

# Fourth International

## **The American Empire**

**The Power and Its Nemesis . . .** *By The Editors*

**Economic Roots of U.S. Imperialism**

*By John G. Wright*

**Iron Heel: Price of Empire to People**

*By G. F. Eckstein*

**Organizer of World Counter Revolution**

*By George Clarke*

**Wall Street's Labor Salesmen**

*By Bert Cochran*

**Sixty Years of Anti-Imperialist Struggle**

*By William F. Warde*

*August 1949*

*25c*

## Manager's Column

An old friend of ours recently dropped us a note giving his opinion of the latest issues of Fourth International. We particularly liked what he said about George Plekhanov's essay, "The Meaning of Hegel," in the April and May issues.

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"I read and enjoyed the article by Plekhanov," he wrote. "I hope the policy of printing such essays by the 'old ones' is kept up. Because I have read many of the Marxist classics and learned something from them, I could appreciate what Plekhanov had to say about Hegel.

\* \* \*

"I remember when I first joined the Marxist movement almost 20 years ago that for the first years I read everything I could get my hands on, but most of it went over my head until my theoretical understanding caught up with my reading—if you get what I mean. I thought of this when I asked a couple of readers what their reaction was to this essay and they told me that while a little of it was understood, most of it went over their heads.

\* \* \*

"Of course I used this reaction to push the idea that they must study more. Also I pointed out that Lenin considered Plekhanov's works must reading for those who want to become real communists.

\* \* \*

"If articles like Plekhanov's inspires workers to read more, then I think it's worthwhile publishing them. So let's have more."

\* \* \*

This letter brings up a difficult problem facing the Fourth International's contributors. To present an exact analysis, it is necessary for Marxist theoreticians, like other scientists, to use scientific concepts and terminology. But workers and students making their first acquaintance with Marxism often find it difficult reading.

\* \* \*

If they are persistent like the comrade who wrote us

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above, and work their way through the Marxist classics, they eventually master the technical language, the profound thoughts and the powerful Marxist method of thought. Some, however, become discouraged too soon. They wish that the articles could be written in common, every-day language.

\* \* \*

To a certain degree, this wish can be met. But a point is reached where the attempt to keep the discussion within the bounds of Basic English begins to interfere with presentation of the subject matter and even to make it more difficult to grasp. Imagine the handicap an atomic scientist would face if he had to give up technical terms like "electron," "proton" and "Geiger counter" and had to stick to the words in the cook book! The same principle holds true for the scientist dealing with economic, social and political questions.

\* \* \*

Fortunately, there is another way of getting around the difficulty. Old timers who

have gained a good understanding of Marxist fundamentals can help those less advanced. We are positive, for instance, that the comrade who wrote us about Plekhanov did what he could to help the Fourth International readers in his neighborhood by suggesting some elementary articles, pamphlets and books that would make it much easier for them to get the full value of Plekhanov's essay. Perhaps he even organized a few evenings' discussion to help clear up what seemed to be obscure or difficult points.

\* \* \*

In the case of a branch of the Socialist Workers Party, an educational led by a skilled Marxist can prove most fruitful. A number of branches make it a regular practice to hold educational meetings on important articles in Fourth International. They have found from experience that educational, aimed at helping readers understand the deeper ideas, are among the very best means of advancing the theoretical level of those who participate. And they have found

at the same time that such group discussions are of great assistance in building the circulation of the theoretical magazine of American Trotskyism.

\* \* \*

Trade union members can play an especially important role in bridging the gap by showing how the advanced theoretical articles in Fourth International help in working out correct solutions to the big problems facing American labor.

\* \* \*

For instance, a sea-going comrade came into the office the other day to tell us how he uses articles in Fourth International aboard ship. He takes such articles as John G. Wright's "Welfare State Panaceas" and Louis T. Gordon's "Depression or War" in the June issue, reads them carefully, gets the basic points well in mind and then in discussions presents key ideas in the kind of language seamen are accustomed to.

\* \* \*

It goes over well. Those who listen get an education in economics while he gets an education in how to tie in profound Marxist analyses with the daily problems of the fellows on the job. Sooner or later this educational work pays off. A new friend wants to know the source of this valuable information and penetrating insight into the big problems of our times. That's when he's formally introduced to Marxism and its leading exponent in America, the Fourth International.

\* \* \*

Union members who use FI articles in their activities in this way should show others how it's done. This means helping young workers and students to understand the more difficult points and teaching them how to apply the theoretical conclusions. The practical benefits soon become evident. Such guidance speeds their Marxist education and shortens the time needed to become skilled in presenting the great emancipating ideas of socialism. And the Fourth International comes into its own much earlier as one of their finest and sharpest tools in the struggle for a better world.

# FOURTH INTERNATIONAL

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## The Power and Its Nemesis

By THE EDITORS

**The scale of things in America is big; this is a** land of giants. Immense forests, mountains, plains and seaports. Huge farms and factories. Armies of industrial workers. Magnates of steel, auto, chemicals, aluminum, rubber, oil. Multibillion-dollar corporations. All these go to make the mightiest empire the world has ever seen, the realm of the American monopolists.

This entire issue of *Fourth International* is focused upon that imperial domain centered in the United States and radiating into the farthest corners of the globe. Its articles deal with the most significant aspects of this colossal new phenomenon of our time which towers above the Western Hemisphere, dominates and moulds the destinies of the human race. This American empire transcends the imperial world of ancient Rome and modern England, not only in its wealth, far-reaching influence and techniques of exploitation, but also in its preeminent powers of production and destruction.

Some people who do not penetrate beyond outward appearances deny the very existence of this American empire because the United States has only a few small colonies and has not taken direct possession of large territories on other continents. They do not understand, nor wish others to understand, the true nature of modern imperialism, especially in its highly perfected American form.

Imperialism is not restricted to outright seizures of lands belonging to other peoples; this is only one of its manifestations, and not the decisive one. Imperialist policies are inescapable consequences of the economic supremacy and political predominance of the monopolists within the nation, as John G. Wright demonstrates in his study of the growth of American monopoly.

Under pressure from the monopolist rulers, the entire conduct of such a world power as the United States toward weaker, smaller and backward countries acquires an oppressive and exploiting character. Before armies, navies or airplanes go into action, international trusts and financial agencies invade the economies of the poorer nations, take over or buy up key transport, communication, industrial and banking facilities; grab their oil, mineral and agricultural resources; regulate their foreign trade; and thereby obtain control over their whole material existence. This economic penetration is supplemented and supported by efforts to master the political regimes even of more advanced countries, as we see in western Europe today.

**Whereas the Romans conquered foreign lands** and kept their peoples subjugated by brute force and mili-

tary means, the American monopolists and their government bind their subjects in golden chains. In addition to their other forces, the U. S. imperialists alone possess the capital and credits, the goods and machinery, the stable and negotiable currency the rest of the world lacks and must go bargaining or begging for in Washington and Wall Street.

Official and private loans and credits are no less potent instruments of American domination than diplomatic pressure and direct military intervention. The Almighty Empire of the Dollar brings these drastic measures into play only in such emergencies as in Greece or whenever it is ready for a showdown with its enemies. Meanwhile, in its drive toward world dominion the United States mobilizes a wide arsenal of weapons from the economic provisions of the Marshall Plan to their military supplement in the North Atlantic Pact, as George Clarke explains in his review of the world role of American imperialism.

Just as the monopolies grew out of free competition under capitalism, so the contest for supremacy among the competing capitalist powers has after two world wars resulted in a single imperialist combine organized under the auspices of the United States. America not only takes in tow the backward colonies' but makes vassals of the most advanced and cultured countries. It has crushed Germany and Japan. It subsidizes Britain as a rich creditor supports a bankrupt client, converting this once-haughty rival into the "49th State." Now the United States is aiming to crack open the Soviet Union which has been closed to capitalist exploitation since it was wrenched from the clutches of world imperialism by the 1917 revolution.

In his recent speech at the Massachusetts Institute of Technology, Winston Churchill praised the generosity of plutocratic America toward the recipients of its favors. This imperialist warlord and his kind from the Japanese Mikado to Generalissimo Franco have ample reason for flattering the divine Dollar "from whom all blessings flow." Without sustenance and support from Washington, they would all by now have been thrown into the junk-heap.

**But neither the masses of the United States nor** the inhabitants of other countries have anything good to expect from the extension of Wall Street's powers. Here in truth is the greatest force for evil let loose upon our planet. To safeguard their hoards of gold and squeeze more from the toilers, the industrial and financial lords

are working toward a police state in this country and preparing a death-rain of atom bombs for resisters to their predatory plans abroad.

The monopolists and militarists of the New World are pushing ahead with their schemes of conquest as though this new master race expected, like Hitler, to rule the world for the next thousand years. Many impressionable individuals of the type who were formerly deceived by the Nazi pretensions are today even more overawed by the juggernaut of Wall Street. "Look at the productive, political and military might of this monster!" they cry out. "It is impregnable; we are lost. What hope is there of dislodging the imperialists and attaining socialism?"

These whimperers do not see that this colossus has feet of clay and treads upon unstable ground. As this issue goes to press, the first tremors of the new depression have sent ripples of fear throughout imperialist circles. This economic disaster can in its further unfolding undermine the very foundations of capitalist power. Despite their conventional calm, the moneybags realize that a severe and prolonged drop in the American economy would loosen the keystones of the world capitalist structure and endanger the survival of their social system.

For another depression would set into motion an avalanche of forces already discontented with the capitalist regime. A rapid glance at these anti-imperialist forces will indicate how much latent power they can muster once they take the road of open opposition to the tiny crust of rulers.

### **Let us start with the peoples of western Europe**

whose regimentation behind its plans is today one of Washington's chief concerns. At the close of the war the masses in western Europe unmistakably manifested their will to eliminate capitalism by giving majorities to parties bearing Communist, Socialist and Laborite banners. After the harsh experiences of the past three decades, there are few European workers sold on the virtues of "free enterprise," either of the home-grown variety or with an American label. They want to move forward toward a planned socialist economy administered by the toilers and their chosen representatives. This alone can lift them out of the chaos, suffering and servitude which imperialist wars, treaties and tyrannies have inflicted upon them and their children.

Caught in the tug of war between Washington and Moscow and paralyzed by the treachery of the Stalinist and Social Democratic parties, the peoples of western Europe appear temporarily immobilized and confused. But they will not swear oaths of allegiance to the overseas imperialists, no matter how much the bourgeois politicians in Rome, Paris, Amsterdam, Brussels and London dance to the tune of the Wall Street pipers.

Certainly, the 80 million inhabitants of dismembered and occupied Germany will not be content to remain indefinitely the slaves of Washington or Moscow.

