

Fourth International

Economic Balance Sheet of '48

By John G. Wright



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The Position of the American Working Class--100 Years After The Communist Manifesto

By C. Curtis

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Stalinism and Communism in Albania

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A Suppressed Chapter in U.S. History

By William F. Warde

JANUARY 1949

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Manager's Column

Rising costs of every publishing expense — including even postage — have forced **Fourth International** to raise subscription rates slightly beginning Jan. 1. We hope \$2.50 a year (12 issues) will come closer to meeting monthly deficits. Outside of the U. S. the rate is now \$3 a year.

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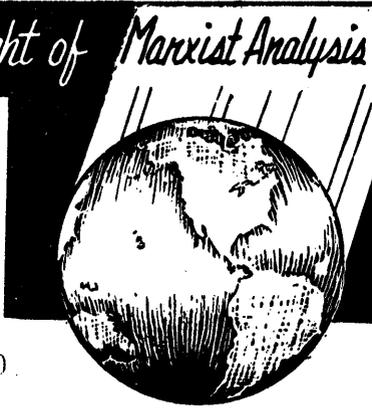
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FOURTH INTERNATIONAL

VOLUME 10

JANUARY

NUMBER 1

Economic Balance Sheet of 1948

Some New Trends Behind the Record-Breaking Figures — Problems That Loom Ahead

By John G. Wright

While the official figures for 1948 will not be available for several months, the general outlines of last year's economic developments are quite clear. We propose to sketch them roughly.

On the whole the official summary, when it is released, will show column after column bristling with record-breaking figures, surpassing the levels of the previous two years, 1946 and 1947, in one field after another.

To illustrate, the 1948 gross annual product passed beyond the quarter of a trillion dollar mark. This is an increase over 1946 of approximately one-fifth. Income for "personal expenditures" shows a similar increase. It has been running at an annual increase of \$46 billion over the 1946 rate. National income figures are even more glowing, with a hike of more than one-quarter above 1946. And as every housewife knows, prices and living costs have risen just as steeply. But steepest of all has been the rise of profits which have rocketed to \$20 billion, or an increase of 75 percent since two years ago.

What all these and other astronomical figures will not show is that physical production and employment have not, on the whole, risen last year, to any appreciable extent over the previous two years. For individual industries like steel and auto, 1948 has indeed been a year of record "peacetime" production. But these increases were nullified by sagging output in other lines (textiles, household appliances, coal, leather and others). In plain language this means that 1948 was the third and peak year of the postwar speculative boom. We do not at all mean to say that because of this speculative nature, the boom did not signify conditions of prosperity.

On the contrary, for the capitalists it was the lushest year in their entire history. It was very real indeed, especially in terms of profits. In this sense, the last eight years of the war and postwar prosperity are comparable only with the era of the fabulous peacetime prosperity experienced in the Twenties. The world had never seen a capitalist economy operate on a scale that US economy did, on a peacetime basis, from 1921 to 1929. Nor did the world ever see before any other economy pass through a war and postwar boom comparable with the one in this country from 1941 to 1948.

Yes, the current speculative boom was quite real in 1948 and it remains no less imposing as it heads into its

fourth postwar year. But if we look a little more closely at what happened in 1948, we shall see that a number of important changes took place on the economic scene. These changes are also real; they, too, have an important bearing on the future course of developments. They must be taken into account, otherwise the 1948 balance sheet would be far too one-sided.

Some Important Changes

To begin with, an important change has occurred in the field of foreign trade. In 1947, US exports amounted to 15.3 billion dollars. The 1948 export figures did not come anywhere near these levels, despite the multi billion ECA program. This is a new downward trend.

Both 1946 and 1947 found the commodity markets very strong. Here, too, there was a change in 1948, which experienced early in the year a sharp break in the commodity markets. Only government subsidies in the shape of Federal price supports for the various crops kept agriculture from collapsing. This trend in agriculture—which is a downward trend—is likewise something new.

1948 also marked the *beginning* of a sharp reversal of former trends so far as the internal market is concerned. For example, the formation of new enterprises has leveled off. This has been a very important field of the home market. In the last three years the number of new businesses has run into millions, providing a very substantial outlet for industry and for capital investments at home.

The second part of 1948 saw the beginnings of a reverse process. Not only has the rate of new business formation slackened, but there has also been a speeding up of the rate at which established enterprises have been liquidated.

According to the authoritative *Dun's Review* December 1948, "Business failures increased more than seasonally to 461 in October. This was slightly below the March and June totals, but it was above that of any other October in the past six years; it was considerably less than the 1,111 failures in October 1940."

The comparison with prewar levels is quite favorable, but there is one feature which is rather unfavorable. "The liabilities involved in October failures," points out *Dun's Review*, "rose considerably to \$101,060,000, the highest volume on record except that of April 1932. One failure involving liabilities of \$75,000,000 accounted principally

for the rise. Excluding this failure, however, liabilities were larger than in any October since 1935. Failures with liabilities of \$100,000 or more rose sharply to 42, the same number as a year ago. Increases above a month and a year ago occurred in all other size groups; the sharpest rise was among small failures involving liabilities under \$5,000."

To be sure, this represents only a cloud on the economic horizon. But there were no such clouds up till now and the recent rise in failures places a big question mark over what will happen in the days ahead to other enterprises, especially the dwarf-sized ones.

The third quarter of 1948 witnessed still another development in the internal market, a sharp six-week drop in retail sales during the Christmas season. A six-week decline does not constitute a definitive trend. Nevertheless, this drop was sharp enough to transform the Christmas sales season into a flop. The retailers and all the business circles are now looking hard at the figures of the last two months and trying to determine just what they mean. Nobody knows. That the domestic market has been impaired is shown by the facts already at hand, but what still remains in doubt is the depth and scope of this impairment.

A key sector of the internal market still shows considerable strength in two closely interrelated lines: metals and automobiles. The metal market is strongly propped up by both the arms program and the booming automotive industry, the largest single consumer of steel. The acid test for retail trade lies still ahead. It will come in the first quarter of 1949. But the fact remains, that no such major problems loomed either in 1946 or in 1947.

Overshadowing all the other developments in 1948 was the massive "peacetime" intervention by the state into the country's economic life. ECA billions, we repeat, bolstered up foreign trade; other billions placed a floor under agriculture. But all this by no means exhausts the current role of the state. By the third quarter of 1948 the Federal government was purchasing "goods and services" at an annual rate of \$38 billion, an increase of 21 percent over 1946. The bulk of these billions have gone into arms production, and such expenditures are unquestionably on the increase.

The various economic measures employed by Washington, especially its role as by far the biggest single outlet for both industry and agriculture, have fed the postwar boom, and by the same token, the inflation.

The spectacular results thus far achieved have led some capitalist experts and many individuals in the labor movement, especially among the top union officialdom, to talk of a "regulated capitalist economy." Very well. Here is a partial list of what the Federal government must undertake to "regulate" in 1949.

A Few 1949 Problems

The 1948 decline in foreign trade, first and foremost in exports, will be carried over into the current year. To maintain exports at previous levels, not less but more ECA billions will be needed than was the case last year. Why? Because the world "dollar shortage" remains as

acute as it ever was, despite the fact that the sums originally allotted for the ECA by Congress for a period of 15 months have been expended, by Truman's Executive Order, in less than eight months. To continue maintaining a floor under sagging exports will not prove so easy in 1949 as it was before. It may, in fact, prove too expensive even for the American colossus.

The downward trend in the commodity markets will likewise be carried over into 1949. Barring natural catastrophes, the food and industrial crops produced by agriculture will continue at record levels. If in 1948 a worldwide glut in the commodity markets was only a prospect, then in 1949 it bids well to become the reality. Government warehouses are already bulging with unsold bales of cotton, tons of corn, wheat, fats, butter, eggs and so on down the line. We do not mean to say by this, that a collapse of these markets cannot be averted by vigorous state intervention. What we do insist upon is that no amount of government intervention can reverse the downward trend. It can be modified, but at a far greater expense than ever before. Given a sharp improvement in world agriculture as a whole, it is by no means excluded that farm subsidies may also prove too expensive on an all-out scale for even the American colossus.

In addition to these and other major economic problems which have already been subjected to "regulation" by the state, there have appeared on the horizon a whole series of new problems. We shall enumerate some of them at random, without attempting to do so in the order of their relative importance.

Barring a sudden shift to full-scale war production, which would eliminate all the "normal" problems only in order to replace them with others of a different order, the Truman administration is running smack into the question of inventories. Up to now these have been an asset in the operation of the boom. Inventories have grown spectacularly, providing one of the major outlets for industry and for capital investments. In the last three years one-third and more of all new investments have been going into inventory accumulation. A quarter of a trillion dollar boom comes roaring into the new year with \$55 billion of goods, more than half of them in the hands of manufacturers, the rest held by wholesalers and retailers.

One of the reasons why the results of the Christmas sales have thus far proved inconclusive has been the absence of any overall liquidation of accumulated inventories. There has been only scattered liquidation in several lines of consumer goods. There have been some distress sales, many lines have been really hurt for the first time in eight years, but not on a scale that threatens to swamp the market immediately. Here, too, the acid test is still to come.

But if nothing else were to result except a drastic reduction of inventory speculation, it would by itself pose such grave problems as the following: How to prop up the 1949 outlets for new capital investments, which may be faced with a decline up to one-third of former levels? What measures will be effective in preventing any general distress liquidation of inventories, and in maintaining them at least at 1948 levels? Large-scale government credits

to business are already being talked about. Such and other measures are by no means excluded. But the problem of placing a "floor" under inventories or under declining capital investments is not at all identical with such problems as propping up exports or farm crops. The scope and the cost in this field is of an entirely different order from anything that has yet been faced by the masterminds in Washington.

More Taxation

Again, the ever-present problem of taxes arises in a new form. During the last three years, the Federal budget permitted of sizable expansions with slight dangers of deficit government spending. There was not only talk of reducing taxes, but also a whopping slash last year. To be sure, it profited exclusively the rich; but it was a slash nonetheless in the face of expanding government expenditures. This was another shot in the arm to the boom. It is a foregone conclusion that 1949 will see bigger taxes, whose brunt will fall on the mass of the people. This automatically poses the question: How much can the taxes be raised and the Federal budget expanded without incurring the risk of deficit government spending?

In a full-scale war economy, deficit spending is the norm. In an economy that operates within the range of current Federal budgets and on an overall civilian basis, deficit government spending is highly inflationary and therefore dangerous.

Among other things, it places the country's fiscal system under severe strains. Here we come to still another new problem that must be "regulated" in 1949 on a scale hitherto undreamed of. How much additional load can the credit system carry without producing severe convulsions? Nobody knows any more than anybody can tell in advance how many new cars, produced next year, may suffice to glut the auto market.

In brief, over these and a number of other interrelated problems—the actual condition of the domestic market, the solvency of many weakened lines (especially among the little businessmen), the extent of unemployment in the next period, the scope of rearmament, etc.—there now hangs a question mark. In many instances, a big question mark.

From all indications, the intervention of the state in economic life will be far more massive in 1949 than it was last year. As a matter of fact, the number of champions of "free enterprise" who are already clamoring for more and bigger intervention by the state and pinning all hopes on it, has been recently increasing at a geometric rate. All these gentlemen are due for many rude surprises. Should unfavorable trends, which have not yet set in, actually materialize within the next six months, then no amount of "regulation" by the state will achieve more than a temporary respite. What is more, a definitive reversal of all the existing trends and those in the making, can be achieved in one way and one way only: through a rapid shiftover to a full-scale war economy.

The Need to Prepare

There are no sufficient grounds at this writing for a flat statement that a depression has already set in, or will shortly set in. But there are even less grounds for the confident statement emanating from Washington to the effect that there is nothing seriously wrong with the country's economy. These optimists are merely whistling in the dark. We continue as pessimistic as last year about the future prospects of American capitalism. Least of all, have the workers any grounds for an outlook different from ours.

Regardless of which variant the economic process takes, all the 1949 "solutions" and adjustments will be worked out by Washington in favor of the capitalists and at the expense of the mass of the people.

The most ironical feature of the situation is that the official labor leaders, with the Social Democrats in the van, are the biggest optimists of all. For every bull in Wall Street and Washington, there are a dozen super-optimists among this crew. If they mention the danger of depression at all, it is to speak of it as the remotest of remote eventualities. They talk of "seeds" of a future depression, and nothing more, while in Wall Street, for example, moods of anxiety are reflected in the extremely sober condition of the stock market.

But these super-optimists do much more than exude unbounded confidence in "free enterprise"; they are working check by jowl with the Truman Democrats to promote the interests of the capitalists. They have done yeoman labor in every sphere but one—safeguarding the workers from being caught by surprise by a sudden outbreak of either war or depression.

So far as the eventuality of war is concerned, they are among its prime boosters. They have promoted the war plans of the American monopolists by their all-out support of the Marshall Plan and the 1948 "preparedness" program. They are pledged to continue this support in 1949 as well. By this they have, moreover, helped clear the ground for a shiftover to a war economy, if and when the ruling class decides upon this desperate course.

As for preparing the workers for struggle under depression conditions, they have done exactly nothing. They refuse even to seriously consider the proposal of the Socialist Workers' Party that the national labor movement launch immediately a "militant, united, nationwide campaign for the 30-hour week, 6-hour day with no reduction in take-home pay." (*The Militant* December 20, 1948.)

A step like this along with similar actions would not at all be premature. One must prepare for any serious eventuality well in advance; otherwise it is possible to be caught by surprise and find oneself in a position where adequate preparations are either impossible or must be made on an emergency basis.

Anyone who deliberately counsels the workers to follow a different course, to bide their time, to first "wait and see" and the like, is offering not the advice of a friend but that of a gullible dupe or a disguised enemy.

The Marshall Plan And European Recovery

By Louis T. Gordon

From its very inception, the Marshall Plan, despite the frantic efforts of labor leaders, self-styled "Socialists" and "liberals" to portray it as a humanitarian project, was designed to avert the collapse of European capitalism—which would gravely endanger the capitalist system as a whole—while at the same time propping up American exports of goods and capital. To this end a certain measure of recovery in Europe is necessary. But the American capitalists cannot allow under any circumstance a *real* European recovery. On the contrary, they must prevent an independent development of productive forces in Europe capable of competing with American economy in order to help sustain business activity in the US.

The political objective of the Plan was to stabilize regimes in Western Europe capable of effectively backing American imperialism in event of a conflict with the USSR, and it was evident that the economic and political conditions attached to the "aid" would be increasingly rigid and brutal. The Marshall Plan has been in operation for some time now. The question is: Has experience shown that it embodies, as a bourgeois spokesman expressed it, the best of the American tradition—"generosity, daring and realism," or is it rather a ruthless imperialist scheme?

How Much Recovery Is Necessary?

The Second World War radically disrupted the equilibrium of the capitalist world. Germany and Japan—vanquished and economically shattered—virtually disappeared from the scene, and can only recover under the rule of and to the extent desired by American capitalism. Europe, as a whole, emerged drastically impoverished while the US is now more powerful than ever, from an economic and political as well as from a military viewpoint. In 1947, American production was 76 percent higher than the 1935-39 average, and the productivity per worker, unlike in Europe, increased by 27 percent between 1938 and the first half of 1947.

The present plight of Western Europe is not due exclusively to war destruction. The dollar shortage it suffers, which is a reflection of the economic disequilibrium between America and Western Europe, has not been engendered but greatly aggravated by the war itself. It existed before. Western Europe was never able to sell to the US as much as it bought here. Now, however, many of the factors which in the past permitted Europe to offset this deficit no longer exist. Profits from foreign investments, thanks to which Europe used to be able to import about one-third more than it exported, are today negligible; South East Asia, a dollar-earning area, is in turmoil; finally the dollar shortage is so general that Europe cannot earn them by sales to the rest of the world. Therefore, the restoration of prewar production levels is not enough by any means to correct the situation. As a UN

survey notes, even "a recovery of oversea exports and the restriction of oversea imports to prewar levels would still leave a gap of some \$4 billion at current prices." (UN *Survey of the Economic Situation and Prospects of Europe*, Geneva 1948.)

