land has been increased from 12 to 18 million acres and is more intensively farmed. Crops such as wheat, potatoes and oats have been increased from 33 per cent to 100 per cent. At the same time grass land is ploughed up and reseeded to make better pastures and silage is becoming universal (it is still a rarity here). Milk production has increased by five million gallons since 1941 in England. The total increase in production is approximately 112 per cent since the first year of war, and already supplies the population with food for 210 days out of the 365. The production figures are still increasing and I believe will increase until England is producing all her own food. The tillage limit has now nearly been reached in England. But not the limit for reseeded pasture and beef production. And the limit for intensity (that is, high capital investment per acre) has not yet been explored. In Great Britain and Northern Ireland 47½ million people are living on 94 thousand square miles. In Eire three millions live on 26 thousand square miles. England's agricultural achievement is astounding and very alarming for small farming countries.

Hitherto there has not been a tendency to heavy capital investments in land on a world scale. Certainly, the technique of scientific agriculture has only been worked out recently. So it is now possible to industrialise land. I see from Comrade Charles' articles in *Fourth International* that this is now happening on the largest scale in the U.S.A. But I don't think he draws the full conclusions.

U.S.A. farming now makes English mechanisation look very small. The conclusion to be drawn from Comrade Charles' articles is that monopoly capitalism will now develop on the land, and not only in America. In the course of a comparatively short time it will ruin the economy of traditional farming countries.

P. T.

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