**The propagandists of the "cold war" would have us believe that nothing but serfs of Stalinist totalitarianism and enemies of democracy and free labor exist behind**

the iron curtain in eastern Europe and the USSR. But the actual state of affairs in Stalin's domains is quite different.

The Soviet masses know better than anyone else how abominable and insufferable the despotism of the Kremlin bureaucracy is; they were its first victims and are its daily sufferers. The Russian peoples who engaged in three great revolutions from 1905 to 1917, overthrew Czarist autocracy, landlordism and capitalism, and created the workers' and peasants' democracy under Lenin and Trotsky, have lost neither their ability to reason nor their love of liberty nor their capacities for fighting tyranny.

The communist elements among the older generation detest Stalinism. They recognize that the parasites who have fastened themselves upon the Soviet Union are the main obstacle to its further advancement and clear the way for the internal growth of bourgeois relations and for another imperialist invasion. Yet the workers do not wish to open any doors to capitalist restoration from without or from within, or to have foreign overlords replace their present despots. The younger generation has grown up without direct experience of capitalist institutions. They proved by the victory over the Nazis that, despite their deep-seated opposition to the Kremlin autocrats, the Russian masses do not expect liberation to be showered upon them together with atom bombs.

The peoples of eastern Europe also groan under the burdens of occupation, terror and despoliation imposed by the Kremlin. Their quest for freedom and a happier future gives birth to persistent movements against the Moscow tyrants which break through the iron-clad regimes of Stalin's agents.

At the same time the workers and peasants hold back because they dread any return to the white terror of the corrupt and stagnant anti-Semitic, semi-fascist, clerical-monarchist pre-war dictatorships supported by western imperialism. As Yugoslavia illustrates, even where they clash with the totalitarian machinery of Moscow, the peoples of eastern Europe do not yearn for reconciliation with Anglo-American capitalism or wish to link their destinies with its reactionary aims.

**The colonial world, which remained comparatively passive during and after the First World War, has been in violent commotion from one end to the other throughout this decade. The powerful and persistent popular movements toward national independence and social reconstruction which have flared up in Asia, Africa and South America have forced the imperialists to retreat to second-line entrenchments. The British, Dutch and French have not yet been able to regain their former colonial positions even with American aid.**

The United States hopes to replace these superannuated empires. But just as Truman announced his proposal to invest new billions in "underdeveloped" areas, his lackey Chiang Kaishek was toppled in China by the mightiest sweep of anti-imperialism since the revolutionary upheavals of 1925-27. The colonial peoples will not submit to the yoke of U. S. imperialism without the fiercest resistance.

**But the U. S. imperialists confront their most formidable antagonist here at home.** Just as the American monopolists are the mainstay of the international band of imperialist marauders, so the American working class will be the central force in the grand alliance to be forged against them.

Except for a small section of advanced workers and large numbers of the Negro minority, the bulk of American workers are not today *consciously* opposed to the sinister schemes of the imperial plunderbund. The major responsibility for this passive acquiescence, as Bert Cochran emphasizes, falls upon the labor bureaucrats who, like Esau, trade the birthright of the workers for a mess of pottage.

The enormous wealth of America has a dual effect upon the relations between the workers and capitalists. On the one hand, it enables the imperialists to bribe the better-paid workers and keep them more or less satisfied with their position. The immense reserves at the disposal of American capitalism have helped dull the edge of labor's opposition through concessions. On the other hand, the workers have been conditioned to expect a good or higher standard of living, to acquire for themselves a larger share of the wealth they produce, and to hang on to their gains.

The worsening of the economic situation will lead to a clash between these opposing class forces. As the national income diminishes and reserves dwindle, the fight between capital and labor will become fiercer. Instead of yielding reforms and concessions, the industrialists will be compelled to reduce and retract those previously granted. Their fear of the reaction of the workers is reflected by their resort to the Taft-Hartley Act and other police-state methods as preventives.

Since the close of the war, we have witnessed many ups and downs in the struggles between Big Business and organized labor. The unprecedented strike wave of 1945-46 is succeeded by the rabid counter-offensive of the employers in 1947-48. The workers and Negroes rise up to reassert their power in the 1948 presidential elections only to find their hopes blasted in the following months. These are signs of the growing unsettlement of class relations in this country which foreshadow the greater conflicts a deep-going depression can generate.

Ours is a land of giants. But the greatest of these is not the American empire. The strongest has yet to grow to full stature and display its potentialities. That is the young giant of American labor. The legendary figures of Paul Bunyan, the woodsman; Joe Megarac, the steelworker; and John Henry, the black longshoreman, prefigure the proportions of this collective giant and the dimensions of his future deeds.

The epoch ahead will be marked by the clash of titans. On one side, the Croesus holding the atom bomb as the symbol of mastery. On the other side, the peoples of the colonies, the masses of Europe who will rise up on a universal scale to challenge and combat the aggressions of the Dollar diplomats.

The greatest struggle of all is the one shaping up on American soil between the monopolists and the legions of labor. The stakes are nothing less than the future of

humanity. Who will prevail and what will be the outcome of these pending struggles of planetary scope?

**There are calamity-howlers who predict the collapse and extinction of civilization and a new descent into the Dark Ages along the lines of the decline and fall of the Roman Empire.** These pessimists have faith neither in the monopolist claim to save their rotting society nor the workers' capacities to create a new one. They foresee only what Marx described as "the common ruin of the contending classes."

But Marx showed how modern history was blazing a new highroad toward the socialist world of the free and equal. Monopoly capitalism itself has created a socialized production which by a transfer of ownership can become the lever for lifting humanity to new and higher levels. It contains the industrial working class which, in league with the oppressed on all continents, can organize the liberating movement to overthrow and replace the imperialist cliques. There are the nuclei of conscious socialist forces in each country organized in the Trotskyist movement, a new leadership which clearly points the way to socialism and exposes the perfidy of those parties barring the way.

There can be no valid comparison between the bullock carts of antique Rome and the jet-propelled planes of today; between Roman chattel slaves and the CIO; revolutionary leaders like the slave Spartacus and people of the stamp of Marx, Engels, Lenin and Trotsky. The new conditions are giving birth to the new power of the working class and its revolutionary party, which will build socialism, not on the ruins of civilization, but on the framework of American science and technology placed at the service of all mankind.

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### A NOTE TO THE READERS

Due to unexpected difficulties, we are obliged to skip the July issue of *Fourth International*. The contents of that issue dealing with the American Empire, as previously advertised, appear in the current or August number. Although we are therefore obliged to omit material which would have appeared in a memorial issue devoted to Leon Trotsky, the editors believe that their special study devoted to U. S. imperialism is in the direct tradition of the work begun by the great Marxist leader in the early Twenties and is therefore a fitting if not a completely adequate tribute to his great life and works. We are planning, however, to publish a special article in the September *Fourth International* dealing with Trotsky's contribution to revolutionary thought and practice as related to current developments on the international scene.

It was also decided by the editors that material relating to the problem of Stalinism and American imperialism which does not appear in the various articles in this issue will be covered in subsequent numbers of the magazine.

*Fourth International* subscribers will have their subscription extended for one month to make up for the issue omitted.

# The Reigning Oligarchy

By JOHN G. WRIGHT

America, the home of modern advertising, has been subjected in the last few years to the most high-powered and streamlined huckstering it has known in its history. Tens of millions of dollars have been spent in this campaign to sell the idea to the American people that the giant trusts and monopolies which dominate our country's economic life represent a system of "free enterprise." If ever there was a violation of the Pure Food and Drug Law, which deals with the crime of adulteration of products, this is it. Unfortunately, there is nothing in the law to prevent Big Business from misrepresenting itself to the public, nothing to prevent pasting of false labels on bottles of ideological poison.

This lie, on a par with any of those ever disseminated by Goebbels' Propaganda Ministry or the Kremlin, is intended both for domestic and foreign consumption. By the very volume of misinformation, Big Business hopes to bury the damning facts uncovered in the Thirties concerning the true ownership of America's wealth, industries and resources published in such books as Ferdinand Lundberg's *America's Sixty Families* and popularized in Roosevelt's phrases "economic royalists." By this powerful injection of the narcotic of the lie, Big Business hopes to create among its subjects the illusion that they still live as in the days of Jackson and Jefferson in a land of "equal opportunity" and "freedom of enterprise."

For the rest of the world, "free enterprise" is a new label for the discredited word "imperialism," although the Wall Street conquistadors differ from their foreign predecessors only in greater wealth and power. It is presented as an alternative to the totalitarianism of the Kremlin, although here too the dictatorship exercised by the oligarchy of business and finance is unprecedented in the history of the world.

The truth is, despite the torrent of misinformation being poured upon the country, that "free enterprise" is as extinct as the buffalo. Monopoly control and domination has become virtually all-embracing. The real rulers of our country are neither "rugged individuals" nor "self-made men" nor anything that remotely resembles the mythology so elaborately created by Wall Street's hucksters. They are dynasties—plutocratic dynasties of parasitic families who have generation by generation grown fantastically richer at the expense of the American people. They are the Rockefellers, the Morgans, the Mellons, the du Ponts, the Vanderbilts, the Guggenheims, the Fords, the Gianninis & Company.

It is these tiny groups along with the rest of America's sixty richest families who dominate the 113 biggest manufacturing corporations with assets of more than 100 million dollars each, which, in turn, own directly more than 50 percent of our nation's total industrial property, plant

and equipment. How much they own and control *indirectly* it is possible only to surmise.

We can get a clue to the actual state of affairs from certain salient facts which relate to the growth of super-monopolies not only in industry but also in banking and insurance. There are today 56 of these super-monopolies and they are all securely held by the above-mentioned families of multibillionaires.

In 1929, the biggest peacetime boom year in our history prior to the Frantic Forties, there were exactly 20 corporations with assets of a billion or more.

By December 1941, when the U. S. was plunged into World War II, the number of these super-monopolies had increased by more than 50 percent, swelling to a total of 32. This fact alone is irrefutable proof that the policies of the Roosevelt administration did not "drive the money changers from the temple" but, on the contrary, promoted their welfare and favored their growth.

The most spectacular growth, however, has been registered in the last eight years. In 1948 the Billionaire Corporations Club numbered 56, or more than 2½ times the total in 1929. This rate of growth is at the same time indicative of the whirlwind speed at which the handful of plutocrats have been gobbling up the wealth and resources of the nation.

Since little is generally known about the growth of these super-monopolies, we shall adduce a few of the salient facts relating to them. There are today 20 super-banks; 12 super-insurance trusts; six super-trusts in utilities other than railroads, which have six super-corporations of their own; there are, in addition, six oil super-trusts and alongside them an equal number of huge industrial combines.

