



FOURTH INTERNATIONAL

DEVOTED TO THE THEORY OF MARXISM

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Featuring

Loyalist Persecution of Spanish Revolutionists

Roosevelts' " Good Neighbor " Policy

The Trotskyite Centrist Draft Theses

Railroad Workers Fight Wage Cut

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2159 West Division St.

Chicago, Illinois

NEGRIN DRIVES AGAINST REVOLUTION

Our campaign in defense of Negrete and the thousands of other working class militants in Loyalist dungeons has raised in the camp of the Stalinists and others cries of horror. They claim we are isolating ourselves from the struggle against Franco, centering our attack on the People's Front government in time of crisis, etc

Nothing would be farther from the truth. The causes of Negrete's arrest and the causes of Franco's advances are inextricably linked together and interwoven. The relation of the Loyalist government's drive against the working class and against workers organizations and their present sad plight of being copped up in Barcelona and Valencia is the relation of cause to effect. The capitalist People's Front government in subordination to the working class and putting its dependence on foreign imperialists has brought the present state of affairs on itself.

ANGLO-FRENCH IMPERIALISM

As a part of their drive to line up Europe against the U.S. and the proletarian revolution, the British imperialists are doing a very skillful trapeze act in regard to Spain. While not openly aiding the fascists, they allow them with the aid of Mussolini and Hitler to defeat the Loyalist government to which they give half hearted aid. So far from protesting against this situation, they follow a policy of "non-intervention" which permits it. British ships are bombed in the harbors of Loyalist Spain. How is it that Mussolini and Hitler take such "daring" action? Because they know that the British policy of playing both sides against the middle permits them to do such things and get away with it.

The Loyalist defeats and the actions of Mussolini and Hitler serve the British purposes admirably. They create a situation of crisis in Loyalist Spain which Britain uses to exact from Negrin and Co. further assurances against the workers. And they create a situation in Loyalist Spain which Negrin can use as an excuse and reason for drives against the working class. In the name of "unity against the fascists" and the "war above everything". CNT, POUM and international militants have been jailed, shot or sent up to the front to be slaughtered. Workers organizations have been suppressed. These drives against the workers continue and are increased.

The Anglo-French imperialists aim to suppress the workers organizations in Spain and break their backs to such an extent that a compromise can be effected. If this is accomplished, German and Italian chiseling can be ended on a friendly basis and the British

IMPERIALISTS CAN SAVE both their prospective bloc and their economic interests. Their perspective is for either a Negrin-Franco compromise peace or a Franco government pledged to protect their interests.

ONLY WORKING CLASS CAN DEFEAT FRANCO

Either variant must necessarily be at the expense of the Spanish-working class. In either case, they will be under a military government of one form or another. They will lose their rights and positions they have won. The line of action of the Spanish workers must be against such a compromise in any form and against the imperialists and their agents who are working for it. To be for a fight to the finish against Franco and to support England's puppet Negrin is a contradiction.

The only force capable of fighting Franco is the Spanish working class. It must conduct a fight not only against Franco but against the treacherous Anglo-French imperialists and their agents in Loyalist Spain. The one without the other is impossible. The working class organs of struggle - the anti-fascist committees and the workers' militias - must be re-established. Through them a real fight against Franco on an independent class line can be conducted. Our job in the U.S. is to help in this task. How best can we help the Spanish workers? One very important way is to fight for the freedom of the working class militants whom Negrin has jailed because they stood in the way of his preparations for peace on England's basis.

DEFENSE OF NEGRETE IS DEFENSE OF ALL WORKERS

The Revolutionary Workers League will fight to free Negrete. The struggle to free Negrete is one that must be connected with the struggle to free all of the class war-prisoners in Spain. So far from abandoning the struggle against Fascism or pushing it into the background, the fight for Negrete's freedom raises to the fore the greatest menace confronting the workers of Spain and presents the line for averting their destruction.

WHAT'S THE SCORE

for you and your organization?

✓ PROTESTS _____

✓ DONATIONS _____

✓ JOIN UNITED FRONT _____

FOR

NEGRETE

A CENTRIST PROGRAM-S.W.P. DRAFT THESIS

The draft thesis of the Socialist Workers Party (Trotskyites) is a centrist document that sums up the years of centrist theory and action of this tendency. Its abstract character gives the impression that it is a document to the left of the regular practice of the party, but a Marxian analysis reveals that these abstractions are right wing concepts on the brink of reformism. In addition, the draft thesis cannot be considered separate and apart from their weekly paper and from their actions, which really round out this document and place it even to the right of the theoretical positions of the centrist POUM. The draft adds new clarity to the Trotskyite revisionist positions on the road to power and on the question of the state.

OBJECTIVE PREREQUISITES FOR A SOCIAL REVOLUTION

In speaking of transitional demands to mobilize the masses for the conquest of power the draft speaks of the HISTORICAL objective prerequisites of the social revolution, but nowhere does the draft discuss the CONCRETE objective CONDITIONS for a social revolution. To write a draft program and to skip this most important stage in the transformation of pre-revolutionary to civil war conditions is to ignore the most important aspects of the whole problem. No basis is provided for revolutionary strategy and the concrete character of the demands in the transitional period.

TRANSITIONAL DEMANDS AND PROGRAM

The draft has elevated to a schematic and mechanical level the concept of transitional demands and program. The rhythm and dynamics of the revolutionary upsurge is negated. According to this concept we have a minimum program, a transitional program, and an ultimate and revolutionary program. No wonder more workers, who think this is "Marxism" swing over to the ultra-left and reject all but the "ultimate" demands. There is only one PROGRAM - the revolutionary Marxian program. At each given stage of the class struggle the immediate demands are put forward to correspond to the objective conditions and the pressure of the class and its party. These immediate demands today are of a more elementary nature than tomorrow when we have a revolutionary situation, but the immediate demands are within the framework of the revolutionary program. In the period of transition toward revolution the IMMEDIATE demands are geared up to the new situation and again are within the framework of the revolutionary PROGRAM. They are not transitional demands; rather they are the proper immediate demands for the transitional stage. It is not a transitional program; rather it is the same revolutionary program with the proper immedi-

ate demands for the objective conditions.