The US, unlike Britain when she was at the helm of capitalism, produces most of the raw materials she needs and her import needs are limited. This is the basic reason why the dollar shortage cannot be permanently solved and a stable equilibrium in the world market between the US and the rest of the world is unattainable. "The maladjustment can never be corrected," admits the General Report of the Committee for European Economic Cooperation, "on a basis of expanding trade unless market conditions in the American continent permit to sell goods there in steadily increasing quantities and permit other countries to earn dollars there and use them to purchase from Europe." Pleas are not enough, however, to convince the US to open her domestic market to European countries. Even those foreign markets which Europe has been able to retain in the postwar period, when scarcities were such that goods could be sold regardless of price, are already in danger of being lost to the more efficient American industry.

Nor can the European countries find a way out from this impasse by simply buying less from the US. Every attempt to do so will meet with fierce American opposition. "Aid" to Europe is restricted by the American doctrine of non-discrimination. This means that no European country can place barriers in the way of American trade. For instance, if a Western European country with a limited fund of dollars wishes to reserve them for essential goods, buying non-essentials elsewhere, it cannot ban the import of these non-essential products from the US without banning at the same time the import of the same goods from every other country.

The Marshall Plan

"The Foreign Assistance Act of 1948," which includes the "Economic Cooperation Act of 1948," was approved on April 3, 1948. Contrary to popular impressions, the ECA does not represent a basically new approach by Washington to the European problems. During the first two postwar years, 1946 and 1947, the US pumped into Europe approximately \$12 billion in loans, credits and grants, including UNRRA contributions. Under the Marshall Plan this "aid" will presumably be more systematic and every dollar is expected to yield the maximum of political and economic benefits.

How much recovery does the Marshall Plan hope to achieve? It is not extremely ambitious. If everything goes according to schedule, by 1952, when "aid" is supposed to terminate, Western Europe—except Germany,

Austria, Greece and Italy—is to reach the prewar standard of living, and close the balance-of-payments gap. But even this is not as easy as might seem at first sight. According to the above-cited UN Survey, the 1938 level of industrial output was virtually reached, with the exception of Germany, by the last quarter of 1946. To restore prewar living standards it will, therefore, be necessary to increase European production considerably above prewar levels. Unless this is attained and unless additional markets are found for expanded exports, Western Europe will have no choice except to sharply reduce imports, with a consequent decline in standards of living.

“Recovery” and the European Workers

To increase production in the required measure is a task beyond the powers of capitalist Western Europe. But the European capitalists hope to be able to make the indispensable investments with American help.

Large-scale industrial expansion presupposes an expanding labor force. But Western Europe is experiencing, almost without exception, a shortage of manpower. This shortage can only be aggravated by any projects for rearming Western Europe, an integral part of the Marshall Plan. For, the more workers are diverted to unproductive purposes, such as armaments and other “defensive” projects or conscripted into the military forces, all the fewer will be available for the production of civilian goods for domestic consumption and exports.

New investment capital can be obtained at home only from the surplus value extracted from the exploitation of the workers. It is, therefore, a life-and-death question for the capitalists to get the workers to work longer hours, for lower wages and thus speed up the “capital formation.” That is why the Laborite Attlee government as well as the “Third-Force” government of Quèuille seek to force the miners, for example, to work longer hours, more intensely and for minimum real wages. The burden of capitalist “recovery” is thus unloaded on the workers’ shoulders.

The problem of problems for the capitalists is how low can this minimum be driven without the workers rebelling. “In a totalitarian regime,” says Gottfried Haberler, almost regretfully, “discipline and efficiency are enforced at income levels which in a democracy would lead to unrest and a sharp fall in output per worker.” (“Some Problems of the ERP,” *American Economic Review*, September 1948.)

In this connection the European labor leaders are assigned a decisive role. Their task is to restrain the workers’ demands, keep down their living standards while at the same time maintaining “discipline and efficiency.” Let us not forget that American labor leaders, both AFL and CIO, are likewise contributing their full share to this end. They participate in Marshall Plan foreign missions and help “sell” the Plan to the European workers.

It is generally admitted that the proclaimed aims of the Marshall Plan cannot be achieved unless the following three conditions are met: 1—Trade inside Western Europe must be strongly activated. 2—East-West trade must be restored by and large. 3—The exploitation of colonial Asia must be resumed.

National frontiers and tariff walls are a major obstacle

to Western European trade. Washington has been pressing for abolition of trade barriers between these countries, emphasizing that otherwise the success of the Marshall Plan cannot be assured. But there has been little change in the situation.

Trade Inside Western Europe

Even if a European customs union were established, which is hardly likely, many trade barriers would still remain. The economic interests of Western European countries are so conflicting that it is impossible to reconcile them within a capitalist framework. Back in 1944 Belgium and the Netherlands agreed to establish a customs union. But up to now they have been unable to unite their economies to any appreciable degree. If any further proof were needed, let us cite the progress report submitted by the CEEC, the Council of the European Marshall Plan countries, to Harriman, the “roving Marshall Plan Ambassador.” The experts who drafted this report agree that the different four-year plans presented are mutually incompatible and cannot be merged in the foreseeable future. Each country hopes (and plans) to improve its own position by exporting more to other European countries while at the same time importing less from them. Furthermore, in almost every case, the respective plans envisage no solution of the dollar shortage by 1952.

At all events, the problem of intra-European trade has thus far defied all attempts to increase it, let alone solve it. A new payments scheme has been put into effect lately but it is already apparent that it will prove ineffective, if it does not hamper intra-European trade even further.

East-West Trade

Prewar annual trade between Eastern and Western Europe amounted to nearly 2 billion dollars. Today it has been reduced to a trickle. The resumption of East-West trade was, however, explicitly assumed in the CEEC report. The exchange of Eastern agricultural products and raw materials for Western industrial goods would help industrialize the East while reducing the West’s need of dollars, for Western Europe can buy food and raw materials in the US only at the expense of vitally needed capital equipment for its industries. Besides, heavy machinery is a major Western European export, for which the US is hardly an outlet.

Why, then, if everything seems to be in favor of an expanding East-West trade and both Western and Eastern European countries desire it eagerly—why does this trade remain so small? The reasons are, of course, political. Everybody wants a resumption of East-West trade except the US, which by its policy bars the export of goods of “a military nature” to Eastern Europe. Included in this “military” category are such items as radio tubes and ballbearings. The aim of this policy is to hamper the industrial development of Eastern Europe. The Marshall Plan Administrator is empowered to halt all exports of raw materials and semi-manufactured goods to recipient countries that might use them for producing goods of “a military nature” for trade with Eastern Europe. In this way, the US is able to control the trade policies of

the recipient countries and to advance its own objectives against theirs.

Nonetheless, at least a partial revival of East-West trade cannot be ruled out. In the last few months it has increased a little despite the "cold war." In the first half of this year Britain increased her trade with Eastern Europe by 20 percent while the US reduced it by one-third.

The Balance of Payments

The position of the imperialist powers in South East Asia—the Dutch in Indonesia, the French in Indo-China, the British in Malaya and Burma—is far from bright. "When the nations of Western Europe," says the London *Economist*, "make a systematic estimate of the non-dollar areas that are open to them, they will discover that one of the most profitable of such areas in the prewar world—South East Asia—is not likely to return to its old patterns of trade." Moreover, America is now less dependent on South East Asiatic products, because she manufactures synthetically one of the most important raw materials she imports from there—rubber. On top of that, US has begun to get tin and rubber directly from Siam.

Obviously, the problem of the balance of payments will hardly be solved by the exploitation of South East Asia. Nor can it be solved by intensifying trade with Latin America and the "triangular" offsetting of the balance of payments. Latin America itself is suffering such an acute dollar shortage that the possibilities of barter exchanges with the US are being explored. In addition, the American exporters would have to voluntarily relinquish their Latin-American market, which is not very likely, to say the least.

"Recovery Achieved"

To believe the headlines of the capitalist press, Western Europe is recovering at a very rapid pace. Reading carefully between the lines, however, one very soon realizes that this is far from being the case. True, Western European countries are now a little better fed. Agricultural production is improving. Yet they are fighting a losing battle so far as the primary objective is concerned of becoming self-sustaining by 1952. Only Belgium, primarily owing to the exploitation of the Congo, manages to get dollars, but her prosperity is more apparent than real. Recent reports indicate growing unemployment there.

In Greece, which received half a billion dollars for military and economic aid, neither have the guerillas been eliminated nor has the economic situation improved.

In Italy there are now 2,400,000 unemployed and even the Marshall Plan supporters concede that Italy is quite helpless to solve this problem. "There are very few signs of recovery despite the millions of dollars, worth of Marshall Plan goods which have poured into Italy since the program started last summer," wrote a *New York Herald Tribune* correspondent from Rome.

In France, prices continue to rise, reconstruction is slow the currency remains unstabilized and the workers are seeing their standards of living continuously deteriorating. The Netherlands, unable to export to the US enough to

offset her trade deficit, is imposing new strains on her economy by attempting to crush the Indonesian Republic.

In Great Britain, notwithstanding the "austerity" program and the billions in American loans and grants, the progress of the famous "battle of the gap" is not at all reassuring. Industrial production has ceased expanding since the end of last year. If exports do not rise sharply, imports will have to be reduced. On the other hand, increased exports without greater production will only mean less consumption at home. In either case the net result will be a lower standard of living.

A key feature of the Marshall Plan policy is the proping up of Germany as a bulwark against the USSR. It is generally understood that Germany is indispensable for European recovery. But what the American imperialists are doing there is to rebuild the country only to the extent it suits their political and military plans.

Washington has pumped into Western Germany great amounts both through the Marshall Plan and the Army. Although the economic picture has considerably improved lately, in September industrial production in Bizonia reached only 70 percent of the 1936 level. The population is now several millions larger than before the war owing to transfers of population. Therefore, even if the 1936 production levels were reached, the standard of living would still remain sharply below prewar levels. The British-American plan envisages that Bizonia will attain 1936 production levels in 1952-53. But even then it is not expected that the problem of the balance of payments will be solved. On the contrary, it is frankly admitted that it will persist for a long time to come.

In the meantime, the US is taking full advantage of its position as ruler of Bizonia to take over complete control of German economy. American monopolists are planning to invest large sums and to utilize German capitalists as junior partners.

Conditions of 'Aid'

Revealing of the imperialist character of the ECA is the manner in which this "humanitarian" plan has been carried out. Mr. Hoffman, the Marshall Plan Administrator, said to a reporter, "We haven't any intentions of imposing our political or economic beliefs on other countries, nor of trying to influence them in making their own decisions."

These lofty-sounding words have been belied time and again in practice. Thus, the nature of this political "non-interference" was crassly shown for example, by the Italian elections, not to mention Greece. American economic "non-interference" has been no less cynical. Indeed the strings attached to the "aid" are so many and so stringent that one leading English newspaper *The New Statesman and Nation* has asked pointedly: "Can we afford Marshall Plan aid?"

Great Britain is forced to surrender every day another token of her independence. Sir Stafford Cripps, in accordance with Mr. Hoffman's suggestion, recently "decided" to set up an American-British board to "study" British productive methods and issue "advice" on how to solve their problems. This touched off in Britain such a storm

of opposition that Cripps was compelled to assure that the board would have only a limited scope.

The Marshall Plan enables American capitalism to control the economic life of Western Europe on an unprecedented scale. The US has already shown her power to effectively direct the investment policies of the CEEC countries. To qualify for Marshall Plan aid, a given country must sign a bilateral agreement with the US, according to which, among other things, it is required to submit to the Administrator, for his approval, "specific projects proposed by such country to be undertaken in substantial part with assistance furnished. . . ."

As America is not interested in the development of Europe's economy, she demands investment in projects yielding "immediate results," and not long range projects, like the development of hydroelectric stations, for instance. But short range projects cannot enable Western Europe to increase production on the necessary scale. American "criticism" has already led to a sharp reduction of the British investment plan, including such "unproductive" investments as those for low-rent housing.

Investment policies can be further controlled through the operation of the so-called "counterpart funds," ostensibly designed to help stabilize the financial and monetary systems of the Marshall Plan countries. For every grant (not loan) received, the beneficiary has to set aside a "commensurate amount" in local currency. The funds can be partly spent for productive purposes but only with the authorization of the Administrator. The funds also serve another purpose: they help America to stockpile strategic raw materials, as five percent of this money can be used to acquire such materials.

The American capitalists are striving to find markets for their industrial production and the Marshall Plan is already playing an important role in this connection. Aid is given "through grants or upon payment in cash, or on credit terms, or on such other terms of payments as he (the Administrator) may find appropriate." The American monopolists are thus able, for instance, to demand cash for capital goods which they do not want to furnish, while offering as grants such finished products as they may wish to get rid of. In addition, the Marshall Plan Administrator is empowered to ask the Secretary of State to decide that exports of certain commodities should be fostered to promote the security of the US.

Western Europe's recovery suffered greatly as a result of the high prices of American food and raw materials, which absorbed too large a share of their available resources. On the other hand, now that the Western European countries do not need to import as much food from the US as in the previous years, they are in danger of being forced, as a result of this year's bumper crop in the US, to accept more food than they actually require.

The pressure of a sector of the American bourgeoisie to use the Marshall Plan merely as a dumping device has become so strong that Mr. McCloy, President of the International Bank for Reconstruction and Development, had to remind a gathering of the New York savings bankers, that the basic purpose of the Marshall Plan is to restore

"a viable Europe" and not to serve as a stimulant for American exports.

The framers of the Marshall Plan openly stated that one of their main objectives was to improve conditions in Europe in order to permit successful private investment. "As economic conditions in Europe improve and political conditions become more stable," states the Outline of the European Recovery Program, "private financing may be expected to take up an increasing percentage of that portion of the financing which can appropriately be in the form of loans. Every encouragement should be given to early initiation of private financing. The administering agency should be in a position to undertake limited guaranties to encourage private investment to assume a larger role in the program than might otherwise be possible."

The ECA promotes these aims energetically, to the disappointment of the European capitalists. When some recipient countries tried to forget that a part of the aid was supposed to be taken as loans, the ECA simply stopped issuing grants until the required loan agreements were signed.

The Marshall Plan legislation earmarks 300 million dollars to be used to guarantee private investors. This guaranty covers the convertibility into dollars of dividends and of liquidated capital up to the amount of money invested. Up to now however, only one project has been carried out under this guaranty, which is hardly considered quite enough in Wall Street.

Under lend-lease the government acted as purchasing agent. Under the Marshall Plan, however, most of the authorized purchases are made directly in the American market, because "normal channels of trade" have to be used as much as possible.

There are thousands of ways in which the US is able to interfere and impose its wishes upon the ECA countries. Many of them may not be recorded on paper, but the fact remains that the Marshall Plan countries can be simply blackmailed, as the aid can be withdrawn as soon as, "because of changed conditions, assistance is no longer consistent with the national interest of the US."

In the light of all this, it was not surprising that last month the Swiss government refused to qualify for aid, although Switzerland formally participates in the Marshall Plan.

Recovery or War?

Since the Marshall Plan was first conceived, Washington has been trying to establish a European military alliance and to "convince" the Western European countries that they must rearm in order to protect themselves against "Russian aggression."

Rearmament, however, even under new lend-lease arrangements, can be carried out only at the expense of recovery. Here we have the touchstone of the real aims of the American imperialists: To what will they give priority—the recovery needs or to war preparations?

Recent developments have already in good part answered this question. The US is pushing through its military program with slight regard for any other consideration. It has been disclosed that Washington has secretly

supplied military equipment for three French divisions. It has been American pressure that forced Britain to stop disarming and once again increase military expenditures, which are such a heavy drain on her resources. The Western European military union is being set up. Marshall Montgomery has started to discuss the unification of the military forces of Great Britain, France, Holland, Belgium, and Luxembourg. In this military alliance Washington also wants to include Norway, Denmark, Portugal, Eire and Franco Spain. Italy is likewise envisaged as a member. Negotiations for the formal entry of the US into this set-up under the label of the "Atlantic Pact" have reached an advanced stage.

In brief, the consolidation of a strong military bloc is becoming more and more the main purpose of American policy in Europe. A powerful group in American ruling circles wants to openly substitute military lend-lease for the Marshall Plan, arguing that such "aid" is, after all, the most effective way of "assisting" Europe.

But among European capitalists there is considerable doubt on this score. There have been objections to the effect that rearmament of Western Europe would impose too heavy a burden upon the slim resources of these countries at a time when they have to apply all their efforts to expanding civilian production.

"The US might supply Europe," the *N.Y. Times* recently quoted a European expert as saying, "either with tanks or tractors but not with both in adequate quantities." And the *Times'* correspondent adds: "Some leading European experts have said the dilemma is such that rearmament on the scale expected would destroy hopes for continuing US recovery aid in sufficient measure to achieve the goals set for 1952."