These 56 billionaire corporations constitute the heart of the greatest monopoly empire in history. Between them these 56 monopolies own assets aggregating \$129¼ billion. This privately owned sum is enough to stagger the human imagination. It amounts to more than one-half of the national debt which stood in 1948 at \$251 billion. It surpasses by at least a score of billions the total assets of ALL THE MANUFACTURING CORPORATIONS IN THIS COUNTRY currently estimated to be in the neighborhood of \$100 billion. In other words, the biggest corporations have enough cash on hand to buy out all their competitors and still have plenty to spare in their treasuries.

Let us take a closer look at these super-monopolies.

## Power of Twenty Super-Banks

As of last year, there were twenty super-banks towering above this country's fiscal structure. Between them they control more than 43½ billion dollars in assets. Listed in order of their relative size these are:

## THE SUPER-BANKS

Bank	Assets (in billions)
1. Bank of America, N. T. & S. A.	\$6.073
2. National City Bank, (N.Y.)	5.127
3. Chase National (N.Y.)	4.631
4. Guaranty Trust (N.Y.)	2.785
5. Manufacturers Trust (N.Y.)	2.390
6. Cont. Ill. Bank & Tr. (Chi.)	2.356
7. First Nat'l Bank, Chicago	2.245
8. Secur. First Nat'l, (L.A.)	1.726
9. Chemical Bank (N. Y.)	1.584
10. Central Hanover Bank & Tr., N.Y.	1.544
11. Bankers Trust (N.Y.)	1.525
12. First National, Boston	1.519
13. Mellon Nat'l Bank (Pitts.)	1.402
14. Northwest Bancorp.	1.332
15. National Bank, Detroit	1.276
16. Bank of Manhattan (N.Y.)	1.267
17. Irving Trust (N.Y.)	1.244
18. First Bank Stock.	1.211
19. Marine Midland Tr. (N.Y.)	1.137
20. Cleveland Trust	1.100

Telltale as this list is, it tells only a part of the story of concentration of power in the key financial field. Omitted here is the interlocking network between these giant banking institutions, their foreign holdings and ties, their connections with and power over small and middle-sized banks, including the savings banks, not to mention the various giant banking holding companies unlisted above. It would take a good-sized volume to depict in detail the stranglehold which the biggest commercial banks have on the fiscal structure.

Suffice it to point out that the ten biggest banks (six in New York City, two in Chicago and two in California) hold some \$30.5 billion, or almost 70 percent of the total assets of these super-banks themselves. And even this control is further narrowed to a very small group of individuals which exercises complete sway over this hierarchy within a hierarchy in commercial banking.

These are the three mightiest groups—the Rockefeller, Morgan and Giannini interests.

The Giannini group of California is in control of the biggest single bank in the country and is at the head of the Transamerica Corp., which includes several smaller banks on the West Coast. They are reportedly also the holders of the largest single block of stock in the next biggest bank, National City Bank of New York.

The Rockefeller dynasty has as its operating base the Chase National Bank, third largest in the U. S., and is interlocked with the Manufacturers Trust Co, fifth largest, and several smaller banks.

The Morgan group dominates the Guaranty Trust Co. and Bankers Trust Co., fourth and eleventh in size respectively, and is interlocked with the second largest, the National City Bank of New York, as well as with Central Hanover Bank & Trust Co., Irving Trust Co., Chemical Bank & Trust Co., Marine Midland Trust Co., let alone many lesser banks including their wholly owned J. P. Morgan & Co., and Drexel & Co. (Philadelphia branch of the combine).

This Big Three in commercial banking shares their power with the Mellon dynasty (the aluminum trust) and the leading Wall Street groups (Kuhn, Loeb & Co.,

Halsey, Stuart & Co., Dillon, Read & Co., and Lee, Higginson & Co.). In other words, a shut-in circle of scarcely more than ten groups.

## Behemoths in Insurance

When we pass over to the field of insurance, the picture becomes even more somber. In insurance there are 12 super-monopolies who divide among them assets of almost \$40 billion.

## THE SUPER-TRUSTS IN INSURANCE

Firm	Assets (in billions)
1. Metropolitan Life	\$9.125
2. Prudential Life	7.846
3. Equitable Life	4.883
4. New York Life	4.448
5. John Hancock Mutual	2.465
6. Northwestern Mutual	2.291
7. Mutual Life, N.Y.	1.997
8. Travelers Ins. Co.	1.775
9. Aetna Life Ins.	1.500
10. Mass. Mutual	1.234
11. Penn Mutual	1.181
12. Mutual Benefit	1.180

Again we have an oligarchy within an oligarchy, with the six largest insurance companies holding more than 75 percent of the total assets of the super-insurance trusts. The concentration of power here has gone beyond that in the field of banking. By placing side by side the current assets of these companies with those in the early Thirties, we can get an indication of how rapidly these giants have grown.

At the end of 1932, Metropolitan Life had \$3.8 billion in assets; it now holds \$9.1 billion, or almost 2½ times as much as before. It is followed by Prudential (\$7.8 billion as against \$2.8 billion in '32); Equitable Life (\$4.9 billion as against \$1.5); New York Life (\$4.5 as against \$2.0); John Hancock Mutual (\$2.5 as against less than a billion); Northwestern Mutual (\$2.3 as against less than a billion).

Mutual Life, N. Y., formerly the fifth ranking insurance company (with \$1.1 billion) has dropped to seventh place (with \$1.99 billion). The others in the galaxy used to have assets of less than a billion but in the neighborhood of half a billion. The rate of growth of each company, has varied, but it will be observed that all of them—from the largest to the "smallest"—have expanded at relatively the same rate, from 2 to 2½ times their former size.

Now, whose hands do we find deep in these largest insurance companies? Yes, you have guessed the answer, if you didn't already know it. It is the Rockefellers, the Morgans, the Mellons, the du Ponts, the Vanderbilts, the Guggenheims, the Fords, the Gianninis & Company. Intrenched firmest of all are the Morgans and the Rockefellers, who share their power with the leading Wall Street groups and the rest of the richest sixty families.

## The Public Utility Giants

Next to the banks and insurance companies in point of size and power are the public utilities. The concentration of power in this field is as marked as it is elsewhere. There are six giants who dispose of some 16 billion dollars in holdings.

## THE PUBLIC UTILITY SUPER-TRUST

Company	Assets (in billions)
1. Bell System	\$10.000
2. Consolidated Edison, N.Y.	1.449
3. Commonwealth & Southern	1.385
4. Pacific Gas & Electric	1.132
5. Commonwealth Edison	1.043
6. American Power & Light	1.006

It can be seen at a glance that the Bell System, the largest single enterprise in the capitalist world, which has superseded Metropolitan Life formerly holding this post of pre-eminence, overshadows all the rest. The power of powers in public utilities is the Morgan group, strongly entrenched in the Bell System, in Consolidated Edison of New York, and in Commonwealth and Southern. The Morgans share this empire with the Rockefellers and the Mellons and the du Ponts and the lesser dynasties among the richest of the rich.

## The Industrial Empires

When we come to large-scale industry we again find six super-billionaire monopolies. Between them these Cyclopeans divide assets of about 10-1/3 billion dollars. The concentration of power and the extent of monopoly dominance is as breath-taking here as elsewhere. A handful of plutocratic dynasties rules the roost unchallenged.

## THE SUPER-MONOPOLIES IN INDUSTRY

Corporation	Assets (in billions)	Dynasties in control
1. Gen. Motors Corp.	\$2.958	Morgan-du Pont
2. U.S. Steel Corp.	2.535	Morgan & Co.
3. E. I. du Pont	1.585	The du Ponts
4. Gen. Electric	1.177	Morgan-Mellon
5. Beth. Steel Corp.	1.030	Morgan-Mellon-Rockefeller
6. Ford Motor Co.	1.026	The Fords

Not included in the above list is the Mellon aluminum imperial domain which still refrains publicly from admitting to assets of more than a billion, a practice followed for years by several other oligarchic dynasties, particularly the du Ponts. In this way at least two purposes are served, the extent of monopoly power is kept hidden from public view and from the tax collectors. The du Ponts, who are the power of powers in the chemical industry and among the munition makers, have grown to the point where this is no longer possible. The Mellons still play coy.

The du Ponts, along with the other ranking plutocratic families, are from two to three times as rich and powerful today as they were in the prewar days. Naturally this takes into account only their domestic holdings. Their power and wealth, like those of the rest of the Sixty Families, extend to the four corners of our planet. Their foreign holdings, investments and connections are, so to speak, super-secrets. No one really knows the full scope of the American Economic Empire abroad. But their acknowledged domestic properties provide ample grounds for judgment.

On January 1, 1932, E. I. du Pont de Nemours & Co. listed its assets as being below \$600 million; in 1948 these were listed as almost \$1,600 million, or approximately three times as large. Other members of the

Big Six in industry who have publicly acknowledged similar rates of growth are: General Motors Corporation (\$2.96 billion as against \$1.31 billion in '32); General Electric (\$1.18 as against \$.44 billion); Bethlehem Steel Corporation (\$1.03 as against \$.71 billion); Ford Motor Co. (\$1.03 as against \$.72 billion). U. S. Steel Corp. by fancy juggling with figures has kept its gains down on paper, registering a rise from \$2.28 billion in 1932 to "only" \$2.54 billion in 1948.

If there were no figures available other than those relating to the monstrous growth of monopoly in large-scale industry, these would suffice to show how big a demagogue Franklin Delano Roosevelt really was. Among his many promises was that no one—but no one—would ever coin millions out of human misery or bloodshed under his administration. They coined not millions, but billions upon billions.

And among the chief beneficiaries were the Morgans and the du Ponts, the most notorious profiteers of World War I.

## Rockefeller's Oil Domain

The overwhelming dominance of the Morgan group and its allies (the du Ponts, Mellons, *et al*) in large-scale industry is counterbalanced by the power of the rival gang—the Rockefellers and their retainers—in the oil industry. In the Oil Empire six super-trusts, whose tentacles extend all over the world, dispose of more than 10 billion dollars in assets, with the Rockefeller interests controlling four out of the six.

## THE OIL SUPER-TRUSTS

Corporation	Assets (in billions)	Dynasties in Control
1. Standard Oil, N.J.	\$3.526	Rockefellers
2. Standard Oil, Ind.	1.500	ditto
3. Socony-Vacuum	1.443	ditto
4. Texas Corp.	1.277	"Independent"*
5. Gulf Oil Corp.	1.191	Mellons
6. Standard Oil, Calif.	1.075	Rockefellers

Needless to say, in oil, as in large-scale industry as in public utilities and as in finance, the assets and ties of the oil super-trusts are not confined to those they publicly acknowledge. They dominate the industry from top to bottom at home; they have vast foreign holdings, seeking to dominate the world supply much as they do at home. They require "their own" sources of reserves, raw materials and the like. They require "their own" arenas of marketing not only at home but abroad (colonies, "spheres of influence").