Likewise we must keep in mind that in the whole epoch of DECAY capitalism the agitation for the immediate demands is on a higher plane and entirely different from that in the prewar (1914) period. The objective situation as a whole, even though the concrete conditions have not yet taken an abrupt turn, demands this greater coordination between immediate and ultimate demands. The mechanical schema of the SWP is a rejection of the Leninist position, and also of the concepts that Trotsky presented before he reverted back to centrism.

NATIONALIZATION AND WORKERS CONTROL

The Trotskyites state that the middle-headed reformist slogan for nationalization does not correctly explain the rejection of indemnification, does not warn the masses against the Peoples Front lip service to nationalization, does not tell workers to rely upon their own strength, and does not link up expropriation with the seizure of power. But although the Trotskyites separate themselves from the reformist position they do not make a distinction between the centrist and Marxist positions in their draft. How can they, when they present centrism as Marxism?

The Trotskyites call for the Peoples Front to expropriate the 200 families and for Roosevelt to expropriate the 60 families-- "We counterpose the demand for the expropriation of the 60 of 200 feudalistic capitalist overlords." And, "In precisely the same way we demand the expropriation of the corporations holding monopolies in war industries, railroads, the most important sources of raw materials, etc." They call upon the capitalist state to expropriate, as a theoretical position in the thesis and in action they call for the support of the Mexican capitalist government, which is a puppet government of American imperialism in the oil expropriations. This is centrism in theory and betrayal in action.

The Trotskyites also say that the Roosevelts and Blums are impotent against the plotting of the 60 or 200 families. This cover-up is followed by, "Only real factory committees can bring about real control of production." This is not centrism, this is reformism. In reality only a workers state with factory committees, Soviets, etc. can bring about real control of production. It is the Workers State, not the factory committees under capitalism, that can bring in real control. The Trotskyites present the concept of workers control of production under CAPITALISM. Marxists state that our immediate demands for and action for workers control of production starts under capitalism and its breakdown, but will not be realized until the period of dual power and seizure of power.

HISTORICAL CRISIS OF THE LEADERSHIP

The world political situation as a whole is chiefly characterized

By a historical crisis of the leadership of the proletariat." This is the opening sentence of the draft. It is the keynote of the whole orientation of the Trotskyites. They continue along this line and state, "The chief obstacle in the path of transforming the pre-revolutionary into a revolutionary state is the opportunist character of the proletarian leadership; its petty bourgeois cowardice before the big bourgeoisie and its perfidious connection with it even in its death agony."

This is completely false. It takes a correct fact (the treacherous role of the "leaders" of the working class) and places it within the problem as a WHOLE in a completely false position. This is a theoretical expression of the Trotskyites - ANTI-Stalinist orientation, their defeatist position. When a revolutionary situation develops and there is failure we can blame the WHOLE or major crime on "leadership", covering up other factors and above all our own errors.

Instead of the negative false approach of the Trotskyites as stated above the Marxists present the positive position - the (lack of) NEED OF BUILDING A REVOLUTIONARY MARXIAN ORGANIZATION. This turns the problem right side up. This also places the subjective factor of leadership in the proper place of the WHOLE problem. If Lenin had turned the problem upside down as Trotsky has, and if Lenin had presented an ANTI-Second International approach instead of his positive anti-capitalist pro-communist orientation there would have been no Bolshevik Party and no successful October Revolution. This orientation is one side of their liquidationist line and together lays the basis for the theoretical reasons why the Trotskyites cannot build a Marxian organization; therefore - oppositionism, liquidationism, running after rainbows, Socialist Parties, Labor Parties, and what not.

WHAT FLOWS FROM ANTI STALINIST ORIENTATION

In regard to Spain the thesis speaking of the Socialists, Stalinists, Anarchists and POUMists states, "-- each in its own way-- acted as a brake and thus prepared Franco's triumph." Such fakery and defeatists. This is written in Internal Bulletin No. 1 and the party was formed in January 1938 and they speak of--"thus prepared Franco's triumph." They have forsaken the proletariat already. To say the situation looks very bad and the most likely (albeit the worst) variant is the triumph of Franco, is Marxian; but to give up before the battle is over, to say Franco has triumphed is defeatism and betrayal. But they gave up the Spanish workers BEFORE July 1936, and their orientation is part of the reason.

But even worse, to speak of these parties acting as a brake and to ignore the treacherous role the Trotskyites played in Spain is a faker's cover-up. Their liquidation into the 2nd International lost for them the Spanish section (except 4 who went into the SP

with Fersen - they went all the way to opportunism. Not being satisfied with this liquidation they sent into Spain comrades after July 1936 and 2 more times tried to liquidate them into the POUM. The POUM rejected them both times. Furthermore, when the Trotskyites held their International Conference in the period of Civil War in 1936 they ignored the Spanish Civil War and spoke of the revolution in France. In addition the Trotskyites had no line for Spain until AFTER the events. When they did adopt a line it was left support of the Peoples Front. (See documents on this question in previous FOURTH INTERNATIONALS).

To write a draft thesis about what to do in a pre-revolutionary and in a revolutionary situation and to carry out in action what they did in the Spanish Revolution is covering up, and betrayal. These "leaders" did the same thing in the Cuban revolution when they formed the WP.