What the rulers of Europe fear most of all is the reaction of the European masses if they are openly confronted once again with the offer of "guns instead of butter" as a prelude to turning the Old Continent itself into the battleground in the next atomic war.

As soon as the Marshall Plan was put in operation we Trotskyists predicted that although ostensibly designed to help Europe get back on its feet, it would, in practice, prevent the fulfilment of the very conditions it itself proclaimed as indispensable for recovery.

In spite of its huge size, the Marshall Plan does not constitute an answer to the fundamental problems facing Europe. Many responsible capitalist voices are beginning to admit it. "Even the chief architects of the European Recovery Program," says the London *Economist* (June 26, 1948), "still fail to understand the true nature of the problem that has to be met." And it goes on to add that the Marshall Plan will not solve the dollar shortage and merely has to be regarded as "a transition to some different patterns of international economic relationships."

The Marshall Plan has not and will not restore equilibrium in the world market, nor effect the recovery of Europe. Europe's problems cannot be solved within the framework of capitalism. Only a Socialist United States of Europe can solve them and raise the standards of living of the masses to unprecedented heights by planning a coordinated economy on a scientific basis, unfettered by artificial economic frontiers, and under the control of the workers themselves.

Neither will the Marshall Plan help to solve to any appreciable degree America's own economic problems. In spite of Marshall Plan shipments, exports will be in 1948 at least 20 percent lower than in 1947. The most ambitious "foreign aid" program could not avert a crisis eventually arising from the internal contradictions of American economy. The reason is that foreign trade did not play in the past, nor does it play now a decisive role in American economy as a whole. In America it is the internal market which is decisive and which has to absorb some 90 percent of American production. And if for one reason or another this market should prove unable to absorb its share, no possible expansion of foreign trade could avert the consequences.

The Position of the American Working Class--100 Years After the Communist Manifesto

By C. Curtis

"Other classes decay and finally disappear in the face of modern industry; the proletariat is its special and essential product." In our previous article, "Decline of the American Middle Class" (*Fourth International*, Feb.-March 1948) we demonstrated how decisively American economic development has corroborated this prognosis of the authors of the *Communist Manifesto*, a century ago.

In this article we will investigate the living and working conditions of the proletariat, the class of wage-earners, the preponderant majority of the US population. It will be necessary to glance briefly at the conditions of wage-

earners on a world scale, but our main attention will be devoted to the US.

The modern laborer, says the *Communist Manifesto*, "instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class." This statement is the germinal form of Marx's "theory of increasing misery" as it was later elaborated, amplified, and in certain details corrected in *Capital*, the first volume of which was published in 1867. In *Capital*, Marx writes: "Along with the constantly diminishing num-

ber of magnates of capital . . . grows the mass of misery, oppression, slavery, degradation, exploitation . . ."

Capitalist economists of all schools, along with the revisionists within the labor movement, have made the refutation of this declaration the burden of countless treatises and tomes. Let us test Marx's analysis in the light of historical evidence.

The worker gains his livelihood by the sale of his labor-power to the capitalist class. Labor-power "like every other article of commerce" is "exposed to all vicissitudes of competition, to all fluctuations of the markets." Workers fare best when capital is expanding, profits are made and labor is needed. This is the prosperity phase of the capitalist cycle. In periods of depression, the reverse is true: capital stagnates or contracts, the labor market is glutted, the capitalist holds the whip hand and the position of the workers deteriorates.

These recurrent boom-depression cycles of capitalism occur within the framework of a larger historical cycle. Originating in England, industrial capitalism, in the course of a century and a half, expanded over Europe, the United States, parts of Asia and other sectors of the world. Although this era was marked by the recurrent boom-depression cycles, it was generally a period of expansion of capital and each succeeding stage saw the conditions of the workers relatively improved.

With World War I this upward phase of the larger historical cycle came definitely to an end. In the 35 years since 1914 the workers of Europe and Asia have known only continuous and growing agony with only moments of respite. World War I with its tens of millions of casualties and its vast material destruction ended in a period of inflation after which came depression and unprecedented mass unemployment; this was followed by fascism and World War II and the present postwar period.

In the light of these developments can there be any doubt that capitalism has brought agonising misery to the great majority of the world's toilers? There are those who blame the plight of the overwhelming majority of the world's population on the two wars. They represent matters as though these wars were some extraneous factor, a kind of natural catastrophe like epidemics, floods or earthquakes, or contrived by some deranged individual or group of individuals!

By no means. Wars are an inextricable part of capitalism, as much so as the decline of the middle class, or the increasing employment of women in industry, or the introduction of new techniques, or the eruption of economic crises. Modern capitalist war is the attempt by one dominant capitalist nation or group of nations to escape doom at the expense of its rivals; to escape from "over-production" and other consequences of economic crises; to wrest from another markets, sources of raw material, cheap labor and so on.

To the economic enslavement of the workers, to the misery of unemployment, speed-up, pauperism, modern capitalism has added all the miseries of a decadent social order with its military agonies—masses of soldier and civilian corpses and casualties, millions gassed and atom-bombed, on top of race extermination, death chambers and

other refinements of fascism.

Marx and Engels did not foresee modern war and fascism. But they bequeathed their scientific method to thinkers who came after them and who examined and analyzed modern capitalism and showed how war and fascism spring from its very nature. Outstanding among those who applied Marxism in the study of present-day society were Lenin and Trotsky.

Against this world background let us now center our attention on the United States. How fared the wage-workers of this land—the majority of the population in a country which has escaped the physical destruction of two wars? Is America immune to the general laws of capitalism, or at least their worst aspects? To what degree are the main propositions of the *Communist Manifesto* applicable to the United States?

Influx of Women Into Industry

A basic trait of capitalism is the tendency to bring under its exploitation not only successive layers of the middle class, but the entire adult worker-family and to replace male workers with women. *The Communist Manifesto* states:

"The less the skill and exertion and strength implied in manual labor, in other words, the more modern industry becomes developed, the more is the labor of men superseded by that of women. Differences of age and sex have no longer any distinctive social validity for the working class. All are the instruments of labor, more or less expensive to use, according to their age and sex."

Data from *Statistical Abstract of the U. S.* (1946) confirm this completely. From the tables below we can see the sharp growth of women workers in the U.S.

FEMALE LABOR AS PERCENTAGE OF ALL GAINFUL WORKERS

1870—14.8	1930—21.9
1890—17.2	1940—24.4
1910—19.9	1945—33.6 (last quarter)

PERCENTAGE OF ALL WOMEN OVER 14 GAINFULLY OCCUPIED

1900—20.4	1930—24.3
1910—25.2	1940—25.4
	1945—33.6

With the return of men mobilized in the armed forces to civilian employment, the high 1945 percentage of employed women may be somewhat reduced, but the tendency remains as foreseen by the *Communist Manifesto*.

Many "new" industries, such as telephone and electrical goods, employ a heavy proportion of women, while the increase in "paper work" and the expansion of merchandising that has characterized economic life in the last half century has depended to a large extent on women workers.

Woman labor is cheap labor. Mary E. Pidgeon in her book, *Women in the Economy of the United States* (1937) shows that the median average wage of all employes in important industries employing women was about \$20 a week; in important man-employing industries at the time it averaged \$26 a week. She then goes on to show that

women are paid less than 75 percent of men's wages for doing exactly the same work, except in cases where unions resist these practices of the capitalists.

After growing steadily up to 1900, child labor has since declined, as successive waves of reform and union activity to forbid employment of children have reduced this blight. Even so, in 1940, more than 5 percent of all 14-15 year olds were employed.

Typical Product of Capitalism

American statistics concerning skills are poor and scanty. Nevertheless the sketchy available data confirm generally the correctness of the *Communist Manifesto* to the effect that the more modern industry becomes developed "the less the skill and exertion required."

STATUS OF CERTAIN GROUPS IN THE LABOR FORCE

(Source: *Statistical Abstract of the U. S., 1946*)

	1920	1930	1940
Skilled Workers	13.5	12.9	11.7
Unskilled	29.4	28.4	25.9
Semi-skilled	16.1	16.4	21.0
Clerical	13.8	16.3	17.2

From the above figures we see that "semi-skilled" workers, factory operatives, are the typical product of American capitalism. (By far the greater part of "clerical work" likewise falls into this category. With its factory-like routine and its methods—machines, speed-up, division of labor—clerical work is by and large white collar factory work.) Although the machines operated are of great complexity, the manner of operation can be learned in a few weeks, days and even hours, a fraction of the time required for mastering the skilled crafts. Dexterity, rather than skill, is the prime qualification. Both the skill of the artisan and the physical strength of the field-hand diminish as qualifications for industry; the semi-skilled grow at the expense of both.

If attainment of a semi-skilled category marks economically a rise for the unskilled laborer, the tendency to eliminate skills means a deteriorated status for the former craftsman. As a result—to use the words of the *Communist Manifesto*—"The various interests and conditions of life within the ranks of the proletariat are more and more equalized, in proportion as machinery obliterates all distinctions of labor."

An Appendage of the Machine

An artisan owned his own tools, dealt directly with his customers, bought his own raw materials, fixed his own hours and pace of work, planned that work. Work was a many-sided expression of the individual. In modern industry the worker's tools and raw materials belong to a thing called a corporation, or to employers he seldom, if ever, sees; the article—of which he produces only a part—is sold to unknown customers; hours of work and intensity of labor are set for him; his labor is laid out and scheduled by specialists and he is closely supervised by a corps of oppressive bosses and straw bosses. The "instinct

of workmanship" is suppressed and work becomes a daily stint of torture.

The worker's independence and initiative are drained as the machine and the assembly line are perfected. His physical strength, his nervous energy and his mental effort are at the command of the machine or the assembly line. Often, hour after hour, he merely feeds this machine or removes the finished product. He is exhausted physically and blighted mentally. Skill is replaced by an "easily acquired knack"; craft knowledge, experience and judgment are negligible requirements, sometimes—in the eyes of the employers—even drawbacks.

Is this an exaggerated or biased picture? Here then is the testimony of two staunch defenders of capitalism and equally steadfast opponents of Marxism (who, to be sure, are critical of capitalism's "excesses"). In their book, *Labor Problems* (1940), Professors Gordon Watkins and Paul A. Dodd state that "machine processes and large scale production imply minute specialization of tasks, repetitious and monotonous operations, physical strain, excessive speeding up of work, rigid discipline and close supervision, and dehumanized, impersonal relations."

Let us now cite the relevant remarks made in the *Communist Manifesto* a hundred years before these two professors:

"Owing to the extensive use of machinery and to division of labor, the work of the proletarians has lost all individual character, and consequently, all charm for the workman. He becomes an appendage of the machine, and it is only the most simple, most monotonous, and most easily acquired knack that is required of him."

Again, "Masses of laborers, crowded into the factories, are organized like soldiers. As privates of the industrial army they are placed under the command of a perfect hierarchy of officers and sergeants. Not only are they the slaves of the bourgeois class, and of the bourgeois state, they are daily and hourly enslaved by the machine, by the over-looker, and above all, by the individual bourgeois manufacturer himself. The more openly this despotism proclaims gain to be its end and aim, the more petty, the more hateful and the more embittering it is."

Anyone with a slight measure of impartiality will concede that our two professors merely say "amen" to the *Communist Manifesto*.

It may be added that these same professors quote the remark made by Arthur Pound in his book, *The Iron Men in Industry*, to the effect that modern industry makes possible the productive employment of the mentally retarded. This writer, who confuses large-scale mechanized industries with their specific capitalist characteristics, declares: "The less mind one has, the less it resents that invasion of personality which is inseparable from large scale and mechanized industries." Or, to put it plainly, "morons make the best machine tenders." After a diligent research, this is the most favorable thing we have been able to find concerning capitalism's effect on the workers. But there is nothing philanthropical about the capitalists employing the mentally retarded. The added advantage to the capitalists is that they are less prone to organize.

"As the repulsiveness of the work increases, the wage decreases," the *Communist Manifesto* points out. "Nay more, in the same proportion the burden of toil increases, whether by prolongation of the working hours, by increase of work enacted in a given time, or by increased speed of machinery, etc."

Speed-Up

"Speed-up" is the American term for what the authors of the *Manifesto* described as the increase of "the burden of toil . . . by increase of work enacted in a given time or by increased speed of the machinery." Reduction of hours in American industry is inversely proportional to the increase in the speed-up. Given the physical and nervous intensity of American labor, it would be impossible to sustain long periods of employment at 10 or 12 hours a day. From a profit standpoint it pays to employ labor on the basis of an intense 8-hour day rather than a more leisurely 9-hour day.

Let us note in passing that this does not mean to say that American capitalism willingly decreases the workday as it speeds up the worker. No, it desires both the prevailing workday and an ever-increasing speed-up. That it means the quick sapping of the worker is no concern of the capitalists.

From its earliest days capitalism has resisted attempts by the workers to shorten the workday. A variety of weapons has been employed to fight the workers' demand for more leisure: blacklists, strikebreakers, company thugs and gunmen, spies, fascistic mobs, compliant city, state and Federal government bodies and officials, injunctions and frameups.

On the other hand, whenever the capitalists have taken up the weapon of discussion and debate, the results have been weird, to put it mildly. Thus, during the struggle over the 10-hour day in 1870 one employer stated before the Massachusetts Bureau of Statistics of Labor that he had "invariably noticed that when men are kept at work until 10 P.M. they live in better health, as they keep indoors instead of sitting around doors smoking." (The dissolute wretches!)

No less a personage than the president of the National Association of Manufacturers opposed an 8-hour bill in 1902 as socialistic and controverting the inalienable right of the individual to use his time as he saw fit.

Some twenty years later, the president of the same NAM belatedly enrolled the Deity in his organization as its founder and invoking the Holy Script in opposition to the five-day week, he said:

"Six days shalt thou labor and do all thy work! So reads the fifth of the great commandments and for sixty centuries it has been accepted as the divinely prescribed standard of economic effort. It is the perfectly fixed basis of human achievement and social contentment . . . These constant attempts to amend the decalogue and to adapt by alterations the moral law to the appetites developed by easy and loose living constitute the outstanding peril of our unprecedented prosperity."

"More leisure," he continued, "is sought, it is said, to provide larger opportunities for cultural processes. Let it

not be forgotten in this connection that there is quite as close a relationship between leisure and crime as between leisure and culture . . . Should we not conclude that it would be well for us to curtail some of the opportunities for culture already perverted to criminal use?"

Again, in 1929, another spokesman for this same Association expressed satisfaction that the workers' time was fully taken up with their jobs: "They have for the most part been so busy at their jobs that they have not had time to saturate themselves with false theories of economics, social reform and of life. They have been protected in their natural growth by the absence of excessive leisure." A few months later, the crash with its mass unemployment took place.

Some readers' credulity may perhaps be strained by these citations. We can hardly blame them, but they may rest assured concerning the authenticity of these statements. As was once said in a different connection, "You can't make up things like that."

* * *

To resume. Speed-up almost borders on science. Motion pictures and stop watches are used to study and to time the movements of workers on the job to see if it is not possible to eliminate some movement or other and thus permit raising the speed of the machine still further, or increasing the number of machines attended by each worker, or forcing greater production out of the workers on the bench or at the belt.

Crowning glory of the speed-up is the belt, or assembly line. This device brings the article being manufactured to the worker's station, where he performs his minute detail task in a given time and then the article is carried on to the next operation. And woe to the worker, if he hasn't finished his task! No sooner is he finished with one piece than the next stands before him, requiring a repeat performance. This goes on for the entire workday. The speed of the belt, like the speed of each machine, is geared to the desire of capitalism for more profit; the needs and rhythms of the human organism are obstacles that have to be repressed and violated.

Incentives Under Capitalism

For work which is not suitable to the assembly line, diverse individual and group incentive wage plans have been devised. Simplest of these is, of course, ordinary piece work; but there are many elaborations. In some of these plans the main incentive is a punitive one: If the worker doesn't meet the set norm, his wages are cut. In others, in return for a large additional expenditure of energy he receives a small bonus.

"Efficiency" experts advertise their wares to employers in "management" journals. Here are a few samples: "Labor costs reduced 75 percent." "Reduced force from 94 to 19." "In every group there are two or three men who keep the foreman informed about other workers."

The employer is assured of a brim-full measure of the worker's physical and nervous energy by careful stop watch and motion picture studies. In fact, all of the worker's energy is exhausted in the shop. He has to utilize most, if not all, of his non-working time for recuperat-

ing and preparing for the next day. The gains of the shorter work-week thus tend to be nullified.