## Railroad Super-Monopolies

Finally, there is the field of railroads, one of the oldest preserves of the monopolists. Here six super-trusts hold between them cash and material wealth to the thumping sum of 9 1/2 billion dollars.

\*The Texas Corp. is tied in with the Cont. Ill. Bank & Trust Co. of Chicago, the Fisher family of General Motors and the Morgan-controlled Central Hanover Bank & Trust Co. of N.Y. In other words, it is no more "independent" than the others.

## THE SUPER-MONOPOLIES IN RAIL.

R. R.	1948 Assets (in billions)	1932 Assets (estimated)
1. Pennsylvania	\$2.306	\$2.782
2. New York Central	1.754	2.201
3. So. Pacific	1.736	2.212
4. Santa Fe	1.293	1.120
5. Baltimore & Ohio	1.234	1.223
6. Union Pacific	1.187	1.111
Total	9.510	10.649

The picture in railways is especially instructive because it underscores the *parasitic* character of monopoly control. Railroads is the oldest U. S. monopoly with corporations entering this field before the Civil War. The monopolists have not only accumulated unbelievable fortunes in railway speculation, dividends, mergers, etc., but as the foregoing table shows they have also siphoned off into their own coffers more than 1 billion dollars in material assets. The Big Six rail network is "worth" less today than it was sixteen years ago at the depth of the depression, and this despite the war and the postwar boom, despite the billions in government subsidies poured into the railways, not to mention a whole series of rail-rate boosts in the same space of years. The railway pirates of the pioneer monopoly era were tin-horn pikers compared to the looters and pillagers of our day.

But their family identity remains, except for a few individuals, much the same. The Morgan group is dominant in the New York Central and Santa Fe set-up, with ties to Baltimore & Ohio and Southern Pacific. The Rockefellers have a share in the Morgan-run New York Central and are also tied in with Southern Pacific. The Mellons participate in the rail empire through their ties with the Penn R. R. Corp. In addition to these three groups, who with the banking firm of Kuhn, Loeb & Co., have a stranglehold on the six rail super-trusts, there are the Harriman interests still powerful in the Union Pacific. Ironically enough, the railways are exempt by the Bulwinkle law from so-called "anti-trust" legislation.

As if to leave no doubt whatever about the identity of those who really own and run this country, the monopolists have since 1940 invaded fields hitherto relatively immune from monopoly control. This latest "merger movement" has not only extended to practically "all phases of manufacturing and mining but according to the FTC has been most conspicuous in such industries as food and beverages, textiles and apparel, and chemicals (including drugs). Together these three groups accounted for over one-third of the total number of acquisitions since 1940." (*The Magazine of Wall Street*, Sept. 11, 1948.)

To explain how much the giant monopolies have grabbed in the last few years, separate and apart from the hundreds of billions already in their pockets, we yield the floor to Dr. John M. Blair, Federal Trade Commission economist. Since 1940, he stated, "mergers have caused the disappearance of 2,500 independent businesses" whose assets "gobbled up in the mergers total \$5,200,000,000." (U.P. Washington dispatch, April 11.)

There is only one way for monopolies to grow and that is at the expense of smaller enterprises. The trend

is as inexorable as the movement of the tides. Unless monopolies are abolished, they will in the end own everything in sight worth owning. The cited facts and figures show that our country is already not so very far removed from this intolerable state of affairs. For many, many years now the mass of the people have been paying tribute to the plutocrats every hour of their living day and this literally from the cradle to the grave.

## The Ancient Hoax of Trust-Busting

The anti-monopoly fight in this country has been and remains a sham and a fraud. The Truman administration is currently engaged in what is publicized as "one of the most vigorous anti-monopoly campaigns" in the history of the Justice Department. Among the proclaimed aims of this campaign is to "divorce American Telephone & Telegraph Co. (one of the pillars of the Morgan-controlled Bell System) from its wholly owned manufacturing subsidiary, Western Electric, and split the latter into three competing concerns." The Big Four meat packers are to be split "into 14 separate and competing companies"; the Mellon aluminum trust is to be forced "to dispose of plants and properties under a 1945 court decision." The du Ponts are going to be asked to "sell such of its cellophane plants as may be necessary to permit competitors to enter the field." And so forth and so on.

It is only necessary to recall that such measures as subdivision are not an obstacle, but, on the contrary, an aid to centralization. This has been demonstrated time and again, especially in the case of Rockefeller's oil trust. "Sub-divided" years ago in order "to permit competition" Standard Oil is now the unchallenged ruler of the oil industry at home, and by the same token, throughout the world.

The deception and hypocrisy of the Truman Democrats and of Truman himself is aptly exposed by Edward H. Collins, financial editor of the authoritative *New York Times*. His target was Senator Paul H. Douglas of Illinois who recently made a plea in Cleveland for the government "to break up the business monopolies of the nation" which are "destroying free enterprise." Collins' reply (*N. Y. Times*, June 20) is rather lengthy, but it sums up the whole situation:

Now, the monopoly issue isn't funny. It isn't a subject to be dismissed flippantly by anyone, especially by those who sincerely believe in the preservation of the system of private enterprise. There is no intention here of suggesting in any way that the problem doesn't exist or that every effort should not be made to solve or ameliorate it. On the other hand, it does seem to this writer that these running, and highly unspecified and unsupported attackks on some systerious economic Evil called Business Monopoly are getting pretty tiresome, and that in certain aspects they invite very pointed comment.

In the first place, the political party, which Professor Douglas represents in Congress has dominated the Government in Washington now since 1933, or for some sixteen years. If, as the Senator from Illinois says, monopoly has been on the rise in recent years, then isn't this a direct indictment of his own party? That party has not only sought to make "Monopoly" the villain every time the national economy has left, or threatened to leave the rails; it conducted what was supposed to have been

an Investigation to End All Investigations of the alleged evil in the T.N.E.C. inquiry of 1938, and it is spending more money than any previous government ever spent in tracking down monopoly wherever it has come on the latter's trail, or thought it has.

The simple truth is that if monopoly is on the increase—as we are constantly being told by Democratic statesmen—there is abundant reason for suspecting that this is not in spite of, but because of, the Government's own policies.

Mr. Collins' remarks to the effect that the existence and overbearing power of "Business Monopoly" is simply another devil myth—"some mysterious economic Evil," as he puts it—is so much piffle. But his conclusion that monopoly growth has been vastly promoted by the policies of the Truman administration and before it by those of Roosevelt is absolutely irrefutable. On the other hand, Collins' implication that the Democratic Party alone bears the responsibility is quite unfounded. Theodore Roosevelt, a Republican, was the first "trust-buster" in the White House; the monopolies were bigger and more entrenched when his term expired.

The government has been, as it remains, nothing but a pliant tool of the monopolists whichever of the two major political parties happened to be in power. Since the close of the last century, monopolies have luxuriated under each and every administration, Republican and Democratic alike. And taking this period as a whole, the Republicans have been in power longer than the Democrats. In brief, both are equally to blame.

Overriding this crucially important political factor is the even more important economic factor. Concentration of wealth, elimination of small and middle-sized business through absorption into large-scale units and the consequent growth of monopolies—all this is the inexorable outcome of capitalist development. "Free enterprise" gives birth to monopoly as normally as senility causes arteries to harden.

At a certain stage capitalism can continue to exist only as monopoly capital. Among the most reactionary of utopias is the proposal to "return" to the days of unhampered competition via "breaking up" the monopolies. It is a wishful hope for a past that has gone beyond recall. Like all unattainable proposals, it simply plays into the hands of monopolies, clearing the road for their further growth and intrenchment. The socialist solution—and no other—is capable of rescuing the American people from the blind alley into which the monopolists have driven our economic life and by that token our whole social existence.

In the Fabulous Twenties when the Sixty Families ran and ruled this country through their 20 super-monopolies and a supplementary network of smaller corporations—some 200 in number—they proved incapable of keeping on an even keel an economy operating annually on a 100 billion dollar basis. Instead they plunged our people into the economic debacle of the Thirties and then into World War II.

Today, our economy has passed the quarter of a trillion mark. The same creatures, through 56 super-monopolies and a supplementary network totaling not more than 113 enterprises, are again plunging our people into still another

economic catastrophe, as a preparation, if they have their way, for still another world war which our civilization may never survive.

Modern technology, modern large-scale production are far too complex, far too closely integrated, far too interdependent on a world scale to be run efficiently for the private profit of rival gangs, of multibillionaires. But they will have it run no other way. That is why it is imperative to run them and their system of super-monopolies completely out of the picture.

Monopolistic capitalism is by its very nature a rotting organism. It aggravates every feature of capitalist anarchy. It digs an impassable abyss between a tiny minority of the rich and the mass of the people.

### The Abyss Between Wealth and Poverty

To illustrate. In 1929, at the peak of prosperity, 36,000 families had the same income as 11 million "lower-bracket" families. In the intervening years, this situation has worsened. Not so long ago, the Brookings Institution, a rabidly pro-capitalist body, calculated that one-tenth of 1 percent of our "top families" receive substantially as much as the total income of 42 percent of the families "at the bottom"; and, furthermore, that not less than 60 percent of American families received incomes insufficient "to supply the basic necessities of life." For good measure, this Institution went on to add that the wealthy 10 percent of our population saved 86 percent of "the nation's savings" while the poorest 80 percent was able to save "but 2 percent of the total." How could it be otherwise, in the light of facts and figures we have already cited?

With almost two-thirds of our families admittedly kept on a level where they cannot afford basic necessities, how is it possible for the internal market to absorb the huge output of our industries? The answer is, of course, that it is impossible. And so, our native plutocrats, like their European predecessors who are pigmies by comparison, are driven to seek outlets abroad for their products, for their idle capital, for their colossal profits.

They are impelled outwardly by their equally urgent need to control every step of production from supplies of raw material to arenas of marketing. And since this country itself constitutes the largest single market in the world of capitalism, they are driven to subjugate the world, economically and politically, in order to safeguard their position at home against the incursion of any combination of rivals abroad.

In this regard, the American monopolists have been outspoken to the point of brazenness. In 1918 the Webb-Pomerene Act was passed permitting monopoly combinations for purposes of foreign trade. Agreements with foreign syndicates and cartels were declared permissible, desirable and indispensable, above all, that is, for establishing *home market controls*.

### "We Divided Up the World"

This was publicly affirmed in the course of the 1938 TNEC hearings where one authoritative representative of America's super-billionaires explained:

“We divided up the world and said that this part of the world is American influence. . . . The rest of the world came under European influence.” (TNEC Hearings, Part 5A, p. 2385.)