CENTRISM

Centrists always skip around the question of centrism. They always talk about reformism or opportunism and ultra-leftism, but naturally cannot put up arguments against centrism and above all centrist positions on every question. On this the document is a finished product. Marxists always present that formulation for each given question of the class so it excludes the reformist and the CENTRIST formulation, as well as the ultra-left. At the same time if one not only presents the positive Marxian formulation, but also polemicalizes against reformism and ultra-leftism, one cannot ignore the centrist formulation IN OPPOSITION TO THE ONE YOU PRESENT. This the Trotskyites cannot do without exposing their own centrism.

IN FASCIST COUNTRIES

In speaking of what to do to overthrow Fascism where it is established its power the Trotskyites repeat the old phrase but do not take up the important problems. Shall revolutionists advocate the constituent assembly in these countries as well as backward countries, or shall we only counterpose democratic rights of the worker in the framework of the social revolution? The latter is the Marxist position. In the past, Trotsky has advocated the former centrist position in presenting the position - for the Weimar Constitution in the struggle against reaction and fascism - and in other articles when Trotsky said the workers must support even rotten bourgeois democracy. Facts and history have proven that the workers can defend and advance their democratic rights only on the basis of a fight against bourgeois democracy and its institutions.

THE USSR AND THE TROTSKYITES

Here, too, the draft proceeds to advance the same old centrist position on the question of unconditional defense, for legalizing many parties under the Soviets, etc. In supporting un-

Conditional defense the Trotskyites support the foreign policy of the Soviet State which is the direct reflection of world bourgeois pressure. The only real defense of the Soviet Union is thru the extension of the October Revolution.

It is possible to defend the SU only on the basis of a struggle against Stalinism. The Stalinists are a bureaucratic caste composed mainly of petty-bourgeois. The rising bourgeois force which is part of the bureaucracy is forcing the Stalinists to give way. Stalinism is laying the basis for a victory of the counter-revolution which will mean the smashing of the Stalinist bureaucracy. The Marxist position of conditional defense, therefore, makes a clear distinction between the imperialist allies of the SU and the Stalinists, versus the SU and the workers.

THE STRUGGLE AGAINST IMPERIALIST WAR

On this question they reaffirm their centrist position in the I.S. thesis on War and the 4th Int'l (see our documents) and call for support of the Ludlow Amendment. They do not see fit to present in a draft thesis on imperialist war the classical phrase of revolutionary defeatism. Instead the Trotskyites say "the chief enemy is in your own country" "the defeat of your own (imperialist) government is the lesser evil." This is not revolutionary defeatism, this is a centrist revision of it.

It is not a question of the "lesser evil" or the defeat of the government. The axis for the defeat is revolutionary action which helps defeat the ARMY. It is to work for the defeat of one's "own" imperialist army by revolutionary class means even if this means the momentary victory of the "enemy" army. These are 2 different concepts. Trotsky's position on a war between France and Germany, in which he does not apply revolutionary defeatism in France is a clearer expression of this revisionist position on revolutionary defeatism. Today the Trotskyites have extended to the theoretical level, for almost every question the theory of the lesser evil. This in itself is revisionism.

TROTSKYITES FOR SUPPORT OF LEFT BOURGEOIS STATES

The most important theoretical position of revisionism, as the axis of the whole document is the position presented for support of "left" bourgeois states. They distort history to drive home their point as Stalin does to carry his. They speak of Russia in 1917 when Lenin "demanded that the SR's and Mensheviks break with the liberal bourgeoisie and take power into their own hands." They proceed from this false example and state what they will do, "Of all parties and organizations which base themselves on the workers and peasants and speak in their name we demand that they break politically from the bourgeoisie and enter upon the road of struggle for the workers and peasants government. On this road we promise

them full support against capitalist reaction." If this kind of government is established, "it would represent merely a short episode on the road to the actual dictatorship of the proletariat."

The Trotskyites will support a government that is not a dictatorship of the proletariat, but "merely a short episode on the road" to it. If it is not the dictatorship of the proletariat and since there is no STATE in between, then it means the Trotskyites are supporting - "full support" - the dictatorship of the bourgeoisie in the FORM of a "workers and peasants government". When they try to pin this on Lenin they are distorting history. Lenin spoke of SUPPORT only on the basis of SOVIET POWER. Lenin did not speak of SUPPORT of the Provisional Government in its most left cover.

The Trotskyites are writing their theoretical draft after a few years of theory and practice of this going. In action they supported the Peoples Front in Spain, France and the Mexican government. The Trotskyite theoretical position on the Labor Party, to the left of the reformist position on the Labor Party is the counterpart to its centrist support of the capitalist STATE. This theoretical position is to the right of the POUM theoretical position, altho the action and results of the POUM and Trotskyites are the same. The Trotskyite position for the support of the "left" Capitalist State is the basis for their position of MATERIAL AID to these "left" governments "against" the Fascists. This is political and organizational support of capitalist states disguised in left cloaks.

THE AGRARIAN REVOLUTION

In speaking of the colonial and semi-colonial countries the Trotskyite thesis states that the "central task is the agrarian revolution". They see no need to explain in a draft thesis the strategic aspects of this problem and the role of the proletariat. They pass the whole thing off by using the words, permanent revolution. They see no need of informing one if there will be 2 revolutions, the agrarian revolution they speak of and a proletarian revolution; or if the first phase of the proletarian revolution will be agrarian. These most vital questions are ignored. Such then cannot be a program of Marxists. Such sloppy theoretical reasoning is carried throughout. For example they speak of "giving aid in just and progressive wars, the revolutionary proletariat wins the sympathy of the workers in the colonies..." How to give aid, whom to give aid to? These questions the thesis ignores, and correctly so, because in Spain they gave MATERIAL aid to the Peoples Front, in China they give MATERIAL aid to the Chinese bourgeois government, in the USSR they promise to give material aid to Stalinism, in the event of a war, and in Mexico they give POLITICAL AND MATERIAL aid to the Cardenas government. Material aid to a bourgeois state or to an agent of the bourgeoisie is POLITICAL aid.