Under different names—Taylor Plan, Bedeaux Plan and the like—incentive pay has met with resistance by the workers. The periodical of the Carpenters Union, August 1943, carried the following:

“... By adopting the incentive payment plan, American labor will be driving its own people out of jobs. The great benefits of unionization will be discarded and destroyed. The speed at which men are asked to work properly falls within the sphere of collective bargaining... Very often the lure of higher wages is hollow. Incentive payments encourage a reckless speeding up of the workers... All too often we have found that after production per worker has been increased through the speed-up, the employers have cut the rate per piece of work turned out. Here is a vicious circle. Either the worker must suffer a loss of earnings, or he must speed up still more... The ‘incentive’ system is a spring board for further efforts at lengthening hours, speeding up production and putting over other devious wage reduction schemes.”

As a result of job standards and incentive wages based on time and motion studies, increases in productivity from 20 to 100 percent have been obtained. What Marxists oppose is not at all time and motion study and other applications of science and technology to the labor process, but rather the aims pursued thereby. In a society under the control of the producers, such studies would be a welcome means of saving toil and nervous energy, instead of being a means of extracting every last ounce of energy from workers’ muscles and nerves for the sake of swelling the profits of the capitalists.

The Scrap Heap of Industry

Medical science has found many ways of prolonging life but the economic system operates to convert these added years into years of poverty. The speed-up prevalent in modern industry forces the aged out of work. And by “aged” we do not at all mean feeble or senile individuals. It is difficult for an industrial worker above 40 and even 35 to secure a job. It is impossible for those who are 60 and 65. Unlike the family farm or the skilled crafts there is less and less room for the older worker. In normal times, an elderly worker who loses his job in production has open only menial tasks (janitor, porter, elevator operator, watchman, caretaker and so on). The 60 and 70 year old messenger “boys” have caused smiles and misplaced jests, but they are grim realities. An indication of this trend is given in the following table of those over 65 years of age gainfully employed, either as wage workers or self-employed (source, *Statistical Abstract*, 1946):

1890.....	73.8%
1910.....	63.7%
1930.....	58.3%
1940.....	42.2%
1944.....	48.5% (war year)

American industrial accidents rates are double those of any other country. Between 1928 and 1942, 191,000

workers paid with their lives in largely preventable accidents, attributable in good measure to the speed-up.

A Cruel Absurdity

Cruel as the shop, factory or mine is to the worker, he or she lives in dread of an even greater cruelty—unemployment. For the worker, unemployment is a grievous torment of body and spirit.

Seldom is the worker’s income large enough to tide him over a long period without work. Meager unemployment insurance is soon exhausted. Failing the income of the male head of the household, the woman and mother and adolescent children seek work—any work, thus undermining the standards of employed workers. There is recourse to public or private charity—the worker becomes a pauper. Families are broken up. Crime increases. Difficulties are encountered in keeping up even the usual standards—none too high—of medical and dental care.

Of economic crises, Marx and Engels have the following to say:

“In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilization, too much means of subsistence, too much industry, too much commerce... And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.”

Capitalist economists have ever day-dreamed of a crisis-less capitalist economy. But it has remained a dream. When trusts and monopolies first replaced competitive capital, the capitalist economists assured the world that at least production and consumption would be placed in harmony and the cycles of capitalism would be abolished. It is precisely in this period, and in the most trustified countries that the economic crises have been most devastating.

From the following table taken from League of Nations and American sources we see that generally in the industrial countries and in those countries most under the domination of monopoly capital, the crisis was most profound.

PERCENTAGE OF WAGE EARNERS UNEMPLOYED

Country	1929	30	31	32	33	34	35	36	37	38
Belgium	1.9	5.4	14.5	23.5	20.5	23.4	21.7	16.2	13.1	17.6
Canada	4.2	12.8	17.4	26.0	26.5	20.6	19.1	16.7	12.5	15.1
Germany	9.3	15.3	23.3	30.1	26.3	14.9	11.6	8.4	4.6	2.1
Britain	10.4	16.1	21.3	22.1	19.9	16.7	15.5	13.1	10.5	12.6
Sweden	10.7	12.2	17.2	22.8	23.7	18.9	16.1	13.6	11.6	11.8
U. S.	4.1	11.4	21.3	31.6	33	28.1	25.8	21.4	17.7	23.8

Increasing Unemployment

The immediate effect of a crisis on the workers is, of course, unemployment. Before dealing with the effects of unemployment on the working class, let us examine the

incidence and duration of unemployment in the United States for the last 57 years (unemployment statistics prior to 1890 are sheer guesswork).

Basing himself on the widely accepted book *Real Wages in the United States* by Paul Douglas, Stanley J. Lebergott ("Money and Real Earnings of Non-Farm Employees," *Journal of American Statistical Association*, March 1948) gives the following figures (in percentages) of non-agricultural employment in the US.

FROM 1890 TO 1919		
1890 — — 6.2%	1900 — 7.5%	1910 — 5.0%
1891 — — 6.7	1901 — 5.5	1911 — 7.0
1892 — — 4.6	1902 — 4.7	1912 — 4.8
1893 — — 10.6	1903 — 4.9	1913 — 6.0
1894 — — 18.1	1904 — 8.0	1914 — 14.1
1895 — — 13.3	1905 — 4.6	1915 — 13.3
1896 — — 16.6	1906 — 3.7	1916 — 4.2
1897 — — 15.8	1907 — 4.8	1917 — 3.8
1898 — — 14.8	1908 — 14.2	1918 — 4.3
1899 — — 8.4	1909 — 6.8	1919 — 6.9
10-Yr. Aver. 11.5	6.5	6.9
FROM 1920 TO 1947		
1920 — — 5.0%	1930 — 13.4%	1940 — 20.1%
1921 — — 21.0	1931 — 24.1	1941 — 13.6
1922 — — 14.4	1932 — 35.2	1942 — 6.4
1923 — — 6.1	1933 — 36.5	1943 — 2.6
1924 — — 10.6	1934 — 31.2	1944 — 1.6
1925 — — 8.5	1935 — 28.8	1945 — 2.6
1926 — — 5.9	1936 — 24.0	1946 — 5.3*
1927 — — 8.4	1937 — 20.1	1947 — 5.3**
1928 — — 8.6	1938 — 26.7	
1929 — — 4.9	1939 — 23.6	
10-Yr. Aver. 6.9	26.4 (8-Yr. Aver.) 7.2	

* Figure for 1946 is Lebergott's.

** Figure for 1947 is my estimate.

From these annual figures we can see that since 1890, even apart from the severe crash of the late Nineties, it has been the tendency for the incidence and duration of unemployment to become greater, reaching a climax in the Thirties. For 12 years, from 1929 to 1941, mass unemployment stalked the land, a seemingly insoluble enigma. Neither Hoover's word-magic of "prosperity around the corner" nor Roosevelt's New Deal could banish the depression and restore prosperity. In truth, the contention of the *Communist Manifesto* had been borne out completely. America had gotten out of each previous crisis only in order to prepare the ground for a more devastating one, until the country seemed to be in the midst of a permanent depression.

So long as the national frontier existed, each crisis would end with the opening of more land for homesteaders and the accompanying expansion in the demand for industrial goods. With the end of the frontier era, America became an exporter of capital, in competition with other capitalist nations. World War I rescued the US from an oncoming depression. First the belligerents abroad and then its own war machine had to be supplied.

But the rapid expansion of American industry during World War I created the conditions for the depression of 1921-22. Latin-American, Asiatic and European markets coupled with new industries at home supplied the basis for another boom. However, the very course of this industrial prosperity prepared the ground for the second depression after World War I that struck with unequalled ferocity and duration.

Crisis or War

Capitalism emerges out of its crises by conquering new markets or destroying goods (capital). No method is more efficacious for destruction than war. Wallace, with his "plowing under" program is a blunderer compared with the destructive capacities of war. Only when World War II broke out and the American preparedness program got under way was unemployment decreased.

But war prosperity is false prosperity. There is great industrial activity, but not economic well-being for the masses. Besides having to supply the soldiers and create the means of warfare, the mass of the people see the lion's share of their effort go to feeding the insatiable demands of the war machine and the profiteers, and not for their own necessities or comforts. War production is production for death, not life.

The same causes, so clearly delineated by Marx and Engels that produced the depression of the Thirties, are still with us. What is more, with the hot-house wartime growth of the productive potential, the specter of over-production can become a material reality in a fraction of the time required in previous cycles. Without a war, a crisis is inescapable. But either war or crisis spells misery for the masses.

We have examined in broad outline the extent of unemployment; let us now investigate the effects of unemployment on the working class.

Increase of Pauperism

"Pauperism develops more rapidly than population and wealth," says the *Manifesto*. And here it becomes evident that the bourgeoisie is unfit to rule, because it is incompetent to assure an existence to its slave within slavery, because it cannot help letting him sink into such a state that it has to feed him, instead of being fed by him."

The defenders of capitalism take issue with this indictment of the system by Marx and Engels. Thus, Professors Watkins and Dodd declare flatly, "Pauperism is decreasing." A truly astonishing declaration, all the more so because it was made around 1940. In the 12 years from 1930-41 pauperism engulfed an unparalleled number, not only of workers but also of the lower sections of the middle class.

Prior to the depression years there is only inadequate data regarding pauperism. In 1891, Robert T. Ely estimated that there were in the United States about 3,000,000 paupers (persons dependent on public or private charity), or approximately 4.4 percent of the population. Robert Hunter in his book, *Poverty*, estimated that in 1905 there were 4,000,000 paupers, or 4.8 percent of the population.

Skipping the intervening years, let us take the period

of the depression. From 1930 to 1941 there were, according to Department of Labor statistics, on the average 8,768,000 workers unemployed. Figuring 2½ dependents for each economically active individual, this means that involved were an average of 22,870,000 people, or 18 percent of the entire population. This number varied from about 25 percent of the entire population in 1933 to 11 percent in 1941, the most favorable year in this 12-year period. The great majority of unemployed were able to survive only by public or private relief, that is, pauperism.

Harry Hopkins stated in March 1935 that about one out of every six persons was on relief at that time. In the book *The WPA and Federal Relief Policy*, published by the Russell Sage Foundation, the unduplicated number of households receiving public assistance or emergency work (for which one had to be on the relief rolls) is given as follows:

1936.....	5,886,000
1937.....	5,660,000
1938.....	5,474,000
1939.....	6,751,000
1940.....	5,860,000
1941.....	5,167,000

One-Eighth of a Nation

From 1936 to 1941, the average number of those dependent on public relief in its various forms was about 16,300,000, or approximately one person out of every eight. This figure includes only those on city, county, state or Federal relief and does not take into account those receiving aid from private charitable agencies. Nor does it generally include inmates of institutions. It is, therefore, an understatement.

The author of the above-cited book states: "During 1939, the last year before 'defense prosperity' actually set in, the average number of families benefiting from public relief or employment programs each month included more than 19,000,000 . . . one out of every six or seven people in the country." This means that between 14 and 16 percent of the population were paupers.

During the war years the number of relief recipients dropped sharply. Unemployment reached the vanishing point as older workers and those partially disabled found jobs and families found themselves able to support their aged. But since the end of the war, with greater difficulty in finding work, with the exhaustion of wartime savings, dependency is again on the increase. It is nowhere commensurate with the depression years, but the fact remains it is continually growing. Individuals on state programs partially subsidized by the Federal government, increased from 3,000,000 in 1944 to 4,000,000 in 1947. President Truman in his Economic Report of January 1948 said that "about 4,000,000 now depend on public assistance." He referred to recipients of Federally aided relief programs, and not to those benefiting from social insurance.

If to this figure of 4,000,000 were added those supported by private charities, inmates of institutions for the aged or physically infirm, residents of Veterans Administration institutions, then even today at the height of the boom, we would find a substantial increase of

figures cited by Ely toward the end of the Nineteenth Century. And this "relief load" is not declining but mounting—in the very midst of the boom.

Between 1890 and 1939, the year that marked the end of the depression, there was an increase of about 70 percent in per capita income. Pauperism had meanwhile increased from 4.4 percent to at least 15 percent of the population, or an increase of 340 percent. The authors of the *Communist Manifesto* were not mistaken. Pauperism does develop "more rapidly than population and wealth."

"One's own home" represents an aspiration of millions of workers. Guaranteed shelter is the goal of many years of hard work and bitter sacrifice. During the depression, homes were foreclosed by the hundreds of thousands. For the home owners this was a tragedy. Here it is in cold figures of the *U.S. Statistical Abstract, 1946*:

NON-FARM REAL ESTATE FORECLOSURES			
1928	116,000	1936	185,000
1930	150,000	1937	118,000
1932	248,700	1939	100,000
1935	230,350	1945	14,436

Crime and Unemployment

There is a close connection between crime and unemployment. This is illustrated by the following table of felony prisoners received by state and Federal prisons and reformatories. (Table based on *U. S. Statistical Abstract, 1946*.)

Year	Unemployment (In Percentages of Working Class)	Prisoners Received	Rate per 100,000
1937	17.7	59,073	45.9
1938	23.8	64,265	49.5
1939	21.0	62,000	47.4
1940	17.4	62,692	47.5
1941	11.0	56,023	42.1
1942	4.9	47,761	35.5
1943	2.0	40,273	29.5

These figures speak for themselves.

Another Product of Capitalism

Along with the atom bomb, the jet propelled plane, the 12-year depression, the assembly line, the incentive wage plan, a special product of modern capitalism is the increase in the number of mentally sick. From *Poverty and Dependence* by J. L. Gilling and the US Census Bureau, we gather the following data as to the number of insane per 100,000 persons in the United States:

1880	63.7	1930	229.0
1910	173.0	1935	364.2
1922	203.7	1944	366.7

In the last 60 years the incidence of insanity has grown almost sixfold.

In a paper published in the *Journal of the American Medical Association*, August 30, 1947, Joseph T. Wearn, M.D. states that ". . . of some 15,000,000 men examined by selective service, 1,875,000 were rejected on the ground of neuropsychiatric disorders." More than 12 percent of the nation's youth were found mentally disordered. Well, what else could one expect from an insane social order?

A Suppressed Chapter in History of American Capitalism

The Conquest of the Indians

By William F. Warde

The capitalist rulers of the United States mounted to power through a series of violent struggles against pre-capitalist social forces. The first of these upheavals took place at the dawn of modern American history with the invasion of the Western hemisphere by the nations of Western Europe and the conquest of the aboriginal inhabitants. The uprooting of the Indians played a significant part in clearing the way for bourgeois supremacy on this continent.

However, the pages of the most learned historians contain little recognition and less understanding of this connection between the overthrow of Indian tribalism and the development of bourgeois society in America. As a rule, they regard the ousting and obliteration of the natives simply as an incident in the spread of the white man over the continent. They may condemn the treatment of the Indians as a lamentable blot on the historical record, but they do not see that it has any important bearing upon the formation of the United States.

This conventional view of Indian-white relations is shared by conservative and liberal writers alike. In their classic liberal interpretation of *The Rise of American Civilization*, Charles and Mary Beard, for example, utterly fail to grasp the social significance of the wars against the Indians, making only scanty disconnected references to them.

President Conant of Harvard has just supplied an instructive illustration of how far the Indian conquest has faded from the consciousness of bourgeois thinkers. During a speech at the N. Y. Herald Tribune Forum in October 1948 Conant stated: "In the first place, this nation, unlike most others, has not evolved from a state founded on a military conquest. As a consequence we have nowhere in our tradition the idea of an aristocracy descended from the conquerors and entitled to rule by right of birth. On the contrary, we have developed our greatness in a period in which a fluid society overran a rich and empty continent. . . ."

Conant's speech summoned American educators to demonstrate in theoretical questions what American capitalism must prove in practice—the superiority of bourgeois ideas and methods over the "alien importations" of the "philosophy based on the writings of Marx, Engels and Lenin." The Harvard president insisted that "not words, but facts" must be the weapons to convince the youth and defeat Marxism. The passage we have cited will hardly promote that purpose, for it contains two serious misstatements of fact about early American history.

In the first place, contrary to Conant's assertion, the bourgeois structure of this nation did "evolve from a state founded on a military conquest." It was the conquest of the Indian tribes, not to speak of wars against the Spanish,

Dutch and French, which gave England and her colonists mastery of North America.