Their European rivals may not have done too well under the agreements “in their own domestic markets,” but the U. S. Steel monopolists did very well indeed. That protection of the American market was a major consideration in their dealings with foreign cartels is further confirmed by a letter of another authoritative representative of the Association who warned his colleagues that failure to reach a new agreement “would probably result in foreign makers attempting to share in the large and relatively high priced American domestic market.” (p. 10948.)

This case history of the Steel Association brings sharply into focus a new contradiction in the history of imperialism. America is impelled to world hegemony not only in search of trade and investment outlets, for which, like its rivals, it must engage in fierce commercial wars. In addition, however, the American imperialists must protect from “invasion by foreigners” their own home market which owing to its importance, size and relatively high prices is vulnerable to penetration by competitors. Tariffs alone do not suffice to assure such protection.

America must invade the economies of its competitors, shackling them by loans, imposing currency controls, dictating international cartel agreements. By means of these and similar measures it is possible to limit their development and influence, thereby incapacitating them on the arena of world competition and rendering them impotent to penetrate the American market. Thus our native monopolists are forced to “organize” the world, i.e., dominate it, not alone for urgent reasons of expansion but also for no less urgent reasons of “self-defense.”

The multibillionaires, moreover, cannot be content with staying put at home. They are driven outward and onward by the very same factors that make it impossible for the bulk of the American people to purchase elementary necessities. What cannot be sold at home must be sold abroad at all costs, and especially at a profit. What is even more important, capital which cannot be realized at home must find outlets elsewhere, and at rates that will make up for constricting output and sales.

The more monopoly decays, the more parasitic it becomes, all the greater is its drive for super-profits. These can be gleaned only in the colonies. And for the American super-monopolies nothing else will suffice than the reduction of our whole planet to the status of a colonial adjunct of their empire at home.

### Truman's Famous Point Four

Of course, this vast imperialist enterprise is being depicted as a generous contribution to the development of the “backward areas” of the world. Lack of space prohibits our dealing with this question comprehensively. But whatever the immediate interests of this or that capitalist group served by such a program, industrialization of other countries conflicts with the fundamental and long-range interests of monopoly capital and would tend:

a) to restrict still further available reserves and raw materials;

b) to reduce the possibility for exports of manufactured goods;

c) to narrow still further outlets for investment of American capital;

d) to create new rivals in a constricting world market, and in particular in American imperialism's own home market;

e) to sharply cut down imperialist super-profits;

f) to increase the resistance to imperialist domination and penetration in proportion as the given areas are industrialized.

These weighty considerations are by no means the only ones. (There are in addition the political consequences of industrialization, with its growth of the native proletariat and the consequent sharpening of the class struggle in the retarded areas.) These considerations, we repeat, are weighty enough to exclude any such course for the American imperialists.

If there were no other facts than the record of the much-touted Marshall Plan, later relabeled ECA, its most recent consequences in Europe would suffice to show how inimical to the welfare of all peoples the policies of American imperialism actually are.

Far from being a humanitarian, even altruistic, project as has been claimed, the ECA is a coldly calculated scheme to prop up European capitalism, render it completely subservient to America's Sixty Families, place it on rigid doles in the world capitalist economy in order to convert it, at a later stage and under favorable circumstances, into a drill ground for the next world holocaust.

The projected program for the “backward areas”—Truman's “Point Four”—pursues the same aims, within much narrower limits so far as actual expenditures are concerned. By means of grandiose promises and relatively piddling sums, the aim of “Point Four” is to open up all “backward areas” in Latin America, in Africa and in the Far East to the penetration of the American super-monopolies and their complete subjugation to the yoke of the Yankee multibillionaires. Again, the strategic aim in view is to line them up politically and economically for Wall Street's contemplated assault upon the Soviet Union.

To sum up. The economic roots of U. S. imperialism are deep in the rotting structure of super-monopoly capital. To survive, the monopolists need as authoritarian a government as possible at home in order to crush the peoples throughout the world. Fascism or some other form of dictatorship and war of atomic annihilation—that is the last word in the death agony of monopolistic capital.

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# Organizer of Counter-Revolution

By **GEORGE CLARKE**

As a result of the Second World War, the United States achieved on a world scale the economic supremacy already enjoyed by the giant monopolies at home. Of the four capitalist powers which once vied with America for trade and markets, for financial hegemony and control of natural resources and the labor power of the multitudes of toilers, not one retains its erstwhile competitive position. England catapulted downward from world preeminence to dependence on the largesse of America. France has been reduced to a fifth-rate power, whose relation to the U. S. now resembles that of a Balkan nation to France in the bygone era. Germany and Japan have been converted into occupied territories. In the long and bloody inter-imperialist struggle for redivision of the earth, the victory of American imperialism is unparalleled in its exclusive and unilateral character.

The world was America's oyster, but the victory feast had to be postponed. Universal collapse of foreign competitors, allies in the war and enemies alike, was by no means an unmixed blessing. The moorings of capitalism were unloosed on a world scale; everywhere there was collapse, disintegration and upheaval. Britain's crisis was Asia's, not America's opportunity. The peoples did not passively await the arrival of the "democratic" pukka sahib from the new world but seized the occasion to strike out for themselves. China, India, Burma, Malaya and with them the possessions of the French and the Dutch became hotbeds of insurrection, not fertile fields for investment and exploitation.

The effects of the cataclysmic decline of the once-great were felt with equal force on the continent of Europe. The chain snapped at its weakest link in the entire eastern belt of Europe. When Hitler's New Order came to shipwreck, the corrupt and venal capitalist and landowning class together with their monarchist, militarist, fascist and clerical retainers who had kept the Balkans in poverty, backwardness and vassalage first to Britain and France and then to Germany—this whole ruling camarilla fled in panic before an upsurge of workers and peasants and the invading Soviet Army. Molotov had promised Roosevelt and Churchill that the Soviet Union would not change the social system in the Balkans, but the transformations which had already occurred made a mockery of his promise. Stalinism could behead a socialist revolution but it could not restore the pre-war capitalist relationships.

In a certain sense, although not on so vast a scale, this collapse of capitalism at its perimeter paralleled the developments that followed in the wake of the First World War and did not take America's rulers completely by surprise. The shock came when the virus of decay penetrated to the heart of European capitalism. England—mighty England—came hat in hand to Washington begging for alms. Bevin and Attlee, raised to power by a parliamentary revolution, promised to rescue British capitalism where the Tories had failed, provided American gold saved them from immediate catastrophe. The danger was far more acute on the continent itself. In France and Italy, economic stagnation,

inflation and the black market were the acute symptoms of capitalism in its death agony. The masses of the people had given their allegiance to the Socialist and Communist parties. For a long time, power lay in the streets awaiting only the revolutionary leadership to mobilize the masses in action and grasp it.

As the sole remaining bastion of world capitalism powerful enough to hold off the rising tide of socialism, the task before American Big Business was unmistakable. There would be no enjoying the fruits of victory until order was brought out of chaos, until the epidemic of revolution was checked. There was work to be done first—work that would entail the expenditure of billions with few immediate benefits received—the work of counter-revolution. The principal features of this task can be listed in three main headings:

1. To bring some stability to capitalist rule, reestablishing and reequipping the internal forces of capitalist reaction, and thus to begin a change in the relationship of class forces.

2. To reorganize the whole world in line with the needs of American economy—a profoundly reactionary task because of the incompatibility of U. S. capitalism with the rest of the world—a project which requires the reduction of all other nations to the status of satellites and tributaries.

3. The subjugation of the Soviet Union whose non-capitalist nationalized economy and monopoly of foreign trade closes vast markets where surpluses of idle capital could be invested and creates chaos in the relations between the states in Europe. Despite Stalinism, property relations in the USSR continue to engender disintegrating forces in the capitalist world. Lenin's dictum that the Soviet Union cannot live side by side indefinitely with the capitalist world has come to be a working rule of the State Department, which is stepping up war preparations as fear of economic crisis, and constricting markets grow and loss of profits mounts.

Counter-revolution, world organization under the rule of the dollar, subjugation of the Soviet Union—these are the three horsemen of the American Apocalypse.

## I. THE DOCTRINE OF "CONQUISTADORS"

The Truman Doctrine, proclaimed in March 1947, is the great watershed of the foreign policy of the "American Century." It is usually described as the declaration of the "cold war," an inadequate and misleading description. The direct cause of the doctrine was not a new expansionist move on the part of Stalin but Britain's retirement from Greece which brought the State Department face to face with a new situation. Compelled to assume the obligations abdicated by the old policemen of the status quo in Europe and Asia, American diplomacy had to junk its traditional posture of indifference to "Europe's quarrels" which had been given such high-flown names as "neutrality" and "non-intervention." Notice was given that the United States was henceforth the guarantor of capitalism on a

world scale, that it would confront popular opposition with American gold and American guns, that it would subsidize and buttress any reactionary regime, no matter how corrupt or anti-democratic its form.

### ... In Greece

Supplanting Britain in Greece, America had not exchanged the "old ruthless imperialism" for the "democratic way." Like Britain it supports the bloody House of Gluck-sberg and a monarcho-fascist regime composed of not a few of Mussolini's and Hitler's Quislings who now continued their reign of white terror under American patronage. Trade unions have been suppressed, strikes outlawed, political opponents murdered or deported wholesale to concentration camps while a tiny group of leeches and parasites have batted off American aid. Here is the prime example of the kind of "democracy" purchased with a quarter of a million American dollars.

Liberals who moan about the form of U. S. intervention in Greece while justifying its purpose are crying for a leopard without its spots. Capitalism is far too decadent to maintain a "democratic" form of government, a task which requires expanding production on a big enough scale to permit raising the living standards of the impoverished masses. No capitalist country with the exception of the United States is now capable of such a program and it is conceivable that its billions could help promote such a program of world reform on one condition: that capitalism ceased to exist in the United States.

### ... in Latin America

The flagrant counter-revolutionary policy pursued in Greece in the name of "protection against communism" and in China at the cost of over two billion dollars has been practiced for years in more subtle and adroit ways by American imperialism in Latin America. By exploiting the resources of these countries while hampering and restraining their industrialization, the Yankee conquistador has perpetuated and aggravated appalling conditions of backwardness, poverty and illiteracy. It has joined hands with feudal landowners, military cliques, capitalist compradors and the church—the only elements who can be relied on to enforce such a program amidst the hostility of the masses.

The case of Venezuela, a land dominated by giant U.S. oil companies with investments amounting to some two billions, is typical. After a short term in office, the Gallegos regime, composed of an alliance of middle-class parties and the trade unions and elected by a great popular majority in the first democratic vote in several decades, was overthrown by a military coup d'état in December 1948. The oil companies, upon whom the Gallegos regime had levied a 50% profits tax, denied all complicity. But a few days earlier the State Department had extended recognition to a military conspiracy which had overthrown by "force and violence"—mind you!—the legally constituted democratic and avowedly anti-communist government of Peru. Since then recognition has been granted to the army dictatorship in Venezuela although it has effectively smashed all parliamentary institutions and smashed all

democratic rights. It is now State Department policy to recognize all such coup d'états.