WORKERS AND FARMERS GOVERNMENT

After presenting a polemic against the Stalinist concept of workers and peasants government the Trotskyites end up for the use of this slogan for the US in the form of a "Workers and Farmers Government." In reflecting the reformist position of Stalinism, they advance a centrist position. For a Workers and PEASANTS government as a popular expression of the dictatorship of the proletariat in backward countries is correct, but to schematically and mechanically translate this slogan to ADVANCED countries where the overwhelming majority are workers is a revision in CONTENT. In the US it must be a Workers Council Gov't. The slogan of Workers and Farmers Gov't in the US is false.

"BREAK WITH THE BOURGEOISIE, TAKE POWER"

These muddle-headed Trotskyites try to juggle words and claim that MATERIAL AID TO CAPITALIST STATE IS NOT POLITICAL AID. Every type of support to a capitalist state is political support, even tho at the same time this political aid may be accompanied with political criticism. Material aid to the workers ORGANIZATIONS (not political parties, except the Marxian party) while these workers are in the CLASS STRUGGLE AGAINST CAPITALISM is POLITICAL OPPOSITION TO CAPITALISM. This dialectic contradiction these revisionists have turned upside down to cover up their own betrayal.

Let us further analyze, "Break with the Bourgeoisie, take power." Let us consider also the thesis formulation, "...we demand that they break politically from the bourgeoisie..." Can parties and organizations "break politically" from the bourgeoisie and continue to function WITHIN THE BOURGEOIS STATE, as a coalition government, as a "labor" gov't, as a "workers and farmers government"??? Of course not. Once the question is posed clearly the absurd and open revisionist position of the Trotskyites is clearly exposed.

To break politically with the bourgeoisie, above all one must BREAK WITH THE BOURGEOIS STATE. That is the crux of the whole question of break with the bourgeoisie. There are many forms of "breaking" with the bourgeoisie, but if you do not break with the CAPITALIST STATE it is only left cover for CAPITALIST SUPPORT. One cannot talk about the class struggle of the workers, act as tho one is for the class struggle and at the same time support in ANY FORM a capitalist state. The Trotskyites, like the SAP and POUM, have found the theoretical formula for this betrayal. Those nice comrades who don't like us to use the word betrayal don't understand the issue at stake, don't understand the fact that this is support of capitalism AGAINST THE WORKING CLASS.

Yes, the draft thesis of the SWR, called the "Death Agony of Capitalism" is in reality part of the death agony of the Trotskyite movement in its right shift further and further away from Marxism.

F O U R T H

C O M B I N A T I O N O F F E R O F

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I N T E R N A T I O N A L

ROOSEVELT'S GOOD NEIGHBOR POLICY

The Roosevelt administration propagates the idea, and the liberals and Stalinists spread the opinion, that the New Deal Democrats have given up the policy of Dollar Diplomacy and the Monroe Doctrine for Latine America and have replaced it with the "Good Neighbor Policy". However, facts prove the opposite, altho it must be said that the Roosevelt method of subjection is much smoother compared to previous administrations. Roosevelt is more capable of covering up the new imperialist policy of American Imperialism.

BLOODY CUBA

When the sugar crisis in Cuba laid the basis for the revolution that swept the U.S. puppet government of Machado out of office, and when the workers and peasants attempted to establish their own government, the American gunboats and the U.S. representative prevented this. The popular left petty-bourgeois Grau San Martin forces were rejected by the American imperialists and thru the notorious Welles the Batista forces installed Mendieta. Roosevelt recognizes this fake set-up.

PORTO RICO

The true story of the rule of the Roosevelt Administration in Porto Rico, and its vicious suppression of the popular movement against American imperialism would put to shame some of the southern exploiters with all their years of experience in keeping down the Negro masses. The financial bludgeon of the Dollar, the bitter suppression of strike movements and of the popular movement against imperialism are carefully covered up in the bourgeois style of dicatatorship - with press censorship. The policy of Gov. Winthrop in Porto Rico represents an open, brazen imperialist policy.

HAITI

The struggle between the "white" Dominican Republic and "black" Haiti, with the wholesale massacre of thousands of innocent Haitians, has been handled by the New Deal as it does individual lynchings in the south. In the period of "Golden Prosperity", before the 1929 crisis, cheap Haiti labor was imported into the Dominican Republic and Cuba to help make more profits in American sugar. But with the 1929 crisis and a surplus of labor these natives were left to starve. Cuba, under American approval, took shiploads and dumped them back into Haiti. The masters of the Dominican Republic who thought relief or shipping too expensive, began a butcher campaign on the border that would shame Hitler, Franco or the Mikado; and this resulted in the massacre of thousands of men, women and children. The New Deal did everything possible to hide this, and then established itself as arbiter by asking that the murderers pay \$54. per head for the slaughtered victims.

U.S. SUPPORTS DICTATORS

The Roosevelt forces have given their support to dictator Vargas in Brazil and have allowed Brazil to buy a large supply of military equipment. The U.S. uses Vargas against the workers and peasants and against its imperialist competitors in South America.

The Roosevelt-Hull steps at the Buenos Aires conference, although played up by the U.S. press with all unpleasant facts kept secret, nevertheless revealed a clear imperialist policy. The conference was held in Argentina, the stronghold of America's main South American rival, Great Britain, and used to line up forces for imperialist competition vs. European and Japanese commodities, and against the workers and peasants of these countries.

Just before the Montevideo Conference, Roosevelt declared that the governments of the new world, in contrast to the growing dictatorships in Europe represented the people as never before. The truth is that the 1929 crisis brought in a whole crop of dictators from one end of South America to the other. The U. S. helped establish and maintain many of these dictators. These were the very governments Roosevelt was talking about.