Secondly, although North America in colonial times was far more thinly populated than Europe or Asia, it was scarcely "empty" of inhabitants. In order to occupy and overrun the continent, the pioneers first had to "empty" the land of its original possessors. The founders of Harvard could tell its present head many tales of the difficulties involved in this task.

What are the reasons for this extraordinary blind spot of the bourgeois historians and those who, like Conant, push to the extreme their preconceptions of our national origins?

There is, first of all, the weight of tradition. Historians continue to treat the Indians with the same disdain and lack of comprehension that their forefathers manifested in real life. The pioneers looked upon the Indians as little more than obnoxious obstacles in the path of their advancement who had to be cleared away by any means and at all costs. The English colonists rid their settlements of Indians as ruthlessly as they cleared the lands of trees and wild animals. They placed the Indian "varmints" and "serpents" on the same level as wild beasts. In early New England bounties were paid for Indian scalps as today they are awarded for the tails of predatory animals.

What Their Attitude Is

The contemporary professors do not know how to fit the Indians, and the facts of their dispossession and disappearance, into their schemes of interpretation any more than the pioneers were able to absorb them into bourgeois society. The government's final solution of the Indian problem has been to segregate the survivors in reservations, an American equivalent of the European concentration camps and the African compounds. The historians dispose of the Indians by also setting them off to one side, in a special category completely detached from the main course of American historical development.

Indeed, because of their unconscious and narrow class outlook, the bourgeois historians, on the whole, are hardly aware that the fate of the Indians presents any problem. They assume that private property must be the normal foundation of any "good" society. And so, the annihilation of Indian collectivism by the white conquerors for the sake of private property seems so much in the nature of things as to require no explanation.

But there is more involved than inertia or indifference. Freud has explained individual lapses of memory by an unconscious wish to hide from what is shameful, fearful, socially unacceptable. Where a social lapse of memory occurs, a similar mechanism and similar motives for suppression are often at work, especially where representatives of ruling classes engage in systematic forget-

fulness. That is the case here. The abominable treatment of the Indians is extremely unpleasant to contemplate, and equally unpleasant to explain.

At the bottom of their censorship lies the bourgeois attitude toward the communal character of Indian life. The bourgeois mind finds communism in any form so contrary to its values, so abhorrent and abnormal, that it recoils from its manifestations and instinctively strives to bury recollections of their existence. In any event, the run-of-the-mill historian feels little impulse to examine and explain primitive communism although it was the cradle of humanity and, in particular, formed a starting point of modern American history.

Even contemporary writers sympathetic to the Indians, such as Oliver LaFarge, go out of their way to deny that the basic institutions of the Indians can be termed "communistic" even while offering evidence to the contrary. "The source of life, the land and its products, they (the Indians) owned in common," writes LaFarge in *As Long as the Grass Shall Grow*, p. 25 "Loose talkers have called this Communism. It is not." Here is a striking example of how deep anti-communist prejudice runs.

Class calculation reinforces this tendency toward suppression. An understanding of the customs of the Indians and the reasons for their extinction may raise doubts about the eternity of private property and the standards of bourgeois life. Such knowledge spread among an enlightened people may be dangerous to the ruling ideas of the ruling class. Does it not indicate that, at least so far as the past is concerned, communism is not quite so alien to American soil as it is pictured by the witch-hunters?

Thus the expunging of the real facts about the Indians from historical memory today is no more accidental than was their physical elimination yesterday. Both have their ultimate source in the promotion of the material interests of the owners of private property and the champions of free enterprise.

Economic Causes Behind Clash of Indian Tribalism and European Civilization

Modern American society did not originate on unencumbered soil in the pure and painless way pictured by Harvard's President Conant. It arose from the disintegration and ruin of two ancient societies: European feudalism and primitive American communism. Its birth was attended by two violent social conflicts. One was the struggle between the feudal order and the rising forces of capitalism in the Old World. The other was the collision between Indian tribalism and European civilization, which resulted in the breakup of the Indian way of life as a prelude to the establishment of the bourgeois regime in North America.

The historians center their attention on the first process, and it is easy to understand why. Modern American society is the offspring of European civilization; its foundations rest upon a whole series of "alien importations" from across the Atlantic.

The contributions of the Indians in the making of modern America were not on the same scale and belonged to a different order. But this is no warrant for discounting

them as a negligible factor in the peculiar evolution of the American nation. Cast in the minor role of a villainous opposition, the Indian has nevertheless played an important part in the first acts of our national development. For several centuries American events were conditioned by the struggle against the Indian tribes. The European civilization transplanted to the New World grew at the direct expense of Indian life. Let us see why this was so.

In the Indian and the European, ancient society and modern civilization confronted each other and engaged in an unequal test of strength. Over thousands of years the Indians had worked out ways and means of living admirably suited to the North American wilderness.

The Indian Community

The North American Indians were organized in hundreds of thinly dispersed tribes, numbering from a few score to a few thousand people, bound together by ties of blood kinship. Each of these tiny tribes constituted a self-sufficing economic unit. They were far more directly and firmly attached to their natural habitats than to one another. The split-up bands had little unity of action or power of resistance against enemies like the white man. They were easily pitted against one another, since, despite an identity of social structure and institutions, they had no strong bonds of mutual interest.

The sparseness and separation of the Indian population resulted from their method of producing the necessities of life. Although there was considerable diversity of conditions from tribe to tribe and from region to region, their basic economic features were remarkably uniform. Except along the seashores, most of the North American tribes lived mainly by hunting wild animals such as the deer and buffalo. Fishing, fowling, berry-picking and farming were important but accessory sources of subsistence. Every type of social organization has laws of population and population growth corresponding to its mode of production. It has been estimated that three square miles of hunting ground were required to sustain each Indian. This imposed narrow limits on the size of the Indian population. Each tribe had to occupy sizable areas to support its members. The Iroquois sometimes travelled hundred of miles on their hunting expeditions.

The segmentation of the Indians into hundreds of petty tribal units and their slow but persistent expansion over the entire Western World had arisen from the inability of foraging and hunting economy to sustain many people on a given area. This was likewise the main cause for the warfare between neighboring tribes and for the Indians' unyielding defense of their hunting and fishing grounds against invaders. Heckewelder reports that the Redskins cut off the noses and ears of every individual found on their territory and sent him back to inform his chief that on the next occasion they would scalp him. (*The Evolution of Property*, by Paul LaFarge, p. 37.)

The only ways to overcome the restrictions inherent in hunting economy were through the development of stock-raising or agriculture, a shift from food *collecting* to food *producing*. But unlike the Asiatics and Europeans, the Indians of North America domesticated no animals

except the dog and the turkey. They had no horses, cattle, swine or sheep.

The Indians (that is, the Indian women who did the work) proved to be outstanding agriculturists. They had domesticated over forty useful plants, among them maize, tobacco, potatoes, tomatoes, peanuts, beans and others that then and later had considerable economic importance. Agriculture based on maize production gave birth to the various grades of Village Indians and made possible the more concentrated populations and brilliant achievements of Maya and Aztec cultures.

But Indian progress in agriculture became stymied by insurmountable technological barriers. The Indians derived their meat and clothing from wild game, not from tamed and tended animals. They did not invent the wheel or the axle; they did not know iron or how to smelt it. Their implements were mostly made of stone, wood, bone and fiber. Without draft animals and iron, it was impossible to develop the plow or even an efficient and durable hoe.

Without these technological aids, agriculture could not advance to the point where it could yield food and grain enough to support extensive and constantly increasing bodies of people. According to latest investigations, it was the extinction of the forests and the exhaustion of the available corn-bearing lands cultivated by the crudest stick methods which eventually caused the collapse of Mayan culture. (See *The Ancient Maya*, by Sylvanus G. Morley, 1946.)

The whites, however, bore with them all the means for advanced agriculture accumulated since the invention of the animal-drawn plow. These improved implements and methods of cultivation were the stepping stones by which Europe had approached capitalism.

But along with superior tools and techniques of production the Europeans brought their correspondingly different property forms and relations.

Although the Indians possessed personal property, they were unfamiliar with private property in the means of production, or even in the distribution of the means of subsistence. They carried on their principal activities: hunting, fishing, cultivating, home-making and warfare, in a collective manner. The product of their labors was more or less equally shared among all members of the tribe.

The Indians and the Land

Above all, the North American Indians knew no such thing as private property in land which is the basis of all other kinds of private ownership in the means of production. When the white man arrived, there was not one acre from the Atlantic to the Pacific that belonged to a private person, that could be alienated from the community or assigned to anyone outside the tribe. The very idea that ancestral lands from which they drew their sustenance could be taken from the people, become an article of commerce, and be bought and sold was inconceivable, fantastic and abhorrent to the Indian. Even when Indians were given money or goods for a title to their lands, they

could not believe that this transaction involved the right to deprive them of their use forever.

"The earth is like fire and water, that cannot be sold," said the Omahas. The Shawnee chief Tecumseh, who sought to combine all the Indians from Canada to Florida against the encroachment of the whites upon their hunting grounds, exclaimed: "Sell land! As well sell air and water. The Great Spirit gave them in common to all."

But the "Great Spirit" animating and dominating the whites had an entirely different revelation. The intruders looked upon the new-found lands and their occupants through the eyes of a civilization founded on opposite premises. To them it was natural to convert everything into private property and thereby exclude the rest of humanity from its use and enjoyment. The conquerors maintained that whatever existed in the New World, or came out of it, was to be vested either in an individual or a power separate and distinct from the community or towering above it, like the monarchy, the state or the church.

The Outlook of the Europeans

They did not exempt human beings from this process. The invaders seized not only the land but its inhabitants and sought, wherever they could, to convert the Indians into their private possessions as chattel-slaves.

Those who were driven across the Atlantic by religious and political persecution were a minority. For the majority, the lust for aggrandizement and the greed for personal gain were among the prime passions actuating the Europeans. It was these material motives, more powerful than wind or wave, that propelled the first Europeans overseas and then inevitably brought them into collision with the aboriginal inhabitants.

The conquerors came as robbers and enslavers; they stayed as colonizers and traders. America had belonged to the Indian tribes both by hereditary right and by life-and-death need to maintain themselves and perpetuate their kind upon the tribal territories. But the tribes wanted to hold the land for different purposes and on different terms than the whites. The Europeans aimed to acquire the land for themselves or for some sovereign or noble who held title for their country. The newcomers needed land, not simply for hunting, trapping and fishing, but for extensive agriculture, for lumbering, for settlements and trading centers, for commerce and manufacture—in a phrase, for private exploitation on an expanding scale.

Thus, regardless of their wishes, the Indians and Europeans were sharply counterposed to each other by virtue of their contradictory economic needs and aims. The Indian could maintain his economy with its primitive communistic institutions and customs, its crude division of labor between the sexes and its tribal ties of blood kinship only by keeping the white men at bay. The newcomers could plant their settlements and expand their economic activities only by pressing upon the Indian tribes and snatching their territories. This antagonism, flowing from their diametrically opposing systems of production, governed the dealings between red men and white from their first contacts.

The ways and means by which the natives were en-

slaved, dispossessed and exterminated cannot be set forth here in detail. The pattern of robbery, violence, debauchery and trickery was fixed by the Spaniards as early as the landings of Columbus. In their lust for gold Columbus and his men depopulated Hispaniola. Through overwork, abuse, starvation, despair and disease, the original population of the island dwindled from 300,000 in 1492 to an actual count of 60,000 in 1508. Only a remnant of 500 survived by 1548.

The Overthrow of the Indians

The same story was repeated on the mainland of North America time and again during the next four hundred years by the Dutch, English, French and Americans. The Indian wars in New England demonstrated how ruthless and irreconcilable was the conflict between the opposing social forces. While the first colonists in Massachusetts were busy securing a foothold, Indian neighbors established friendly and helpful ties with them. They gave the Pilgrims food in time of distress, taught them how to raise maize and tobacco and how to cope with the forest and its wild life.

But the divines who enjoined the Puritans not to covet their neighbor's wives taught otherwise about the Indian hunting grounds. These religious and political leaders insisted that all land not actually occupied and cultivated belonged, not to the Indians, but to the Massachusetts Bay Colony which they controlled. Roger Williams was tried and banished from Massachusetts in 1635 because he declared that the "Natives are the true owners" of the land. His heretical views on the land question were condemned as no less dangerous than his unorthodox religious opinions.

The New England colonists annexed the tribal lands by waging wars of extermination against the natives over the next eighty years, beginning with the Pequot war in the Connecticut Valley in 1643 and concluding with the expulsion of the Abenakis from the Maine and New Hampshire coasts in 1722. The fiercest of these conflicts, King Philip's War (1675-1678), was directly provoked by the struggle over the land. The increase in white population in the Connecticut Valley from 22,500 in 1640 to 52,000 in 1675 whetted the land hunger of the settlers at the same time that it threatened to engulf the Indian hunting grounds.

Their defeats brought death or enslavement to the Indians, expulsion from the tribal territories and distribution of their land to the whites. The rich corporation of Harvard University today derives income from landed property originally seized from these Indians "by military conquest." Shouldn't its President show more respect for the historical origins of his own state and for the deeds of his Pilgrim ancestors?

The same predatory policy was duplicated in the other colonies and no less vigorously prosecuted after they secured independence. An itinerant preacher, Peter Cartwright, testifies in his autobiography concerning the conquest of Kentucky: "Kentucky was claimed by no particular tribe of Indians, but was regarded as a common hunting ground by the various tribes, east, west, north and south. It abounded in various valuable game, such as buffalo, elk,

bear, deer, turkeys and many other smaller game, and hence the Indians struggled hard to keep the white people from taking possession of it. Many hard and bloody battles were fought, and thousands killed on both sides; and rightly it was named the 'land of blood.' But finally the Indians were overpowered, and the white man obtained a peaceful and quiet possession of it."

This combat to the death continued until the last frontier was settled and the choicest lands seized. "The roster of massacres of Indian men, women and children extends from the Great Swamp Massacre of 1696 in Rhode Island, through the killing of the friendly Christian Indians at Wyoming, Pennsylvania, when the republic was young, on through the friendly Arivaipas of Arizona, the winter camp of the Colorado Cheyennes, to the final dreadful spectacle of Wounded Knee in the year 1870," writes Oliver LaFarge. That is how America was taken from the Indians.

The Transformation of Indian Life

Before the white conquerors eradicated Indian society, the Indians passed through an intermediate stage in which their customary relations were considerably altered. The acquisition of horses and fire-arms from the Europeans opened up the prairies to the Indians in the interior by enabling them to range far more widely and effectively in hunting buffalo and deer. But the ensuing changes in the lives of the Plains tribes were accomplished by their independent efforts without direct intervention by the whites and within the framework of their ancient institutions.

The fur trade with the whites had quite different and damaging effects upon Indian life. The fur trade early became one of the most profitable and far-flung branches of commerce between North America and Europe. The fur factors, hunters and trappers served as agents of the rich merchants and big chartered monopolies dominating the business and acted as advance scouts of capitalist civilization.

The Indians were first drawn into the orbit of capitalist commerce largely through extension of the fur trade. In the course of time the fur-trading tribes embraced all the North American Indians except those in the extreme South and Southwest. The growing interchange of products between the tribes and traders upset the relatively stable Indian existence.

At first this exchange of goods lifted the living standards and increased the wealth and population of the Indians. An iron ax was better than a stone hatchet; a rifle better than a bow and arrow. But, as the fur trade expanded, its evil consequences more and more asserted themselves. The call for ever-larger quantities of furs and skins by the wealthy classes here and abroad led to the rapid destruction of fur-bearing animals who reproduced too slowly to meet this demand.

Indians without contact with civilization were careful not to slaughter more animals than were needed for personal consumption. But once they trapped and hunted for the market, other incentives came into play. These drove the tribes whose hunting and fishing grounds ap-

proached exhaustion into bitter competition with adjoining tribes for control of the available supply.

The new conditions produced bloody clashes between competing tribes as well as with the white men who sought possession of the hunting grounds for their own reasons. In trade and war, occupations which are not always easily distinguishable, the role of firearms proved decisive. The Indians could not manufacture or repair firearms, or make powder. They had to bargain with the white men for these and the other indispensable means of production and destruction upon which their lives and livelihoods came to depend.

This placed the Indians at the mercy of bearers of the higher culture who showed them little mercy. Consequently the Indians became the victims not only of civilized diseases and such civilized vices as alcoholism and prostitution, but also of the good things acquired from the Europeans. Through the fur trade they were sucked into a vortex of commercial rivalry, intertribal and international wars that carried them toward destruction.