The continent below the Rio Grande abounds with American arms and military equipment supplied to the reactionary cliques in power at cut-rate prices.

## II. EUROPE UNDER A NEW MASTER

Writing of capitalism in its ascendancy, Marx noted that the advanced capitalist countries hold up a mirror of their future to the backward nations. The decline of capitalism is now turning this law into its opposite. It is not Europe which reflects the future for Latin America but the other way around. Unable to unite, Europe emerged from Hitlerite bondage only to be shackled with the gold chains of the Dollar Empire.

Two world wars and the chronic crisis in between demonstrated that the archaic national divisions in Europe had become an absolute barrier on all further progress. But the unification of Europe is possible, as Trotsky emphasized over and again, only on a socialist basis. Greater even than the prospect of immediate material loss for each national capitalist class is the fear that the lifting of the walls between the states will hasten the socialist revolution. The unification of Europe would result in the unification of the workers in all countries, thus removing national antagonisms and chauvinist prejudices which for generations have been the strongest deterrents to the struggle for socialism.

Desperate German imperialism under Hitler, unable to survive in the asphyxiating atmosphere of a Balkanized Europe, undertook to smash the national states by force, not however to reorganize the continent on a rational basis but to convert it into a colony of the Third Reich. Nevertheless a Hitlerite "unification" of Europe would have brought into being a powerful economic unit, as threatening to American imperialism as the Napoleonic unification was to the British a century before, and was one of the chief causes of America's entry into the war.

America hurled its great military and industrial power against Germany under the banner of protecting the "sovereignty" and "independence" of the national states but its real policy was to change the loyalties of the capitalist Quislings or to change the Quislings if they were too discredited by the Swastika to serve under the Stars and Stripes. Fundamentally, the aim was similar to that of Hitler, although where he sought to consolidate Europe by a prison-house unification, America's imperial sway is maintained by keeping the old continent divided and impotent.

### In the Vise of the Marshall Plan

To the previously existing anarchy in Europe, the war added the insanity of east-west division. The natural tendency of west European capitalism, although worried by the spread of Stalin's influence, was to revive their sagging economies by a resumption of commercial relations on a large scale with Poland, Czechoslovakia, Hungary and other eastern nations. This tendency was brought up short by the determination of the Lords of the Dollar to smash the "buffer zone" by economic penetration on its own terms or to strangle this area by cutting it off from trade and

credits. This was the snapper in the Marshall Plan. Confronted with conditions of complete breakdown, frightened by popular upsurge at home, western Europe acquiesced to Marshall's proposal.

Now after less than two years of Marshall Plan aid, the member nations are bitterly complaining that while rigidly controlling their trade with eastern Europe, while reviving the Ruhr as a fearful competitor, America does not permit any appreciable rise in its own imports and competes aggressively for all overseas markets. Translated into terms of bread and butter, the rations doled out by America to Europe mean the continuation of "austerity" in England, a wage-freeze at below pre-war levels in France, unemployment in Belgium and near-starvation conditions in Italy.

The total effect of this terrific squeeze, in increasing mass discontent, in sharpening class relations, is to make the ruling groups even more dependent on American imperialism. For Big Business, the program has been a huge success: western Europe has been temporarily "stabilized" as a satellite, however, not a competitor; it has been "stabilized" politically for the time being by strengthening the forces and means of internal repression against all change and progress. From one end of the world to the other American money and military power are thrown into the scales against the reforms of age-old evils which would lighten the burden of the poor and exploited.

The breakup of the big landed estates has been opposed in Italy, western Germany and Japan as it is in Latin America. The movement for nationalization of the big German cartels which formed the backbone of the Nazi regime as well as the nationalization of the Zaibatsu monopolies in Japan has not only been resisted but these trusts have been set up in business again, this time however in partnership with American capital. The oil interests, truly bestowing gold-inlaid yachts and other lavish gifts upon the feudal chieftains of the Near East, perpetuate the bondage of the Arab fellahin. Under the terms of the Bell Act which reduces the country to complete economic subservience to Wall Street, Philippine independence is a monstrous hoax.

According to Dorothy Thompson, the same fate is being prepared for the Indonesians once they gain their "freedom" from the Dutch. She writes that an agreement was made in Havana in January 1948 between the Republic of Indonesia and a New York promoter. "If carried out, it practically would put the whole economy of Indonesia into the hands of an American corporation under conditions whereby the risks would be carried by the Indonesian Republic and a straight 7½ percent profit guaranteed the corporation."

### Chaining the Atom to the Dollar

The reactionary influence of American imperialism upon the world appears most clearly in the problem of the use of atomic energy. Like the Marshall Plan, the Baruch Plan was presented to the world as the quintessence of American "altruism" and "generosity." Never, it was said, was such a selfless offer made by a power which had so much to lose. What was this plan?

The U. S. prepared to share its secret with all other countries provided atomic energy facilities beginning with raw materials were placed under the control of an International Authority, a commission to consist mainly of nuclear experts who at present are primarily Americans. American domination was further to be assured by the abolition of the veto power in the United Nations. The duty of this commission, among others, would be to rigidly limit atomic construction plants so they could not be used for the manufacture of bombs. Those violating this rule would be subject to severe sanctions from the other member nations, up to and including military action.

This restriction in the scope of operations would as effectively paralyze the development of atomic energy for industrial use as, say, limiting the size of a steel industry so that it could not be converted to war production. It is not difficult to see therefore how, through the Baruch Plan, the Big Business oligarchy exploits science and technology to perpetuate that economic backwardness, the root cause of the abysmal standard of living which is the fate of the largest part of the population of the world.

One of the chief obstacles to the industrialization of these areas is the lack of adequate power facilities resulting either from lack of capital or from the uneven distribution and monopoly control of power-generating raw materials such as coal and oil. For these nations, the use of atomic energy as a substitute source of power would mean a great reduction in the cost of production and thus lead to more rapid economic growth. U. S. capitalism, on the other hand, has no urgent need for new means of power. With 7 percent of the world population, the U. S. has now 25 percent of coal power, 60 percent of oil, 100 percent of natural gas and 40 percent of water power. The savings made by the use of atomic energy, estimated by atomic scientists as 2 percent of the national income, would not compensate for the losses incurred by displacing such huge capital aggregates as the coal industry. Meanwhile the greater development of power facilities in other countries through the use of atomic energy would tend to undermine America's dominant economic position as well as its competitive advantages. Big Business needs the atom for bombs not fuel; for fear, not hope.

### III. CAESAR'S ALLIES

The North Atlantic Pact is the third prong of America's foreign policy. What was implicit in the Truman Doctrine and the Marshall Plan is given explicit formulation and meaning and is implemented by concrete measures in the terms of America's first peacetime military alliance.

The avowed purpose of the Truman Doctrine was the "containment" of communism. The Pact now obligates the signatories to intervene directly to put down a popular uprising in any of the member nations.

The purpose of ECA grants, far from envisaging any permanent or long-range benefits in improving the economic situation of the nations involved, was to stabilize them sufficiently so they could be developed as bases in the expected war with the Soviet Union. The North Atlantic Pact clears away any doubt there may have been on that score.

In fact, it is not at all excluded that under growing crisis conditions in the U. S. the tendency already manifest in important government circles to replace economic by military aid will gain the upper hand. The terrific pressure brought to bear upon little Denmark and Norway to force them into the alliance was intended as an object lesson that the price of economic assistance is subordination to America's military policy.

The choice before the signatory nations to the Pact was one of the most macabre in history: to be strangled economically by American sanctions or to become the battleground of atomic warfare between the U. S. and the USSR. The one desperate hope of capitalism in Europe is that Washington will be able to force Stalin into acceptance of its terms without resort to arms. Yet the terms of this "settlement" are such, that despite the most unremitting diplomatic, military and economic pressure, it is unlikely that their hope will ever be realized.

### War Aims and Cannon-fodder

We turn to Walter Lippman, who is an authoritative if unofficial spokesman of U. S. foreign policy, for a blunt statement of the strategy of the "cold war" which is, he says, *"to prevent Russia from expanding her sphere, to prevent her from consolidating it, and to compel her to contract it."* In brief what is demanded is so complete a capitulation as to place in jeopardy the very existence of the Soviet Union itself.

But even were all developments within the Soviet Union as well as in the world at large to favor such a development—and that is hardly the case today—America's rulers are increasingly crowded for time. The depression now beginning is planted like a time-bomb under all their plans and under their world empire. To save itself, capitalism will not hesitate to plunge into the catastrophe of war. Barring vast revolutionary upheavals, no miracle will save Europe from the third Armageddon.

On the contrary, our 60 Families, like the Perfidious Albion, are prepared to fight to the last Frenchman, Italian, German and in addition—every Briton. Representative Cannon's atom-brandishing speech in Congress, where he proposed to use "other nation's boys" in the war against the USSR, was brushed aside by the smooth-talkers of the State Department as an aboriginal eccentricity from the hills of Missouri. In truth, it was good official doctrine borrowed from Roosevelt who embraced the fascist Admiral Darlan and Marshall Badoglio to "save" American lives; borrowed from Truman who ordered the atomic carnage at Hiroshima and Nagasaki, presumably also to save American lives but in reality to prevent the vanquished Japanese government from surrendering to the Russians instead of to MacArthur.

But for the unceasing barrage of democratic demagoguery, but for the detestable image of Stalinist totalitarianism, who could be deceived that the oligarchs of industry and finance, a tiny band of ruthless, arrogant men whose rise to power is studded with frameups like Haymarket, Tom Mooney, Sacco and Vanzetti, with the victims of the Ludlow Massacre, with the lynched and mutilated corpses of Frank Little and Wesley Everest, with private armies,

Pinkertons, murdering deputy sheriffs, lynch mobs, injunction judges, not to speak of the generations of premeditated humiliation and violence practiced against 12 million Negro citizens from the cradle to the grave—who could be deceived that the practitioners of Taft-Hartleyism, witch-hunting, thought-control, are engaged in the business of "exporting" democracy abroad or will conduct a war to extirpate totalitarianism?

It is a fundamental postulate of Marxism that the character of the war is determined by the class nature of the state conducting it. But one need not be a Marxist to understand that the psychology of a ruling class, which has accumulated so vast a hoard of wealth creating a fathomless gulf between the tiny crust at the top and the mass of the people, is one of fear, hatred and distrust of all democratic methods. In this sense, the difference between the Stalinist autocrats and their American rivals is one of degree: the parasites must resort to more brutal methods to maintain their privileges in poverty-ridden Russia. But the difference begins to fade once the plutocracy is faced with similar substandard conditions as in Greece or China.