CARDENAS A PUPPET OF U.S.

Likewise the "liberal" Mexican government is also a puppet of U.S. imperialism and is used by the New Deal against the British oil interests and other imperialists. The U.S. silver subsidy for Mexico and its policy of refusal to allow the export of arms to those who want to fight Cardenas reveal this relation.

"GOOD NEIGHBOR POLICY"

The Roosevelt "Good Neighbor Policy" is supposed to represent the theory and practice of the rejection of Dollar Diplomacy and the Monroe Doctrine and in the place of this to put all South American Republics on an equal footing with the U.S. In reality it represents a new cloak, a disguise for the new imperialist policy for further domination of Latin America. Its economic might enables the U.S. to conceal most of its ruthless moves in a way that economically weaker powers cannot do. Behind this new diplomacy stands the mighty dollar, and behind the dollar still stands the military force of America. Where one failed the other has been applied. The Good Neighbor Policy is only a different METHOD in subjecting South America. The New Deal policy at home, with its Mayor Hughes, its lynchings in the South, its Decoration Day Massacre in Chicago, its brutal strikebreaking policy in other cities, and the Good Neighbor Policy in South America with its support of dictators are part of the drive for the further conquest of the world by U.S. imperialism. It is our duty to unmask it; not to support it. It is our duty to raise the banner of class struggle against it, for its overthrow.

THE WORKERS ANSWER TO THE R.R. PROBLEM

The railroad managements and the financial groups who control them are attempting to use the present crisis of U.S. capitalism and the "sick industry" character of the railroads to impose on the workers a 15% wage cut. At a national conference of railroad managements, on April 29 in Chicago, the 139 railroad managements voted to ask the 925,000 organized railroad workers to accept the cut on the grounds that the \$250,000,000 saving was necessary to keep the railroads out of the red. In addition, the managements asked the ICC to increase freight and passenger rates to provide another \$250,000,000 in income.

The brutal character of this attack on the railroad workers' standards of living is hidden beneath a thick smoke-screen of capitalist book-keeping and propoganda - that the railroads are very, very sick, very, very broke, and the rail owners are suffering too. This is a lie of national proportions.

Of the 139 railroad managements represented at the Chicago conference, only a small fraction exercised decisive control. The railroad companies are linked together by holding companies, interlocking directorates and stock ownership into some 21 large systems. There are listed among the 200 largest corporations in the U.S. 38 operating roads and the Allegheny Corp. which controls 5 operating Roads. These 43 operating roads fall into 21 corporate groups. These 21 corporate groups are composed of 8 "small" systems and 13 major systems, operating more than 5,000 miles of track each, and together controlling 90% of the total U.S. mileage.

CONCENTRATION OF POWER

But the concentration of power does not stop there. Six of the 8 "small" systems and 12 of the 13 major systems are controlled by 2 (:) financial houses - Kuhn, Loeb and the House of Morgan. The other major system (St. Louis-San Francisco) is controlled by representatives of the Chase National Bank. Of the remaining "small" systems, one is controlled by the estate of H.H. Rogers, an early Standard Oil magnate; and a Morgan lieutenant is one of the receivers for the other. This list shows the Morgan and Kuhn, Loeb systems:

MORGAN

Major Systems

Allegheny Corp. group
Atchison, Topeka & Santa Fe
Atlantic Coast Line
Great Northern-Northern Pacific
New York Central
Southern

Smaller Roads

Delaware, Lackawanna & Western
Florida East Coast

KUHN, LOEB

<u>Major Systems</u>		<u>Smaller Road</u>
Chicago, Milwaukee, St. Paul & Pacific		Delaware & Hudson
Pennsylvania		
Union Pacific		

MORGAN & KUHN, LOEB

<u>Major Systems</u>		<u>Smaller Roads</u>
Baltimore & Ohio		Chicago Great Western
Chicago & North Western		Missouri-Kansas-Texas
Southern Pacific		Western Pacific

The Allegheny Corp. was set up by the Van Sweringen Bros. (with Morgan backing) as a top holding company controlling the Chesapeake & Ohio; Erie; New York, Chicago & St. Louis ("Nickel Plate"); Pere Marquette; Wheeling and Lake Erie. The Van Sweringens also control thru large minority interests the Missouri Pacific and Chicago & Eastern Illinois.

It can be seen then that 90% of the track mileage in the U.S. is controlled by the House of Morgan, one of its allies (Kuhn, Loeb), and one of its tools (Allegheny Corp.). When we look at the railroad industry, therefore, we can disregard the division into systems and for all practical purposes treat it as one company controlled by Morgan.

RAILROADS MAKING MONEY

Regarded in this way, we find that the railroad industry has been making money. During the eight years of depression, the railroads have been paying out in interest on bonds and stocks more than \$500,000,000 a year. This is hidden by the system of accounting used and by the fact that legally a bond is considered a loan and interest payment on it is not considered profit. After interest has been paid on \$10,000,000,000 of bonds, then "profit" begins. The fact remains, however, that during depression, the railroads have produced more than 500 millions in surplus value each year.

But the railroads and the bourgeois economists do not use the amount of surplus value and capital goods used to produce it as their basis for figuring. They use instead the face value of securities issued by the railroads. Thus "Railway Age", organ of the railroad managements, claims that the railroads should make "not less than 5½% on from 19 to 20½ billion dollars." This ridiculous figure is achieved by honoring all the watered stock, overcapitalization, etc. For example, at one time after the Civil War, railway companies owned 1/3 or more of the land in several western states. Stock issued on the basis of this real estate (long since sold) cannot be expected to be paid for by the railroads. Or, again, the tremendous activity in reorganizing and refinancing the roads has been a paradise for promoters and speculators who drained out of the companies money supposed to be used for capital goods. In 1890 there were 1600 railroad companies with 75 of them dominating 2/3 of the trackage. Now, 48 years later, there are 21

major systems controlling 90% of the trackage, and only 139 roads!