Various Indian tribes sought to defend themselves and their hunting grounds from relentless encroachment of the colonists by confederation or by allying themselves with one great power against another. They leagued with the French against the British, the British against the French, the Spanish against the British and the King against the Patriots. Later some Southern tribes were to attach themselves to the Confederacy against the Union.

A Hopeless Struggle

Although the Indians fought with unexampled courage and tenacity, neither heroic sacrifices nor unequal and unstable alliances could save them. They lacked the numbers, the organization and above all the productive capacity for carrying on sustained warfare. They had to limit themselves largely to border raids and scalping expeditions and were often laid low by hunger in winter and scarcity of weapons and ammunition. Neither singly nor in combination could the natives do more than delay the onward march of their white adversaries. Their history is essentially a record of one long retreat across the continent under the onslaught of the conquerors.

The French had more harmonious relations with the Indians than the English, primarily because of differences in their economic aims and activities. Except for the Quebec *habitants*, the French were mainly engaged in hunting and trading; they did not covet the Indian lands but sought to maintain favorable trade relations with the tribes. It is recorded that for two centuries (1690-1870) there were only sporadic acts of hostility between the natives and agents of the Hudson Bay Company, which monopolized the Indian trade in Canada. The reason? "In no case, did the French intruders ask, as did the English colonists, for deeds of territory." (*Narrative and Critical History of America*, Vol. I, p. 285.)

Behind the English hunters and traders swarmed the solid ranks of colonizers, farmers, planters, speculators and landlords who wanted the Indian hunting grounds for their own property.

This contrast was emphasized by Duquesne when he tried to win the Iroquois from their friendship with Britain. The Frenchman told them: "Are you ignorant of the difference between the king of England and the king of France? Go see the forts our king has established and you will see that you can still hunt under their very walls. They have been placed for your advantage in places which you frequent. The English, on the contrary, are no sooner in possession of a place than the game is driven away. The forest falls before them as they advance and the soil is laid bare, so that you can scarce find the wherewithal to erect shelter for the night."

The incompatibility of the hunting economy with advancing agriculture also became a major source of division between the American colonists and the English government. King George's proclamation of 1763 forbade royal governors to grant land or titles beyond the Alleghenies or private persons to buy land from the Indians. This Quebec Act, designed to monopolize the fur trade for the English and contain colonial settlement on the coastal side of the Allegheny Mountains, imparted a powerful stimulant to colonial revolt.

The height of the onslaught against the Indians was attained when the capitalists took complete command of the government. The three decades following the Civil War have been correctly called by the historian Bancroft "the history of aboriginal extermination." The Civil War generals turned from battle against the slaveholders to consummate the conquest of the Indians in the West. General Halleck urged that the Apaches "be hunted and exterminated" and General Sheridan uttered his notorious remark, "There are no good Indians but dead Indians." The attitude toward the Indians was bluntly expressed by the Commissioner of Indian Affairs in his report to Congress in 1870: "When treating with savage men as with savage beasts, no question of national honor can arise. Whether to fight, to run away, or to employ a ruse, is only a question of expediency."

Capitalist civilization could not stop halfway at reconstructing Indian life and subordinating it to its needs. With the expansion of settlement, the colonists kept pushing the red men westward, hemming in their living space, violating agreements with them, taking over more and more of their territories. The late Nineteenth Century witnessed the final mopping-up operations by which the Indians were deprived of their lives, their lands and their independence. The few hundred thousand survivors were then imprisoned in reservations under government guard.

Defrauding the Vanquished

Victimization of the Indians did not cease even after they had been reduced to an impotent remnant on the reservations. Lands which had not been seized by force were thereafter stolen by fraud. Through the land allotment system the Bureau of Indian Affairs generously gave a small piece of the tribal lands to each Indian, declared the remainder "surplus," and sold or allotted it to the whites. Thus the last of the communal lands, with

some exceptions, were broken up and absorbed into the system of private property and free enterprise.

The insuperable opposition between the two social systems was equally evident on the side of the Indians in their determination to preserve their established ways. There were no lack of attempts, for example, to enslave the natives. But they defended their freedom as fiercely as their lands. The Indians could not suffer servitude. Such a condition was repugnant to their habits, feelings and productive activities.

The Indian warriors resisted to the death any reversal in their status and occupations, sickened in captivity, refused to reproduce and died off. They could not be broken on the wheel of slave agriculture.

It has always been a difficult and protracted job to reshape human material moulded by one social system into the labor conditions of another, especially when this involves a degradation in status. Moreover, as the experience of the Spaniards with the Indians below the Rio Grande testifies, it is easier to transform cultivators of the soil into slaves than to subjugate hunting peoples.

The same attachment to their roving hunting life which induced the Indians to oppose enslavement led them to reject and withstand assimilation while so many other races were being mixed in the great American melting pot. The Indian tribe was indissolubly united with its home territory. The areas which provided food, clothing and shelter formed the center and circumference of their actions, emotions and thoughts. Their religious ideas and ceremonies were bound up with the places associated with their ancestors. To sever the Indians from these lands was to shatter the foundation of their lives.

The Indians either had to remain aloof from white civilization or else remake themselves from top to bottom in the image of their enemy. The latter course involved forfeiting their cherished traditions and traits and converting themselves and their children into human beings of a strange and different type. This leap across the ages could be taken by scattered individuals but not by whole tribal communities.

The Fate of the Cherokees

Even where they attempted to absorb civilization bit by bit, the white men did not permit the Indians to avoid corruption or extinction. The Indians found that they could not borrow part of the alien culture without swallowing the rest, the evil with the good; they could not modify

their communal culture with the attributes of civilization and preserve its foundations intact. The most conclusive proof was given by the fate of the Cherokees, one of the "five civilized tribes." The Cherokees, who inhabited the Southern Alleghenies and were one of the largest tribes in the United States, went the furthest in acquiring the ways of the white man. In the early decades of the Nineteenth Century, the Cherokees transformed themselves into flourishing and skillful stock-raisers, farmers, traders and even slave-owners. They amassed considerable wealth, created an alphabet and formed a government modeled upon that of the United States.

However, they took these steps without discarding communal ownership of the lands which had been guaranteed to them forever in 1798 by the Federal government. Thus the Cherokee Nation stood out like an irritating foreign body within Southern society. The Southern whites were resolved to bring the Cherokees under the sway of private property in land and the centralized state power. Under their pressure Federal troops forced the Cherokees from their homes and deported them en masse. Their lands were distributed by lottery to the whites.

Even after the Cherokees resettled on the Indian Territory in Oklahoma, they could not keep undisturbed possession of their lands and customs. The Bureau of Indian Affairs inflicted the vicious "land allotment" system upon them whereby the tribal territories were cut into individual lots and placed upon the free market. The government changed the mode of inheritance along with the system of landholding by decreeing that property should henceforth descend through the father's offspring instead of the mother's.

This capped the process of despoiling the tribe of its lands and its rights and overthrowing the basic ancestral institutions of the community. Private property, patrilineal inheritance and the centralized oppressive state displaced communal property, the matriarchal family and tribal democracy. The American Ethnology Bureau reported in 1883 that the Cherokees "felt that they were, as a nation, being slowly but surely compressed within the contracting coils of the giant anaconda of civilization; yet they held to the vain hope that a spirit of justice and mercy would be born of their helpless condition which would finally prevail in their favor."

Their hope was vain. "The giant anaconda of civilization" crushed its prey and swallowed it. By such food has American capitalism grown to its present strength and stature.

Stalinism and Communism in Albania

The document published below was written by one of the pioneer Communists in Albania.

It tells a simple but extremely poignant and significant story, describing the struggle, in a small country where conditions are still patriarchal, between incipient Communism and Stalinism, the gangrene of the movement. The Albanian Communists, who fought for the elemen-

tary principles of a free development for the revolutionary movement in their own country, had no suspicion of what consequences might result from their loyalty to these principles when they had to deal with the agents of the Kremlin's bureaucratic regime.

Here we have a highly revealing example of how Stalinism collides in a mortal combat not only with every

conscious opposition but also with every elementary proletarian tendency which opposes its totalitarian, police rule in any way whatever.—Editor.

* * *

A whole book would be required to present a complete picture of the Communist movement in Albania and the manner in which it has been betrayed. Here I shall limit myself to presenting only the most important points which, I am sure, will serve as a lesson to the proletariat of all countries, who are still unaware that Stalinism represents everything except a Communist movement.

I consider our experience to be a good lesson because I know that the working class of any given country learns not only through its own experience but also through the bitter experiences of workers in other countries. When one is warned that a fire is raging somewhere, it would be foolish and even mad to try to confirm it by putting one's hand into the flames.

And now let us proceed to our subject.

Prior to 1941 there was no Communist Party in Albania. There were only three groups—the Scutari group, the Youth group and the Koritza group—and while all three claimed to be Communist, they were in constant conflict with one another. Lacking experience and a Marxist-Leninist education, these three groups were unable to arrive at a correct political line. Each group acted in accordance with its own ideas and impulses and the major part of their activity consisted of polemics against the other two rival groups.

Toward the end of 1941, after the USSR's entry into the war, the Scutari group and the Youth felt the need of unifying their forces and at the same time they issued an appeal to the Koritsa group (the group of the incumbent president of Albania) but the latter flatly refused to reply to all appeals for unity. Unable to effect unification of the three groups by themselves, and seeing the USSR (which they looked upon as the fortress of world Communism) imperiled by the Hitlerite armies, they decided to ask for the intervention of foreign comrades. Comrades of the Scutari and Youth groups who lived in the Albanian province of Kosova, which was as it still is, under Yugoslav rule, found the opportunity to establish contact with Meladin Popovich and Dusham, Yugoslav Stalinists. The Albanian comrades from Kosova explained the situation of the three Albanian groups to the Yugoslav Stalinists and, in agreement with the leaders of all three groups, they invited the Yugoslavs to come to Tirana in order to assist in founding the Albanian Communist Party and in putting an end to past dissensions.

The two Stalinists were presently brought secretly to Tirana, and although they had no official authorization from the Yugoslav CP, they were accepted and their proposals were adopted.

Their first proposal was to convene a Conference with a certain number of delegates from each group. In addition to the Yugoslavs, 16 representatives of the three groups participated in this Conference, whose object was to found the Albanian CP.

The Founding Congress

Representatives of each group made a report and a self-criticism of the work their group had conducted and at the same time presented a criticism of the work carried on by the other groups. After each report, self-critical and critical, there was a general discussion which became heated and degenerated into personal recriminations; the old group spirit certainly did not fail to reveal itself in the course of the discussions.

Upon the termination of the discussion, the Yugoslavs, who had taken note of the revolutionary spirit and consciousness of the Youth, took advantage of the latter's sincerity and modesty in order to offer the following criticisms:

1.—The Youth had failed to carry out as broad an agitation among the masses as they should have.

2.—They had confined themselves in the main to forming the cadres and translating Marxist books.

The leaders of the Youth group, Anastas Lula and Xhepi, supported by several elements belonging to the other two organizations, among them Vazil Santoja, replied to this ridiculous criticism as follows:

"We do not claim we did everything we should have done. On the other hand, you ought to know that it was not so easy to do what you are suggesting. You are unacquainted with the circumstances, conditions and customs of our country, just as we are unacquainted with those in your country. In Albania, Communism is an imported doctrine. It is not a product of the development of economic conditions in Albanian society. Here the Communist movement was launched by intellectuals, particularly by students in the secondary schools.

"Albania is a backward agricultural country without any industry. There is no industrial proletariat among us and consequently we have no proletarian organization pursuing, at least, economic objectives.

"Moreover, you should not make the mistake of viewing present and past conditions in the same light. New conditions are making a travesty of the old. At the beginning, during the early days of the fascist occupation of our country, it was very difficult to carry on open agitation among the masses for two reasons. First, because the successes of the nazi-fascist armies made our people lose all confidence in an eventual Allied victory. Second, because in the first days of occupation, fascism, pursuing its own objectives, set about making certain temporary improvements in the economic conditions of the masses, who had been far worse off under the previous regime of King Zog.

"Despite, this, we did our best to reach the masses. We never restricted our activity to forming cadres and translating books, as charged by the Koritsa group, which thereby reveals its old hatred of us. We are not against friendly criticism; on the contrary, we welcome it, because criticism of our past activity strengthens us and increases our experience for the future. We are a Youth group, full of enthusiasm but unfortunately lacking in experience. The same may be said of the other two groups,

who have in their reports greatly exaggerated their past work.

"We never had the intention of exclusively forming cadres, with the idea that at a certain point in their formation, they would march pompously toward the masses. There are no limits to the formation of cadres. Building cadres and working among the masses are two closely inter-related things: the more cadres we have, the better we can reach the masses, and, conversely, the more we penetrate the masses, the greater will be the number and strength of our cadres. As soon as we finished our studies, we went into the country and formed study circles everywhere, which are daily increasing in number; and we did this in the interests of our cause, without any considerations of a personal nature. Today, with a complete change in the situation, now that everybody can see with his own eyes that the 'glorious armies of the Duce' are not at all invincible, as the Albanian fascist functionaries used to boast, we are able to reach the masses on a far greater scale, and at the same time, can start direct action against the fascist plague and its servile functionaries.

"Finally, what has been done is past and cannot be changed. Some have accomplished more, others less. Our main concern now is to be able to do our best as good Communists."

* * *

Despite these declarations, which were made not in self-justification but out of simple regard for the truth, the representatives of the Youth were unable to understand why the two Yugoslav Stalinists continued to regard them so banefully. Moreover, when they asked for more detailed explanations of orders and proposals, the Stalinists became angry and berated them as intellectuals. Whenever they were at a loss for an explanation, the Stalinists used the term "intellectualism" as their supreme argument.

The Albanian comrades had asked for explanations sincerely and in good faith. They sought these explanations in order to learn more clearly what they were supposed to do, for in this way tasks are accomplished in a much more satisfactory way. There are obviously cases where this would require too much time from the leaders, but resolutions which require no explanation until after they are carried into effect are exceptions and not the rule. Nevertheless, the comrades who found themselves in the opposition accepted all the decisions of the majority, even though they were not always convinced of their correctness.

At the conclusion of the discussion, Meladin asked the conference of Albanian comrades to empower him to appoint the Central Committee of the Party. This was voluntarily agreed to, in good faith and out of utter ignorance of the customary Stalinist maneuvers. Meladin then requested the names of two or three candidates from each group, from among whom he would select the members of the CC. But he fixed as a condition that the candidates should not be chosen from the former leaders of the groups, as their past differences would endanger the work of the Party, especially if new differences arose within the Central Committee. This argument was also considered valid by the Albanian comrades.

A few days later the leaders of the Youth group learned that the CC had been formed by leaders from the other two groups plus a rank and file member of their own. Although disappointed by this evidence of Meladin's obvious bad faith and trickery, they offered no objections. Indeed the Youth thought that Meladin, as an experienced foreign comrade, was entitled to their confidence and that he was acting solely in the interests of the Party. Besides, the Youth did not want Meladin to think that they were interested in becoming members of the CC at any cost. The Youth group leaders were not at all concerned with gaining posts; their sole objective was the interests of the Party.

But Meladin's actions were strictly in keeping with his character. As a Stalinist bureaucrat, he could not have acted otherwise. The orders which he had received from his superiors called only for the creation of cliques of mere agents utterly at the disposal of the Kremlin. Meladin had quickly learned that the Youth group leaders, because they were genuine Marxist-Leninists, conscious of their mission, and revolutionists in the real sense of the term, constituted an obstacle in the execution of his plans.

A Clique Takes Form

As soon as the membership lists of the three groups, together with all material resources (literature, typewriters, funds, etc.) were turned over to the CC, one of the Yugoslavs, Dusham, and a member of the CC, who was his lieutenant, began to establish branches, mixing up the members of all three groups. Fearing the members of the Youth group, they put into these branches the greatest possible number of sympathizers of the other groups, with the aim of ensuring a majority in the elections to the regional committees. They included these sympathizers under the pretext that at the given stage few of the comrades had the necessary qualifications for party membership. At the same time, to secure a majority, they did not hesitate to bring in people of extremely dubious character. They were not at all fearful of people lacking in character or education; all they feared were Communists. Their fears were groundless at the time, but people whose conscience is troubled tend to suspect the whole world. Had the Youth group leaders sought to obtain posts, they could have done so at the very beginning by refusing to entrust the nominations to the CC to the Yugoslavs and by insisting that they be given places on the CC in conformity with the will of their membership.