The bitter regret recently expressed by Winston Churchill that *"bolshevism was not strangled in its infancy,"* that is, at a time when the Soviet Republic enjoyed greater popular approval by the millions of its citizens than any other government in the world, shows in a flash how hypocritical is the feigned indignation over the usurping police-state rule of Stalin. Who were Churchill's and Wilson's candidates for the role of strangler? Not toothless democrats like Kerensky but the prototypes of Franco and Hitler—the White Guard Generals Kolchak, Denikin and Wrangel and the Black Hundreds leader Petlura. *"A Soviet Union enjoying freedom of thought and inquiry,"* said Supreme Court Justice Robert Jackson, *"would be a far more dangerous foe"* than the present totalitarian rulers. Class differences, property relationships, not the political form of government in the Soviet Union, are driving the capitalist world to a second intervention.

### Social Democrats and the Vatican

The lackeys of the State Department on the staff of the *New Leader* and in the unions loudly dispute these indisputable facts pointing triumphantly to the Labor Government in England and to the Social Democratic coalition regimes in France, Italy, Belgium and Holland. They deceive themselves and others. The participation of social democrats in European governments is the sign of weakness of leadership of the revolutionary proletariat and not of the strength of bourgeois democracy or of the intentions of our rulers. It occurs in the ebb flow of the revolutionary tide and not as the beginning of a new period of stability marked by reforms and steady improvement in the standard of living.

American imperialism needs the social democracy for the same reason that German capitalism needed them after the First World War in the period between the fall of the Hohenzollerns and the rise of Hitler: to curb the upsurge of the masses, to emasculate their combativity and class strength while the military and fascist forces gather

strength and await the appropriate moment to take the helm of government.

It is not necessary to go behind the scenes for evidence of this process. Social democracy is only one of the tools of U. S. imperialism—the other is the Vatican. Instruments of big landowning and capitalist interests, Catholic parties share power in all the governments of western Europe and through them there is a steady infiltration of fascist-type elements into key positions in the government, the police, the army and navy. The social democracy is merely one link in America's chain which is connected through the Vatican with the would-be Francos and the men on horseback.

### **Nazi Cartelists and Zaibatsu Monopolists**

What is obscured in France and Italy is plainly revealed in the defeated nations, Germany and Japan, occupied by American troops and dominated by military governments. The allies of the State Department in these countries are the cartelists and bankers who financed Hitler and the Zaibatsu monopolists who buttressed the Japanese militarists.

In Germany, with the connivance and assistance of Clay, Draper and company the denazification purge became a giant swindle. Government positions are now honeycombed with former Nazis and it has become a popular saying that an anti-Hitlerite past is a liability in obtaining employment.

In Japan a great popular movement rose up in the wake of defeat to make an end to the hated regime. Its chief opponent was MacArthur whose maneuvers and decrees saved Hirohito from the scrapheap, gave the political tools of the Zaibatsu and the landowners a new base of operations, broke strikes, checked the union movement which had grown to six million members. Thus under MacArthur's loving care, the Old Japan, cracked by war and on the brink of social revolution, is slowly coming back to life.

These melancholy results of "education in democracy" have caused no little anguish among the liberals. The problem of the State Department, however, was one of politics not of pedagogy. Since it was too costly to maintain Germany and Japan in the position of economic deserts, they faced a class choice in deciding what native forces would supersede the occupation—the anti-fascist and pro-socialist masses or the fascist-minded former capitalist rulers—a choice which they found little difficulty in making.

Once the coast is clear for a switch to recognition of Franco and his participation in the Marshall Plan and the North Atlantic Pact, the great "democratic" alignment of the American Empire for its holy war against totalitarianism will be complete: *Latin American militarists and dictators, monarcho-fascists in Greece, clerical-fascists in Portugal, fascist industrialists and landowners in Italy, Nazi cartelists in Germany, princes and monopolists in Japan—an alignment blessed by the Vatican and supported by social democracy.*

## **Price of Imperialism to the People**

# **The Iron Heel**

**By G. F. ECKSTEIN**

Since the Anti-Socialist laws of Bismarck in 1883, the more or less constitutional regimes of Western Europe and the United States have never seen anything approaching the attack which is being carried out against the civil liberties of the American people by the American bourgeoisie. German fascism declared all civil liberties to be a menace to civilization and openly and systematically destroyed them. But the present all-embracing attack upon civil liberties is taking place in a country which for generations has claimed, and with some justification, to have been the cradle and outstanding example of modern democratic liberties. It is taking place when the United States has attained a degree of power and influence without precedent in the history of the world. It has attained its astonishing proportions immediately after a complete and devastating destruction of German, Japanese and Italian imperialisms, the avowed enemies of civil liberties everywhere.

That the cause of this is the "danger of communism" is the familiar alibi of all despots, parasites and privileged groups. This was the ideological justification for the fascist

dictatorships of Hitler, Mussolini and Franco—and for the police regime of Stalin who merely substituted the word "Trotskyism" for communism. But there is one difference, a difference which speaks volumes on the subject of morality: Hitler smashed democratic rights as an open antagonist of democracy, while the American oligarchs abrogate the rights of the people in the name of the struggle against "dictatorship" and "totalitarianism."

The American bourgeoisie, first and foremost, and from first to last, is in mortal terror of the American people and, above all of the American workers. Let the stupid liberals put their fingers to their foreheads and wonder at the "hysteria" of the American government; let them puzzle out why the Truman administration attacks the House Un-American Committee and yet carries out a policy which corresponds step for step with the aims and wishes of the most reactionary Congressional committee the country has known since the Civil War. Let them wonder at the constant betrayals in Congress of every promise made at the election. Let them be perpetually "astonished" at the apparently senseless persecution of atomic scientists. They

will know only frustration and impotence until they recognize that the struggles over civil rights in the United States express the intensification of the irreconcilable class antagonisms of American capitalism. These struggles are an expression of the inevitable break-up of that society, a stage and an advanced stage, in the transition from capitalism to a new social order.

Capitalism in its decline *must* destroy the democracy and civil rights which it brought into the world and nourished in its progressive days. The attack against civil rights is the defense of capitalism. The defense of civil rights, not in France in 1789 nor in America in 1776 but in the United States in 1949, the defense of civil rights involves the attack against capitalism. This does not in any way mean that the mass struggle in defense of civil rights is limited to those who recognize the fact that the fate of American capitalism is involved. But for those who propose to lead or for those who wish to make a serious and scientific examination of this monstrous apparition of capitalism in decline, the connection must be made and maintained or the result can be nothing but aiding the government, the capitalist magnates and their agents in their deception of the people.

### The Fate of the Negro People

To grasp the logical development of the conflict over civil rights of the country as a whole, there is, today, no more instructive example than that embodiment of the relation between capitalism and civil rights, the fate of the Negro people.

In order to maintain the corrupt and tyrannical oligarchy of the South as a valuable ally in the exploitation of the people of the United States, the American bourgeoisie, under Republican and Democratic administrations, has for decades safeguarded the Southern regime which could never have existed so long without their guarantee. The American bourgeoisie to this day hides the truth about Negro civil rights in the South. Every actual or would-be liberal can recite the need for an anti-lynching bill, for an anti-poll tax bill, for a federal FEPC "with teeth in it." But there is a vast conspiracy of silence about the terror which is exercised every minute of the day against the 10,000,000 Negroes who live below the Mason and Dixon line.

Every Negro in the South, whatever his status, knows that in any serious dispute with a white man, he can be beaten up, or shot down like a dog. The unwritten law does not sanction punishment of a white man for violent crime against Negroes. A Negro can be dragged out of his car, driven off, beaten or shot, and thrown into the gutter for taking the right of way against a white man. For trying to organize a union, he runs the risk of disappearing from his house, his body found weeks afterward under water or in the forest. A small percentage of the Negroes in the South can rise above starvation wages. In particular areas some thousands can vote when allowed to or when they can band themselves together and enforce their rights. Tens of thousands of Negroes are in Southern unions with white workers and there are thousands of Negroes in Negro colleges in the South. But the terror of

the white man's revolver remains unchanged for all of them.

This is the cement of the huge apparatus of super-exploitation of the Negro by both Southern Bourbons and Northern capital. At its base is the sharecropping system; flowing from it is the existence not only of the basic economic interests but of vested interests among hundreds of thousands of the white petty bourgeoisie who monopolize all the white-collar administrative and better-paid jobs in industry. There is also the cheating of Negroes in federal and state funds for education, housing, relief, etc. At the summit are a political oligarchy in Washington and the state governments whose primary function is to protect the system and inject it into the rest of the country wherever possible.

Here are some unpublicized examples of the effect of the system and the way in which it controls the two major parties. In the spring of 1944 Governor Dewey and his chief henchman, Lieutenant Governor Joseph R. Hanley, persistently referred to themselves as protectors of "states' rights." By this means the Republican candidate for president assured Southern Republican electors in the Republican Party Convention that he could be depended upon not to disturb their social system. These statements have far greater social significance than the enactment of certain measures against Negro discrimination which had been forced upon him by the need for Negro votes in the state of New York. Today the gyrations, the vulgarities and the stupidities of Senator Douglas of Illinois in Congress are inexplicable unless it is understood that if he is to be a serious candidate for the presidential nomination in 1952, the first necessity for him is to assure the Southerners that, although by reputation a radical from the North, he can be trusted not to poke the presidential finger into their pie.

In the presidential addresses of Woodrow Wilson, 1912-20, the question of civil rights for Negroes is not mentioned once. It was the burning issue in the election of 1948 and has dominated the 81st Congress. Why this change? The needs of capitalist production in World War I and World War II dragged millions of Negroes to the North. Large numbers of them were incorporated in the great union movement of the CIO. There they gained knowledge, experience, strength in the advocacy of their own rights, and the strongest allies they have ever had, however much the labor bureaucracy may fall short of its promises. In this way the Negroes have placed the Negro question where it is in the politics and life of the country.

### Unpublicized Terror Replaces Open Lynch Law

But in general hasn't the situation of the Negroes improved? And here we come to another fundamental feature of the struggle for civil rights. When national interest is aroused, as it has been aroused in civil rights for Negroes, there begins the skillful manipulation of minor concessions, the creation of vested interests for a small stratum to blunt the edge of the attack, all accompanied by a tremendous barrage of propaganda to deceive the people. A few selected Negroes are being incorporated in

the government and also in technical and white-collar posts in industry. Truman attacks discrimination and welcomes Negroes at his inaugural ball in a manner that would have caused Roosevelt to wish to purge him from the Democratic Party as a disrupter. But in the South the relation between the Negro and the revolver is as raw and as brutal as ever except insofar as Negroes have found places in the union movement and gained some protection thereby in various communities. The statistics about the decline of Negro lynchings are a cynical fraud. Small parties of whites pay quiet visits to a Negro they find objectionable and either do away with him or give him the signal to remove himself from the community where his presence is objectionable. He obeys or is struck down.