Railroad bonds and securities represent a vital part of capitalist financial structure. For example, the first loan of the Reconstruction Finance Corporation was to an Illinois railroad so that it could pay interest on its bonds and stocks. The insurance companies and, to a lesser extent, the banks are heavily involved in railroad and securities. The government under Hoover was faced with specter of collapse of the financial structure. Hence the RFC whose duty it is to throw government credit into the breaches of a decaying economy.

A SICK INDUSTRY

Morgan, dominant power in the railroads, could not under Hoover and cannot now reorganize railroad finances in the light of reality and thereby put the industry on a "healthy" capitalist basis. The intertwining of railroad finance with the whole capitalist financial structure makes this a practical impossibility. Rockefeller, who is not dominant in the railroad field, dare not force a drastic reorganization for the same reasons. NO group in capitalist economy and no government of Capitalists can solve the railroad problem. Under capitalism the railroads will be a sick industry, "Railway Age", working on the basis of the over-capitalization, demands \$1,100,000,000 interest per year. The railroads are producing only (!) \$500,000,000 per year or one-half the demand.

Intervention of the government in the railroad industry becomes ever more necessary in order to iron out its contradictions. The ICC, the Railway Labor Act, the RFC are all measures used by the bourgeois state to protect the interests of the capitalist class as a whole. Nationalization of the roads - which some bourgeois economists and labor "leaders" advocate - means only the expansion of this regulation in favor of the capitalists. It will in no way help the workers and can only be a step against them.

From this investigation it is obvious that the railroad workers cannot respect either capitalist economics or legalities in their struggles for a living wage. Under capitalism, the railroads are an incurably sick industry. The premises of the "leaders" of the 15 railroad unions that the workers can make gains only as the industry gains dooms the workers to continually lower standards of living. Only complete disregard of the capitalists' padded books and legal responsibilities can offer hope to the exploited workers

THE STRATEGY OF THE STRUGGLE

In mapping out the strategy of the struggle, railroad workers must take into consideration the experience of past battles, the position of railroads in national economy, the type of organization needed to win their demands, and the perspectives of the struggle if they are successful.

The railroad battles of 1922, to take only one example, show the absolute need of unity of all railroad workers the need for a leadership which will carry on a determined struggle against the employers, their paid agents and their "gate". The strike was a result of the drive of the bosses to wrest from the rail workers the concessions which had been granted to pacify them during the imperialist war. On March 10, 1921 the wages were reduced 12%. On April 14, the national agreement granted to the rail unions during the war was done away with by the government board set up during the war. This move was followed by cuts on a nation-wide scale which affected mainly the lower-paid workers of the shop-yard. On July 1, 1922, six craft unions made up of the men in the shops answered with a national railroad shop strike. The Int'l Brotherhood of Blacksmiths, the Alliance of Amalgamated Sheet Metal Workers, the Brotherhood of Boilermakers, Iron Shipbuilders and Helpers, the Brotherhood of Railroad Carmen, the Int'l Association of Machinists, and the Brotherhood of Electrical Workers pulled 400,000 men out of the railroad shops. They were joined with a few weeks by 10,000 workers from the yards and clerical staffs. The government railway board immediately labeled this as a strike against the government since the board, a government agency, had OK'ed the abrogation of the national agreement. In 5 states the militia was called out and de facto martial law established. The "protection" expenses of the railroad companies (for private detectives, railroad bulls, etc.) rose from the usual amount of one million a month to 5 million in September.

Within the ranks of the railroad workers the employers had their main help however. The remainder of the 19 craft organizations on the roads refused to support the 6 shop crafts. The switchmen, who had voted to strike, were kept at work by their president who refused to call it when the hour came. Demands for strike in the other craft unions were met with threats of expulsion. In the face of nation-wide demands from unions and their own locals, the "leaders" of the railroad crafts refused to call the men out.

The result was a terrific defeat for unionism. The shop unions, were practically wiped out. The workers were forced to go back under agreements which accepted the cuts and gave up all the gains or under no agreements at all. Company unions were organized in many shops. At present these crafts are getting back in the shop thru elections under the Railway Labor Act which prohibits strikes, in effect,

LESSONS OF THE STRIKE

The lessons are clear. First, the workers need an organization which unites them against the managements. The present organization into 19 craft unions makes a successful struggle next to impossible. The solution of this situation is the amalgamation of the crafts into an industrial union of all railroad workers. As steps toward this there must be organized in every shop, shop councils, representing all the men in shop and yard regardless of

type of work and into these councils must be drawn the line men - train crews, engineers, etc. Shop meetings of all the men in yard shop and line must be organized to discuss and decide on the problems facing them. There must be established in the shop, shop-steward committees elected at these meetings. The only advantage to the workers of shop committees arrived thru the existing craft unions would be that they could more easily be subjected to the workers' pressure. What is needed for the struggle is not a committee of balky craft unionists but committees elected directly by the whole shop, responsible to the whole shop and removable by the whole shop. From these shop councils must be organized city, district and a national council to represent the railroad workers as a whole.