During the delegates' Conference (1941) which was to elect the Tirana Regional Committee, one member of the Youth group rebelled against election methods which he termed "fascist." This comrade was made indignant by the conduct of the Yugoslavs, who employed various subterfuges to elect candidates of their own choice.

Obviously these facts and others of lesser importance contributed to the birth and growth of discontent among the Youth militants. Indignant comrades came to their former leaders, Anastas and Xhepi, in order to express their discontent. They were advised as a rule not to come on matters which the Party alone could regulate, not individuals. They were advised to take up every demonstra-

ble fault or error with their branch leaders. They were also advised not to rebel, inasmuch as the Party was new and mistakes were naturally unavoidable.

Despite these efforts of Anastas and Xhepi to do their best to calm the discontented comrades by speaking in favor of the Party all the time, they were accused by Meladin and his CC of stirring up dissatisfaction. These charges hurt them deeply. They had shown enough political courage to confront far greater political difficulties not only during the fascist occupation, but also under the dictatorial regime of King Zog. Had they wanted to, they would certainly have had enough courage to oppose Meladin openly, this same Meladin whom they themselves had freed from a concentration camp and brought to Tirana, where they put everything into his hands of their own free will.

The First Clashes

As soon as Meladin consolidated his position in Albania and formed his own clique, he called a conference whose purpose was to place Anastas and Xhepi on trial on the charges of cliquism. Here is the text of the conference resolution:

"It has been established that both of you have not yet rid yourselves of the sectarian spirit, and what is even more serious, you have been the principal instigators of this spirit among other comrades of your former group. You must admit that this is an obstacle for the Party. The Conference instructs you to confess your errors and to self-criticize yourselves."

In addition to Meladin and his agents in the CC, participating in this Conference was an individual who only three months before had been accused by Meladin himself of being a secret service agent. Despite this, Anastas and Xhepi entered no protest and permitted the Conference to take its course. Their reply was as follows:

"It is obvious that when some things do not go well in the party, there must be some obstacle to its growth. And we agree with you that this obstacle is the old group spirit. But you should not examine this group spirit onesidedly. As Marxists we should always try to resolve our problems with the aid of dialectical materialism. You know that there is no effect without a cause. The group spirit manifested among our comrades is the product of the group spirit which prevails to a far larger extent among the other two groups who are in the Party leadership. Disappearance of the group spirit among the leading comrades would rapidly cause it to dissipate among the other comrades. But inasmuch as you have arrogated the right to place us on trial, and because of this cannot allow us to expose your own faults, we have no other recourse, in the interests of the Party itself, than to shut our eyes. We repeat that the group spirit will be dissipated only to the extent that you will furnish proofs of justice and impartiality."

The Conference closed with the following statement by Comrade Meladin:

"In the event that the CC decides to expel you from the Party and at the same time, taking into consideration your qualities as old revolutionists, decides to maintain

contact with you, are you willing to abide by its decision? On the other hand, we must warn you that if you take a hostile attitude, the Party will adopt more drastic measures against you."

Even a child could understand the obvious fact that the CC of the Albanian Communist Party existed in name only, while the real CC was constituted solely by Meladin and Dusham. Everybody knows that the members of the CC were only Meladin's agents and executors of his orders.

Anastas and Xhepi, who loved the Party more than their own lives and who hoped that things would improve, were not only incapable of a hostile attitude toward the Party but were, on the contrary, willing to remain at its disposal at all times. From that time on, while accepting the collaboration proposed by Meladin, they began to suspect that his systematic attacks would augur no good. Meladin's behaviour showed them that he was not a genuine Communist. They began to look upon him as a crafty Serb chauvinist who, under the mask of Communism, wanted to form a clique for the sake of better serving the interests of his country.

Nevertheless, the leaders of the Youth group thought it best to leave the responsibility for the consequences of this situation with the CC. Rather than provoke a split in the Party, they preferred to submit. Although expelled from the Party, they fulfilled all the tasks assigned them scrupulously and with good will. Unfortunately, however, honesty and revolutionary conscientiousness were an irritant to the bureaucratic clique. Honest comrades and good revolutionists, who enjoyed great sympathy among the rank and file, had to be eliminated at all costs. To this end, the leadership ordered its agents to set up control over the activities of all genuine Communists generally and the foregoing two comrades in particular.

Anastas and Xhepi, although they took note of this, made no protest because they knew the need of a Communist party to control the activity of the comrades. What revolted them was the fact that those placed in charge of this control were without even a minimum of Marxist education and, therefore, unqualified for such a task. This task is indeed a very delicate one, because a poorly educated comrade is in the nature of things unable to judge matters correctly and is liable to make inaccurate reports which would victimize comrades under his surveillance.

But what is far worse, the agents were under CC instructions to bring in unfavorable reports about the comrades under their surveillance. A whole number of reports were made whose contents remain to this day unknown to the comrades in question. These comrades knew that the Communist principle of controlling members is based on the excellent intention of uncovering and correcting errors. But in no case is it permissible to use this control for the purpose of catching the comrades in a trap. Unfortunately, in the Albanian Communist Party the spirit of setting snares prevailed over the spirit of correcting errors.

Effective control from top to bottom, such as Lenin favored, was not even given a thought by the Albanian CP. There was exclusively tight control from above, whereas Leninism teaches us that control must be far

stronger from below, since errors committed by leaders can be catastrophic while those committed by individual members cannot seriously damage the Party.

If a comrade tried to criticize on the branch floor any errors committed by a Party leader, he was not only denied the right to offer such criticism but found himself subjected to attack by the branch leader and labelled a Xhepisti, a Trotskyist, a saboteur and the like. To avoid being misrepresented in this way, the comrades no longer dared criticize errors which they might have observed. Here is an example of criticism which one branch member addressed to a member of the Regional Committee of Valona concerning another leader: The comrade in question returning one night from one village to another with an escort of armed partisan guerrillas, met up with some fascist militiamen and instead of showing himself worthy of the post he held in the Party, he fled like a coward, abandoning his comrades and even his overcoat. On another occasion, in the course of bitter battle (a battle that became an epic among the Albanian people) against the fascist army sent to deal a blow to the village, Gjormi, this same individual left the front on the pretext that he had a stomach-ache, only in order to dine on roast chicken in another village from where he could be certain of not hearing even the noise of battle. There were many other similar cases.

Persecution of the Opposition

Greatly worried by constant criticisms and seeing itself losing ground every day, the bureaucratic clique thereupon decided to find some way out of this deadlock. The only way it could defend its positions was to get rid of the revolutionary opposition as quickly as possible while it was still in an early stage. To crush it, the clique resolved to get rid of all uncompromising revolutionists by means of secret assassinations.

Once the decision was made, it was immediately carried out. The best-known Marxist-Leninist in Albania, Anastas Lula, was brutally murdered. As soon as this terrible news was learned by Comrade Difi, political commissar of the Mallaxastra battalion (it was at the time the largest single partisan military unit), this devoted member of the revolutionary opposition came to see Comrade Xhepi in order to discuss the matter with him and agree on a course of action. Difi said:

"I have just learned something which is revolting not only for you personally but for every conscious Communist. Several days ago the CC held a Conference where it was decided to condemn you along with Anastas and several others to death. Anastas was placed under arrest by a squad from the battalion to which he belonged and marched off to a village where he was unknown to the inhabitants and where he was denounced as a Trotskyist, traitor, spy and so on. When he tried to speak in order to refute these accusations, he was led away by the squad and brutally assassinated. In your case they have decided on a different type of assassination. Knowing that you enjoy great popularity among the Party rank and file and the inhabitants of Valona, they have decided to kill you secretly during the night and to organize the next

day a magnificent funeral, with flowers, wreaths and speeches extolling your heroism and virtues. Our problem is to decide what can be done to put an end to this frightful individual terrorism. I know that what I am doing is a violation of Party discipline, but this infraction is absolutely necessary and is committed for the sake of saving the Party and preventing errors which can lead only to catastrophe. Besides, in turning to such a comrade as you, I know full well that their charges against you are pure fabrications. If you had any intention of harming the Party in order to take over its leadership, as they say, I know that you would have first confided in me, your most intimate comrade. Just the opposite is true. Each time I voiced my discontent with the Valona Committee, you have tried to persuade me that it was necessary to have confidence in the Party. I cannot understand how anybody could accuse you of such a thing. To me they are only a clique who, under the mask of Communism, are seeking to secure a perpetual monopoly of the Party leadership, and in order to achieve this, they have decided to exterminate all revolutionists of any worth. How can anybody justify the assassination of comrades, without a trial and without any opportunity to defend themselves? I believe this is an open betrayal of our revolutionary movement, but I am asking you, as an experienced Communist, to show us some normal way whereby we can put a stop to such proceedings."

In Xhepi's opinion the best Communist way would be to convene a Conference consisting of at least two delegates from each branch, all members of the Valona Regional Committee, plus one or two members of the Central Committee. (Valona was one of the most revolutionary centers and the idea was that it was the best place to begin to apply Leninist principles of democratic centralism. The others would later follow its example.) The object of this Conference should be a general examination of the faults and errors committed and, if any had been committed, to condemn those who were responsible. If the proceedings showed that the Valona Committee no longer held the confidence of the majority of the comrades, a new Committee should be democratically elected.

But although close to 80 percent of the members wanted this Conference called, the Valona Committee along with the Central Committee categorically opposed it. At first they put on an act of favoring the idea of such a Conference, doing so solely in order to gain time and prepare a plan for eliminating the most active and conscious comrades. As soon as their terrorist plan was completed, they secretly arrested the political commissar of the Dukati commune. They likewise organized an ambush for the assassination of Comrade Xhepi, but he escaped thanks to comrades who warned him in time. They also treacherously arrested Xhemil Cakerri, political commissar, and Vangjo, commander of the Valona battalion. They were brought to a mill where they were to be assassinated. The political commissar was brutally murdered, but the commander succeeded in escaping with only a hand wound and took refuge in a village whose inhabitants gave him a friendly reception.

Memet Shehu (today the Stalinist commanding gen-

eral), the most notorious criminal in Albania, went to this village and re-arrested Vangjo, telling the village people that the assassination attempt had been an accidental act of the escort and that Vangjo was now to appear before the Party judges.

Vangjo was then led to a house in the middle of a forest where, at the point of a gun, he was forced to write to his battalion an order transferring his command to the general in question. He was kept prisoner for three months and then succeeded in escaping and rejoining his opposition comrades.

Meanwhile, assassinations of the revolutionary oppositionists became more and more frequent. In the press and through all the vehicles of propaganda, the leadership sought to create the impression that the demand for calling the Conference had been put forward only in order to destroy the Party, and that it was actually a conspiracy under Xhepi's leadership.

Had the revolutionary opposition engaged in a conspiracy, as the Stalinists claimed, the overthrow of their clique would have been unavoidable and would have presented no difficulty inasmuch as the clique was in the minority at Valona. But the comrades of the revolutionary opposition, knowing nothing of Stalinist terrorist methods, sought on the contrary to act in the most legal way possible within the Party. They were not and could not have been enemies of the Party. But the leading clique had made its irrevocable decision to crush them by any and every means. The revolutionary conscience of the opposition made it impossible for them to use their arms against their comrades. The Stalinist clique, on the other hand, had no scruples whatever about plunging their hands into the blood of revolutionary militants, tried and tested in the struggle against fascism and the occupation forces.

It is self-evident that the revolutionary opposition of Albania fell victim to its own scruples and it is this which permitted the systematic elimination of all those who declared themselves in favor of the Conference. It should be comprehensible even to a child that the bureaucratic clique refused to call a Conference not because it deemed the Conference a danger to the Party but because it was unable to justify its actions, and above all, because it found it impossible to explain its deviations from a genuine Communist line. Therefore by far the easiest way was to gain time through terror. If the Stalinist leaders had been real revolutionists they would have had no reason at all to fear holding a Conference whose sole aim was to rectify past errors and to elect the Party's leading bodies in a democratic manner.

It was impossible for Communists who had made so many sacrifices to found the Party to have attempted to destroy the fruits of so much labor with their own hands. The Stalinists knew this very well. No, the real reason for their trickery was their fear lest they lose the leadership of the Party. Even had they desired to accept the wholly justifiable proposal of the revolutionary opposition, they would have nevertheless been unable to do so, for they played no independent role. Not they but someone else was in command in Albania—Generalissimo Stalin.

At all events, it is the opinion of the writer that the tragic plight of our Party is sufficient evidence that Stalinism has not only substituted itself for fascism but has far surpassed fascism in its methods and politics.

It is self-evident that not very much could have been expected from the Albanian Communist Party. But there are other Communist parties, old parties with good revolutionary traditions—such as the French CP—whose leaderships have for a long time simply been instruments of the bureaucratic clique in the Kremlin. The Albanian Communist movement was still in its embryonic stage when it became infected with Stalinism. Few of the comrades had even a vague conception of Marxism-Leninism. The rest were sympathizers convinced on an emotional plane of the correctness of Communism rather than educated revolutionary members. It is indeed difficult to become a Communist by merely decreeing it, as was the case in Albania. Communists are the products of specific social and economic conditions (the class struggle) and these had not reached a sufficient degree of maturity in Albania at this time. The Party had not existed for even eighteen months and the Albanian Communists lacked the necessary time to educate themselves and develop.

There was no industrial proletariat and, consequently, the organized class struggle did not exist. What is remarkable is that the Albanian people, despite their rude struggle for existence and against the oppression of foreign regimes, have shown such incomparable revolutionary spirit.

Owing to the fact that leaders of the Albanian Communist movement had not assimilated even the elementary principles of Communism, the Yugoslav Stalinists were naturally able, without encountering any obstacle, to form a clique blindly obedient to their orders. Needless to say, their first directives were to eliminate by assassination the genuine Marxist-Leninist revolutionists. For them Communists alone represented a danger. Fascists and reactionaries were, in their eyes, of secondary importance.

Thus, faithful to foreign masters who promised them posts and distinctions, this clique proceeded to assassinate the outstanding revolutionary militants, those who had in reality built the movement in Albania.

After the refusal of the leadership to call the Conference and after it started to use terrorist methods against the revolutionary opposition, the latter issued an extensive bulletin entitled "Why We Have Broken with the So-Called Communist Party." This document was signed, "The Genuine Communist Organization." The aim of this bulletin was to acquaint the Party members and the population as a whole with the betrayals which were being perpetrated.

After the publication of this bulletin, the Valona revolutionary oppositional movement was followed by other similar movements elsewhere in Albania, particularly such centers as Berati, under the leadership of revolutionary militants Resul, Namik and Fatbardh.

Unfortunately, these movements were condemned to isolation because they started in a period when the bureau-

cratic clique had already consolidated its positions by the terrorist and demagogic methods.

The Stalinists then began accusing the revolutionary opposition of working on the side of reaction. But the revolutionists were able to prove, with ample facts, that it was the Stalinists who were disillusioning the masses and the Party sympathizers by their employment of terrorist methods against comrades whom everybody knew as revolutionary militants from the very beginning. And what else could the people do but turn away from this Party known to them as the assassin of such best known revolutionists as: Anastas Lula, Neki Hoxha (Vangjo), Xhemil Cakerri, Lazar Fundo, Resul Tozhari, Namik Mequemeja, Xhafer Dalami, Xhelal Hoxha, Nimet Mitaa, Haki Xheló, Duro Kanina, Idajet Bolena, Zef Noja and a hundred others who had distinguished themselves by their revolutionary work.

(Lazar Fundo and Halim Xheló were the first communist propagandists in Albania. Lazar Fundo had also been a member of the Communist International for a long time. He left it when he saw that it had been changed into a mere tool of the Kremlin bureaucratic clique. Upon leaving the Comintern, he denounced the betrayals of Stalin and in order to safeguard the Communist traditions, he propagated Trotskyist ideas in Albania.)

And how was it possible for the people not to lose confidence in this Party when they learned that a fascist colonel in the Italian army fired a salvo of three shots to celebrate his joy over the assassination of these revolutionary heroes, who had been the terror of the fascists in Albania?

And how could the people fail to be deeply shocked when the most intransigent enemies of fascism and reaction were assassinated by their own Party, and the most cherished wishes of the fascists became thus realized through their worthy emulators, the Stalinists?

* * *

To sum it up, the Albanian Communist movement degenerated with the intervention of the Stalinist agents whom we have already designated.