PRESENT UNION SETUP

The present unity of railroad union bureaucrats in the Railroad Employees Executive Association is next to useless. It is based on their class-collaboration policies and needs. The RLEA is in effect a joint committee for lobbying in Washington and conferring with the railway managements on what actions and subsidies to demand and from the government. They can effect no real gains for the workers since they base their policies on capitalist legality and function within the strait-jacket of the Railway Labor Relations Act. This master-piece of class-collaboration machinery, set up to insure peace, makes strikes impossible until: 1) the railroad managements have discussed the proposed changes with the RLEA 2) differences have been submitted to a mediation board of 1/3 labor, 1/3 management, 1/3 government 3) unsettled differences have been submitted to an arbitration board 4) the President has appointed and heard the report of a fact finding commission. Following all this the unions are free to strike and the companies presumably will be well prepared. In regard to the present cut, the attitude of these fakery is typical. They say they cannot accept it but openly agree that the managements must have more money. Organization of a struggle against the cut is forgotten completely. Full faith is placed in the governmental class-collaboration machinery of the Railway Labor Act. The workers are left at the mercy of the labor boards and will be lucky if they get a compromise-cut of less than 15%.

Not this fake unity at the top but unity from the bottom up based on shop and industrial councils is the road to an industrial union on the railways. In an industry controlled by a single financial house, the workers must organize and act nationally. Local and sectional strikes can be broken if the whole industry is permitted to continue running and supplying funds for the House of Morgan. The most important effect of strike - stopping production of profits - cannot be achieved in railroads unless they are tied up nationally. In any other situation striking has only a greater or less amount of nuisance value. If the issue is important, the strike can be broken by shipping on different lines or by other

means of transportation and the railroad companies will not be financially weakened because the railroads as a whole will continue to run. The only way to combat this is to spread the strike as far as may be necessary to win the demand.

Second, it is clear from the 1922 strike that a leadership which capitulates when the government says "boo" will not be able to lead a real struggle. Every major railroad strike has brought the workers into conflict with the bosses' government. The president of the switchmen's union and the officers of the line men's unions who refused to aid the shop strike because "it was a strike against the government" would have led the workers to defeat no matter what the structure of the union. The railroad workers need leaders who will fight for their interests no matter what the government says. Without such leadership the workers will not be able to make any substantial gains.

The character of the industry itself demands an industrial union with such class struggle policy. The railroads are one of the 3 main forms of the transportation industry. If the railroad workers strike for their demands on a national scale, the bosses and their government will shift to other means of transportation - shipping, trucking - to keep their economy running while they break the strike. The question is therefore posed not as just a strike on the roads but as a matter of cutting transportation out entirely in order to bring the bosses to their knees. The leadership of the railroad workers must bring the issues of the railroad strike to the marine and trucking workers and draw them into the struggle either thru sympathetic strikes or joint strikes for their separate demands. A national railroad strike must be spread not only thru the whole railroad industry but the whole field of transportation.

TRANSPORT WORKERS COUNCIL

Without the united strength of all these layers of workers, no real concessions can be forced from the bosses. As already pointed out, the railroad industry under capitalism is chronically sick and the maintenance of this sick industry under capitalism and payments on its huge capitalization is vital to the whole capitalist class. Therefore, in addition to the building of an industrial union in their own industry by the railroad workers must take the initiative in building a transport workers council which will unite all transport workers in their struggles for more wages and shorter hours. Specifically, a tie-up must be made between the struggles of the railroad workers against the 15% wage cut and the marine struggles on the West Coast which will break out at the end of the contracts this fall.

The whole logic of the railroad industry calls for steps and poses problems which can be solved under the leadership of a communist vanguard only. First, the control of the railroads by one financ-

IAL HOUSE MAKES A NATIONAL INDUSTRIAL strike necessary for any real gains; such a strike will inevitably lead to an open conflict with the bosses government; therefore it must be conducted with regard only for the workers' interests and boss legality must be disregarded. Second, a national railroad strike must be spread thru the whole transportation industry and aim at complete paralysis of transportation.

WORKERS CONTROL

The implications of this second point bring it out of the trade-union field. Complete paralysis of the transportation system means complete paralysis sooner or later of every plant in the country, Of the whole national economy. It means posing the question of workers control of the whole national economy. This struggle can only be led by a communist vanguard which leads not only railroad and other transport workers but the whole working class to the seizure of power and the establishment of a workers council government. Workers control and management of the railroads and other industry can then be established and the industry nationalized. IN place of the present mismanagement and exploitation on the roads, they will become a part of an economy planned to benefit the workers.

It is within this framework that the struggles of the railroad workers must take place. Unless the workers understand the whole, the separate parts cannot be clearly understood and the necessary maneuvering take place. Unless the broad perspective is understood, the partial and local struggles cannot be conducted correctly.

MORE ON TRANSPORT —

in the September Fourth Int'l —

Article on The Marine Union

also - Palestine, Trade Union, etc.

N.B. - "The Int'l Labor Movement" is a regular feature.

SUBSCRIBE!

THE INTERNATIONAL LABOR MOVEMENT

WITH the setting-up of a new centrist party in France, possibility of new moves toward a centrist 2½ International grew greater. The "Revolutionary Left" (Pivert Group) has finally been expelled from the French Socialist Party (SFIO) and set up shop as the Socialist Workers and Peasants Party (PSOP). As the Socialist Party moved right in support of Daladier, Pivert, former government minister and official left cover for Blum for years, fell on hard days. His main support, the Seine Federation of Socialist Youth, has been existing as the Autonomous Socialist Youth for several years. To these were added recently, the Socialist Student Union, also expelled for support of Pivert and joining with dissidents from the Stalinist student organization as the "Revolutionary Federations"

ONCE his supporters had been expelled without effective struggle, Pivert was swiftly taken care of. The Seine Federation was reorganized with Pivert outside. The SFIO Congress at Royan upheld the decision of the Party executive, and Pivert at once proceeded to set up the new party. His policy continues one of support to the Spanish loyalists, ambiguity on the war issue, and "criticism of Blum & Co. as the innocent victims of capitalist treachery."

INTERNATIONAL repercussions followed swiftly. The American Socialist party has already expressed its political agreement with Pivert's muddled program altho deploring the fact that he has "abandoned the Socialist Party to the right wing." The Kovestoneites and Stockholm-Oslo Buro, with whom Pivert has been maneuvering in the past, will seize eagerly on the PSOP as a successor to the POUM as cornerstone of some sort of loose centrist set-up. The Trotskyites, in words savage enemies of the 2½ International, showed their stand in action. Immediately on Pivert's expulsion, the French Trotskyite youth appealed to the Autonomous Socialist Youth for unity, saying in effect that Pivert's expulsion proved the bureaucracy of Blum and justified their break with him. Political positions, of course, were not mentioned, nor was the fact that Pivert is part of Trotsky's bête noire, the Stockholm-Oslo Buro gang.

UNDER left pressure, Pivert was forced to break with the Blum machine; his real position is shown by the fact that 2 months before he was ready to desert the expelled youth and liquidate his "Revolutionary Left". The new party, on its false program, can only serve to hold back and demoralize those French workers who are breaking from the policy of Blum and Cachin. But it is to be hoped that some of these workers will see thru Pivert as well, and force their way thru to a revolutionary position despite the PSOP and its allies.

INDEPENDENT COMMUNIST LABOR LEAGUE.

Comrades:

Your convention is called during one of the sharpest crises of the present epoch. The political working class movement is working steadily to the right. The extreme right positions of the C.P. and the S.P. have made it possible for centrist and reformist organizations to cover up their own right shifts by shouting loudly against the outright social patriotism of the "official" parties.

This is true of the ICLL no less than of the Trotskyites and others. Your leadership has been floundering about like a fish out of water. From an "opposition" to the C.I., you have developed a sort of "anti-Stalinism", and have become "independent". But your organization has made no move to evaluate the fundamental error of Stalinism, the revisionist theory of socialism in one country. It has not realized that the class collaborationist and social patriotic policies of Stalinism today rest upon this theoretical premise. You yourselves stand together with Stalinism on that same theory. Your organization is pursuing policies as bad and sometimes worse than those of the Stalinists.

SOCIAL PACIFISM IN ACTION

With the impending war almost upon us, your organization has totally abandoned Lenin's line of revolutionary defeatism, of working for the defeat of one's own imperialist country, in favor of manuevring and horse-trading on the PACIFIST AND ISOLATIONIST PROGRAM of the Keep America Out of War Committee. Instead of the class struggle in war time - the only method of turning the imperialist war into a civil war - it has substituted pacifist exchanges of resolutions with social patriots like Norman Thomas and such "opponents" of imperialist war as Hamilton Fish. In the name of Lenin, your leadership builds "united fronts", not with the proletarian forces on a class struggle program against capitalism, but with bourgeois senators, ministers and labor fakers ON A TOTALLY BOURGEOIS PACIFIST PROGRAM. Instead of exposing the role of American Imperialism as the greatest driving force towards war today, despite its hypocritical protestations of "peace", instead of a ringing manifesto to the whole proletariat for a class struggle against capitalism - the root cause of imperialist wars - the ICLL boasts about the "minimum" program agreed to - a "minimum" which washes out any possibility of a working class struggle. The Keep America Out of War Committee, if it lives, will serve the same role as the Stalinist League Against War and Fascism - to derail the struggle against imperialist war and help lay the basis FOR war and fascism.

SUPPORT SELLOUTS

Your leadership has abandoned the class struggle in favor of collaboration with pro-cards in the trade union movement, with red-baiters like Homer Martin, reformists like Dubansky and Lewis, etc. Nowhere has your organization made any criticism of the policies of these men, their many sellouts and treacheries in the last year (Chrysler, General Motors, Little Steel, etc, etc). Nowhere any criticism of their bourgeois policies. Just the opposite - you have given them full support.

Nowhere has your organization and leadership laid down a clear line on the road to the revolutionary party and international, for an independent road to the masses, based on the class struggle. You are oriented upon and working with American Labor Parties, bourgeois politicians like La Guardia, reformists like Hillman and Dubinsky.

You have been taught that the main aim in the political movement is not to build the Bolshevik party in the US and on a world scale, but to unite in a party of the reformists and labor fakers, a third capitalist party - a Labor Party.

In Spain where the civil war has put every organization to the test, your organization supported the POUM, despite its centrist program and policies, despite its entry into the government, despite its capitulationist role in the May, '37 uprising, despite its every treachery and deception of the Spanish working class.

Like the reformists and centrists of Lenin's day, your leadership and organization present the opportunist line that today is not the day for building the revolutionary vanguard, that the time is not ripe, that first it is necessary to corral the workers into a Labor Party for the bourgeoisie, and so on. Like the Stalinists, with whom their differences are in reality only superficial, they distort the objective situation WHICH IS FAVORABLE FOR A NEW COMMUNIST PARTY, A REALLY INDEPENDENT VANGUARD, the Fourth Communist International.

ICLL is Bankrupt

Members of the ICLL, on the program and line of your organization it is impossible to build any movement that will serve the INTERESTS of the proletariat. The ICLL is a hopeless, tail-endist force. It can never be the revolutionary party of the proletariat. The left wing elements who realize this, who want to fight for Marxism, must unite on a Marxian program for the revolutionary overthrow of capitalism, on the line of the political and organizational separation of the Marxists from the centrists and reformists. Break with the policies of social pacifism and class collaborationism. Fight for the line of revolutionary defeatism, for turning the imperialist war into civil war. Fight for a class struggle line to organize the unorganized in the trade unions against both the Greens and the Lewis', the Dubinskys and the Martins. Oppose with all your strength any support for Ludlow Amendments and other bourgeois bills (the wage-cutting Wages-Hours Bill, etc, etc). Reject the advocacy of a new third party of capitalism. In its stead, counterpose with us the building of a new communist vanguard in the U.S.

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