Following upon their intervention, the frankness of the past became replaced with hypocrisy and vile slander; loyalty to Communist ideals, with careerism and the leadership cult; self-discipline with an iron discipline imposed from the top; criticism became exclusively self-criticism; freedom of thought gave way to blind obedience. Former respect, freely given and inspired by comrades who had given repeated proofs of their devotion to the movement, was replaced by compulsory idolatry for unworthy people, for ignorant and vile petty bourgeois like colonel general Enver Hodja and Co.

The majority of Party members, its sympathizers along with the Albanian population as a whole are becoming daily more and more aware of the growing degeneration of Communism which stems from the bureaucratic Stalinist clique. The so-called People's Courts are rendering a great service by revealing to the Albanian people the real designs of the promoters of the new "People's Democracies." The cowardly assassination of hundreds of Marxist-Leninist revolutionists; the recent death sentence

passed on the well-known old revolutionist Hasan Reci (he has been condemned thrice to death as a Communist: once by King Zog's government, once by the fascist occupation forces and now for the third time by the Stalinists); imprisonment of the revolutionist Kadri Hoxha, one of the most devoted revolutionists who has contributed a great deal to the cause of Communism; the purge of old revolutionist Sejfulla Maleshova, a pioneer of Communism in Albania who spent most of his life abroad in his efforts to coordinate the Albanian movement with that of other countries and who was for a long time professor of materialist philosophy at the Moscow University; the social and economic privileges of the bureaucratic caste; and, above all, the oppression of the people by the dictatorship of a simple clique—these are some of the outstanding characteristics of the betrayal of the Albanian Communist movement.

Today the question is: Will the Albanian people remain passive forever, accepting this state of affairs as an incurable disease? The people of Albania remain revolutionary. They will be able, under the leadership of the most devoted Marxist-Leninists (powerless for the moment but ever prepared to renew the struggle), to rid themselves of these deadly microbes within human society. It was the people, trusting the promises of the Stalinists, that gave them power. And it will be the people, seeing with their own eyes how the Stalinists have betrayed the ideal of the people and of the thousands of comrades who have fallen for the cause, that will put an end to their crimes. Under the banner of the Fourth International the people of Albania will resume their march toward the liberation of human society and toward socialism.

* * *

Shortly after the writing of the above article, an important crisis erupted inside the Communist Party of Albania, as one of the repercussions of the recent developments in Yugoslavia. Five members of the Albanian Political Bureau have been purged. Two of them, Koci Xoxe, Minister of the Interior, and Pandis Kristos have been expelled from the Party and from the government.

This crisis will in all likelihood prove of great assistance to the Albanian revolutionists in the struggle to free their country from the monstrous grip of Stalinism which has played such a fatal role in the young Communist movement there.—Ed.

Report on the Fourth International Since Outbreak of the War, 1939-48

Submitted by the International Secretariat for Approval by the Second World Congress

(Continued from last issue)

As the situation permitted, these bodies were gradually broadened to include representatives of other sections of the International. It was this European Executive Committee which was subsequently charged by the IS with the task of convoking an International Pre-Conference. This Conference was held in April 1946 with mandated delegates from 12 sections.

The European Executive Committee marked the begin-

ning of a new stage in the work of the International leadership. It represented for the first time since the foundation of the International a truly collective leadership composed of responsible representatives of functioning sections. The task of broadening the International leadership, of investing it with the authority of the responsible representatives from the greatest possible number of sections was given an even greater impetus by the April 1946 Pre-Conference.

In summarizing the report on the International during the war, it is correct to say that despite the fierce persecution it had to face and the heavy losses it suffered, it emerged out of the war stronger than before. The International gave an outstanding example of devotion to principles, it was the *only functioning International* during World War II. Despite some mistakes, the International and its parties have grown in experience, maturity and self-assurance in the face of the hard tasks imposed by the war. Many of its sections augmented their forces. New sections have come into existence (Italy, India, Holland, Peru, Egypt and Cyprus). The tendency toward the unification of all the forces claiming adherence to the Fourth International into a single organization has been particularly marked in Europe.

2. FROM THE APRIL 1946 CONFERENCE TO THE WORLD CONGRESS

A. The April Conference

By the time of the April 1946 Conference, connections had been reestablished with most of the sections of the International on all the continents, and despite all the travel difficulties, twelve sections sent regular delegates to this first postwar world gathering. In determining its tasks, its role and its powers, the Conference defined them as follows:

- a) "To sit as a World Conference of the Fourth International and to responsibly make decisions on all the questions on the agenda, and . . .
- b) "To dissolve the IEC and the IS and to elect at this Conference a new IEC and IS having complete authority to act until the next World Congress."

The April Conference accomplished a double task, which greatly facilitated the subsequent development of the International as a centralized world party and which accelerated its political consolidation:

- a) On the political plane, the Conference elaborated a series of documents among which were the resolution "On the New Imperialist Peace and the Construction of the Parties of the Fourth International" and the Manifesto, "Only the Victorious Socialist Revolution Can Prevent the Third World War." These documents setting forth the political line of the International served to rearm the International and to facilitate the delimitation, from all elements who have attempted to revise the fundamental program of our movement.
- b) On the organizational plane, the Conference elected new leading bodies, really representative, having closer

contact with the sections and the life of the International than ever before.

The International Executive Committee which came out of the Conference has worked collectively in elaborating the political line of the International and in resolving the questions which have been posed by the day-to-day life of the sections. In the space of less than two years, the IEC held five Plenums where many problems facing the International came up for consideration and decision. The preparation of the World Congress, the organization of the broadest possible pre-Congress discussion, safeguarding the democratic rights of minorities, has been one of the major concerns of the IEC.

The IS is likewise constituted in its majority of representatives of the important sections and it functions under the control of the IEC. It has carried out its work regularly and intensively. It has taken a stand on the principal political events. It has established links with practically all the sections and organizations claiming adherence to the Fourth International. It has published the periodical, the *Quatrieme Internationale*. It has issued the Internal Bulletin regularly in French, and on occasion in other languages. It has published a Newsletter which supplies the press of the International with information on the life of the sections. The IS has published a large number of documents submitted for the International discussion preparatory to the World Congress (in addition to those published in the regular internal bulletin). It has issued the pre-Congress discussion material in a volume and at a speed never known in the past history of our movement.

These achievements have served to establish firmly in the consciousness of the sections and its members that the International lives and functions as a centralized world party. This reflects in the last analysis our movement's collective progress since the end of the war.

B. The Postwar Divergences - in the International

Apart from the divergences arising over the question of the USSR, examined in the "Theses on the USSR and Stalinism," as well as those which exist on the national question, there have been a number of other questions over which divergences arose inside the International and inside the sections.

At the time of the April Conference, the differences centered mainly around the question of the economic perspectives of European capitalism. The last two years have served to verify the basic prognoses of the Conference. Important as one may consider the economic advances achieved in the Western European countries in relation to the immediate postwar economic collapse, it is nevertheless clear that these countries are far from a relative economic stabilization. Production in the countries of Western Europe has reached a ceiling and can maintain and strengthen itself only to the extent that new aid from American imperialism is extended for a number of years. An objective examination of the developments since the April Conference should serve to liquidate the differences over this question.

There were numerous questions confronting the International since the pre-Conference. Once the general political line was determined, the IEC and the IS concerned themselves more intimately with the tasks of the sections, with unifying the groups into single sections wherever that was possible, with the best tactics to be pursued by the sections in the struggle to break out of isolation and to find the road to the masses.

In these discussions differences of opinion arose. The International leadership thus found itself in disagreement with the majority of the RCP (British section) over the tactics to be pursued in that country. This divergence was finally resolved through a compromise. This solution was approved by the IEC as a whole as well as by the majority and minority of the RCP. This final solution was a tribute to the growing maturity of the International in its ability to deal with complicated tactical problems. It also demonstrated a growing sense of responsibility on the part of the sections in maintaining the unity of the International.

Serious differences arose also between the International leadership and the majority of the leadership of the PCI (France) which won control of the party of its Third Congress (1946). These differences revolved principally around (a) the application of the Transitional Program to the existing conditions in France, and (b) the false policy of the leadership in relation to Stalinism. The International sought to correct the opportunist course of the PCI, its vulgarization of the party's positions reducing the Transitional Program to a mere trade union level and its adaptation to Stalinism. The events which have shaken France since the Renault strike in April 1947, have demonstrated the correctness of the line pursued by the International. The subsequent Congress of the PCI (November 1947) repudiated the opportunist policy of the PCI leadership.

With the present leadership of the Italian section, the International is in profound disagreement. It rejects their sectarian political conceptions as well as the manner in which they envisage the party's internal regime, substituting for our concept of democratic centralism, a conception of "revolutionary" centralism which stifles the internal life of the organization. The position of the International on this question as well as on all the others were elaborated in resolutions adopted by the Plenary meeting of the IEC.

With the Swiss and the Austrian comrades, the International leadership has differences over their opposition in principle to the entrust tactic. They have a completely sectarian approach to this question which was debated in the International and definitively settled in the early Thirties. These comrades, however, persist in attributing all the difficulties in the International to the "original sin" of the "French turn."

With Comrade Munis and his associates, the International discussion has revealed two kinds of divergences. (a) On the political plane these comrades have made a completely false evaluation of the USSR and Stalinism. But what is even worse, their conclusions are completely sectarian. Thus for example they reject the admissibility of the united front tactic in relation to the Stalinist party.

They reject in addition certain vital parts of our Transitional Program (nationalization, government of the traditional workers' parties). (b) Proceeding from the same sectarian concepts, Comrade Munis has launched an attack against the whole policy of the International during the war, and particularly against the American and British Trotskyists. He interprets the "struggle against imperialist war and its transformation into a civil war" in a sectarian manner. What is a strategical line animating the activities of the party, in its revolutionary opposition to the war and the capitalist government, is to him the central agitation slogan. (c) On the organizational plane they have launched a violent attack against the International's regime, its methods of functioning, and especially against the procedure in preparation of the World Congress. Their conceptions of the organization question would destroy the centralist element of the International's regime of democratic centralism and would lead to the political and organizational deformation of the International.

In the pre-Congress discussion the International leadership sought the participation of all sections and tendencies. Mindful of the long years of war, which made a normal life in the International impossible, it even went out of its way to make provisions for the participation of groups and tendencies which in the past broke with the International (Workers Party).

In summarizing the long intensive discussion, we see despite the various divergent tendencies, two main currents:

(a) The traditional Trotskyist current which forms the overwhelming majority of the functioning sections. This current retains its analysis of the fundamental crisis of capitalism in our epoch. This crisis has only been aggravated by the consequences of the war. It retains its perspectives of the socialist revolution, having confidence in the revolutionary capacities of the proletariat, in its ability to liberate itself from the grip of Stalinism. It places the main emphasis on the transformation of our organizations from propaganda groups into genuine mass parties, a transformation which is not only necessary, but for the first time also feasible.

(b) Opposed to this is the current which lays stress on the retreat of the socialist revolution, on the forces of historic retrogression, the sinking into barbarism, the incapacity of the proletariat, its degeneration, its profound contamination with Stalinism. They are impressed, on the contrary, by every "success" of capitalism, by its "stabilization." They look with skepticism on the future of the International and they denigrate its work and achievements. This revisionist current is profoundly defeatist in relation to the perspectives of the proletarian revolution. This current embraces principally the KDI and the Workers Party.

The line of this tendency would sterilize and paralyze the struggle of the International to sink roots into the mass movement.

When they stress the role of the party, they do it in reality in order to negate the revolutionary capacities of the proletariat and its instinctive striving for a revolutionary solution. Yet it is precisely this which makes the

construction of a revolutionary party possible.

This current would want to impose on the International a regime of perpetual discussion which respects no decisions arrived at by congresses and which never settles anything. Were the International to be influenced by this tendency, it would prevent the main activities of the International and its sections from being directed outward. With this tendency all questions must constantly come up for reconsideration. This means in reality that their type of discussion always remains in the realm of the historical and the abstract and is not tied to the questions posed by concrete political actions which demand decisions, so that the external actions of the International might have the maximum possible effectiveness. The decisive repudiation of this tendency by the World Congress is the necessary precondition for the future development of the International.

Conclusions

The balance sheet of the International since its foundation demonstrates marked progress in the growth of the sections and their influence; in the political maturity in the International and its sections; in the development of collective leadership; but, it also demonstrates, on the other hand, the weakness of the International in relation both to the objective possibilities and the historic necessities.

The differences with those who minimize the International because none of its sections have as yet become mass parties, lies in the fact that while our critics draw defeatist conclusions, we proceed with the task of actually constructing such parties, full of confidence in the powerful forces that will aid us in this task. The construction of the mass party is made possible because the conditions of capitalism in its death agony must of necessity accelerate the socialist consciousness of the proletariat seeking a revolutionary solution.

But having said this, it nevertheless remains true that the future of the workers' movement, its ability to liberate itself in time from the grip of the treacherous Social Democrats and Stalinists depends definitely on the capacity of the Fourth International to intervene in the workers' struggles, to help raise their political level and thus construct the mass revolutionary party. In accomplishing this task, the International will be obliged to combat not only revisionism, but also the sectarian tendency which is a survival of the isolation of our movement. The past history has confined our movement largely to propaganda work within narrow circles. The habits of thinking and of work which have developed under such conditions can become a serious obstacle in the building of mass parties. Sectarianism in the International expresses itself in diverse forms: opposition in principle to the entrust tactic; rejection of the united front tactic in relation to the Stalinist parties; failure to understand the national question as it was posed by the war and as it is posed in the colonial countries; minimization or rejection of fraction work in the workers' mass organizations and political parties; failure to take advantage of the legal possibilities and to function openly where conditions permit it.

These weaknesses can be corrected by a resolute orien-

tation toward mass work, by an international discussion of the national experiences in this work, which can help educate the whole International, by the appropriate intervention of the international leadership.

Immediately following the imperialist war it was necessary at first to concentrate attention on the regroupment of all the forces claiming adherence to the Fourth International. It was necessary to assemble the forces dispersed and isolated during the war, establishing with them firm ideological and organizational links. This phase has now been completed.

To face up to the new tasks confronting it, the work of the International is to be reorganized taking into account the truly world character of the movement which extends to all the continents. Until now the International based itself largely on Europe and North America. But new possibilities have arisen in the meantime, particularly in Latin America, in the Middle East and in the countries of Asia. For the International leadership to effectively fulfill its role it must be reorganized so that it is tied more intimately with these new fields of activities, so that it could help the sections in these countries, help construct new sections, and in turn become enriched by the new experiences and the contributions from the sections that have heretofore not participated intimately enough in the life of the International.

Toward this end it is necessary to incorporate into the new IEC representatives from these regions. It is necessary furthermore to form sub-secretariats: one of the Latin-American countries, one for the colonial and semi-colonial countries. These bodies are to work under the direction of the International Secretariat.

The central press of the International must correspond to these necessary divisions of work.

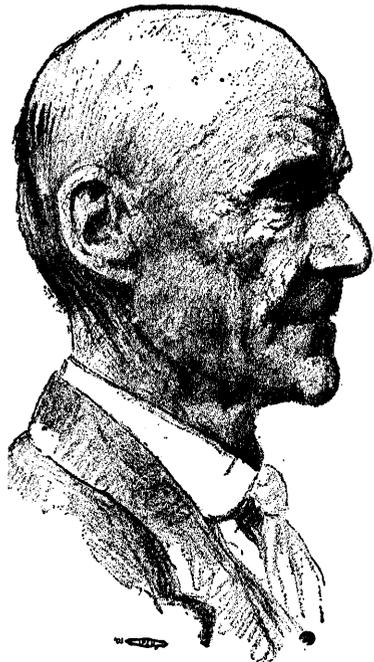
The main governing line of the International, once the general political line is determined by the Congress, remains that of transforming the sections into parties of mass action. In this task the International will concentrate its efforts on those countries which offer the best possible opportunities. This holds true for several countries of Latin America, for semi-colonial and colonial countries of the Far and Middle East, where the situation is characterized by a powerful awakening of the young workers' movement and where Stalinism is not as formidable as in Europe.

In Europe special attention must be given to France, Italy, Germany and England. In all these countries, for reasons which are not the same, our movement is on the way to or has the possibility of developing more rapidly.

The World Congress, rearming the International politically, settling the questions which have arisen in its internal life and broadening the International leadership, will mark the principal stage in our movement's history. In 1938 at its foundation, the Fourth International was placed "in the presence of the tasks of a mass movement." The World Congress of 1948 declares that the Fourth International is on the way to realizing these tasks and by its decisions it will prepare the orientation of the entire International toward this path.

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