So much for the South. In the country as a whole, the situation is worse than it was:

1) A modern army is more than ever the nation-in-arms. By its organization of a jim-crow army of 14 million men and women, the federal government officially stamped the consciousness of jim crow upon the nation and all over the world as never before; and despite trivial manipulations, that pattern will remain.

2) The rules safeguarding the filibuster are today stronger than they have ever been. This was the achievement of the Democratic majority of the 81st Congress on civil rights.

3) The FEPC administration of New York State, for example, is a notorious fiasco. In the first year of its existence, it handled less than a dozen cases.

4) In Jersey a bill has been passed to prohibit discrimination in the National Guard. At the same time the Trenton police staged the Trenton persecution of six Negroes, the worst case of its kind since Scottsboro.

The Sunday issues of the *New York Times* and the *New York Herald Tribune* combined could not print the cases of police brutality against Negroes that take place every week. In a city like Los Angeles, white-collar Negroes who are out at nights in non-Negro sections of the city sometimes go to the police and get a special card to protect them from arbitrary arrest, imprisonment and violence. Similar cards are carried in South Africa and for the same purpose by native teachers and clergymen who are out of the Negro compound after eight o'clock.

### The War Against American Labor

The Negro struggle is only a special case, if a very special case, of the relations between American capitalism and labor. While in the United States the people as a whole won civil rights much earlier than in many countries of Europe and helped to make America a focus of democratic aspirations, American capitalism for generations maintained an unceasing war against the civil rights of the mass production workers by means of stool pigeons, spies, frame-ups and government injunctions. The struggle remained obscured for generations until after World War I, when an irrefutable summary of some of the material was written into the records of Congress by the La Follette Committee.

The high peak of this persecution was reached in the very center of capitalist industry, in the Ford plant in Detroit. A recent volume, *The Legend of Henry Ford*, documents this crucial period in the history of American capitalism. To maintain control of the workers Henry Ford built the largest private army ever known in the United States, composed mainly of gangsters, thugs, jail-birds and men on parole under the command of the infamous Bennett. This army exercised a fascistic surveillance of the men inside and outside the plant. Through his control and corruption of Detroit politics and the city officialdom, Ford was able to exercise an enormous influence upon the private lives of the workers by intimidation and, when necessary, physical violence. Ford was only the advance guard of similar conditions in steel and other industries such as the mines where these practices had existed for generations. It was from this intolerable situation that the CIO erupted. The NRA was passed in 1933. But despite the NRA the workers in Ford, Republic Steel and other plants had to fight the employers to a standstill in order to win what had already been granted to them by law.

With the formation of the CIO the defense of the workers' rights in the great mass production industries was concentrated in the hands of the leadership of the unions, the labor bureaucracy. The close relation between the struggle for civil rights and the development of capitalism can be seen in the history of labor since the establishment of the CIO. The bureaucracy collaborated with President Roosevelt and under pressure of war propaganda was able to control the labor movement and keep it subordinated to the will of the capitalist war machine. The great strikes of 1946 showed that this period of collaboration was over.

Whereupon immediately the capitalist class initiated the Taft-Hartley Bill by means of which it proposed to cripple the proletariat and at the same time to insure its official control over the labor bureaucracy itself. As was written in the editorial of the *Fourth International*, June 1949: "*Green, Murray, Reuther, Dubinsky and Co. have never been opposed to Taft-Hartleyism as such, that is, to the essential features of the law which bind the workers' freedom of action in government chains. . . . What irks these labor lieutenants of monopoly capital most are the provisions of the law which restrict their privileges and curb their power over the workers.*" Thus the labor bureaucracy, which was a silent partner to the wrecking of civil rights for Negroes in the 81st Congress, is now prepared to barter away the civil rights of the workers in return for a few pitiful concessions for itself.

It is obvious that what we have here is not a series of incidents but a process. What American capitalism did to the Negroes in order to perpetuate its brutal forms of exploitation, now in its hour of crisis it is seeking to do to American workers. The process is infinitely more complex, infinitely more difficult, more dangerous. The Negroes were the basic labor force of only a section, and a backward section, of American agriculture. Even today they constitute only a small section of the American industrial proletariat. But the American proletariat is the

largest, the best educated, the best organized, homogeneous social force that history has ever known. The pattern of oppression, revolt, and increased opposition seasoned with demagoguery, which we saw in the Negro struggle for civil rights now emerges here with the very foundations of American bourgeois society at stake.

One of the great tenets of Marxism, following from the concentration of capital and the socialization of labor is that *"along with the constantly diminishing number of the magnates of capital who usurp and monopolize all advantages of this process of transformation grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers and disciplined, united, organized by the very mechanism of the process of capitalist production itself."*

### **Bureaucrats Borrow from Reaction's Arsenal**

This is the historical tendency of capitalist accumulation, and repressive measures from the old jungle law of government-by-injunction to the Roosevelt-inspired National Service Act and Taft-Hartley law are the capitalist response. How irresistible is this force is proved by the course of the labor leaders themselves. Subordinated to capitalism they are not only completely at the mercy of Truman's devious politics. In their own right they assume the methods of capitalism. Nothing could exceed the brutality with which Michael Quill of the Transport Workers Union, for instance, purged his union of a majority with which for many years previously he had collaborated. There is no precedent in the union movement for the thought-control, police-state regulations which the Curran leadership proposed to fasten on the membership of the National Maritime Union. The National Executive Council of the CIO has now decreed that there is no room in the CIO for those who do not support the Atlantic Pact and the Marshall Plan, i.e., subscribe to the political doctrines of American imperialism. The bourgeoisie itself has not imposed these restrictions upon its political parties.

Thus, both from the government and from its own leaders, the millions of workers in the United States are today subject to the most vicious attacks upon their fundamental civil rights and political liberties. Taking their lead from the government and the union bureaucracy, the private employers are now coming into the open, preparing to strike at individual workers who are "Communist," by which every employer from the beginning of capitalism to the present day has always meant workers who take a principled stand against the untrammelled exploitation of capitalism.

### **Roosevelt Anticipated Taft-Hartley**

How deep-going is this process of capitalist degradation, proletarian revolt against it, and the need for still further capitalist oppression is shown by the fact that in 1945, *with victory in sight*, President Roosevelt made a desperate attempt to impose upon the nation a National Service Act, i.e., military conscription of labor. The excuse that 300,000 workers were wanted in industry was so absurd that even

members of the National Association of Manufacturers derided it. So little had this to do with "Russian Communism" that the Stalinist party at that time, along with some Southern senators, was among the most fanatical advocates of the proposal.

The American bourgeoisie is responding to a fundamental law of capitalist development in its own capitalistic way. But it is the same crisis of imperialism which impels it to its imperialist adventures. Thus it combines its violence against the workers with preparations for the war abroad. The policies of Stalinism at home, in Eastern Europe, in Western Europe, and everywhere make it particularly useful to American imperialist propaganda. In one sense undoubtedly the reaction at home is preparation for the projected war. But the lie that is to be nailed is that *if* there were no perspective of war with the Soviet Union, *if* the Communist Party were not the agent of a foreign power, *then* we would have more civil liberties than ever. From which is supposed to follow the conclusion that *after* the Soviet Union is defeated and *after* the Communist Party is suppressed, we shall resume where we left off.

If Marx made clear the inevitable humiliation and slavery for the workers under capitalist production, Lenin made clear the inevitability of imperialist war. The whole miserable mess is all of one piece—in the unforgettable words of Lenin—"one bloody lump." You can no more separate the crisis of civil liberties from the crisis of capitalist production and the world-wide war than you can separate the arm which is administering the blows from the body to which it is attached. The danger of "Russian Communism" offers a priceless peg to the American bourgeoisie on which to hang their agitation for the suppression of the workers at home *and* for war against their enemy abroad. This is the root cause of the apparently senseless viciousness and incredible stupidities of the whole campaign. It is a campaign of intimidation and terror of the great masses of the people, and the preparation to regiment the nation under the guise of protection against "Russian Communism." If it were the crisis-ridden Stalin regime and the weak and discredited Communist Party of the United States that formed the main danger, if the bourgeoisie were concerned about this and this alone, it would not need one-twentieth of the preparations and the methods it uses. A few examples will suffice.

The film industry—one of the most prostituted and venal agencies of mass entertainment in the long history of culture—can legitimately hold up its hands and state that it has not injected Communism or anything like Communism in any single film. No number of Communists in Hollywood could secretly produce a pro-Communist film and suddenly distribute it to the American people, either yesterday, today, or tomorrow, in the course of a war with the Soviet Union. A film is not a leaflet. The whole persecution of the Hollywood writers was based upon the need to make clear to the film industry, the arts and other media of public communication, that they were now to be completely subordinated to the demands and wishes of the State Department. Intimidation and terror of foreign-born workers are at the root of the unprecedented

attack upon aliens, many of them men and women who have lived in this country from childhood and learned whatever political opinions they hold in the United States. In this department it is the labor movement which is being educated in the correct attitude toward radicalism.

All principles of law are being violated. Guilt today in the courts is not for alleged disloyalty or seditious conduct. Guilt is now proved by association and by association with others who have not even yet been proved "guilty" of anything. The British judge, who dismissed the American charge against Gerhart Eisler, did not trouble to disguise his contempt for the whole proceeding. The attitude of the British bourgeois judge underlines the hypocritical, fraudulent character of the whole American campaign. Behind the barrage of propaganda the whole mighty power of the United States fastens on to such terrible crimes as violating passport regulations.

Judge Medina states that the trial of the twelve Stalinist leaders is not a political trial. What else is it? People can be charged with having prepared or with preparing an insurrection. They can be charged with such and such concrete acts of espionage. But to charge a group of leaders with having taught and expounded the doctrines of Marx and Lenin—and particularly the Stalinist betrayers of these doctrines—shows the pitch of degradation and slimy dodges to which the American government and the American bourgeoisie have been reduced. During the last hundred years, these doctrines have been published in millions of copies, translated into innumerable languages, sold in bookshops, annotated by bourgeois professors and even made the subject of courses in bourgeois schools.

To prove the "conspiracy," the government has evolved another scandalous procedure. It puts on display an assortment of stool pigeons whose business was to participate in the lives of Communist Party branches, steal documents, make reports to the FBI, and then to come to court and offer this as proof of the subversive activities of the Communist Party. If Louis Budenz, who was a highly placed member of the leadership, could not give any proof of a definitive conspiracy, how was it possible to expect proof from such as these? But by this not only members of the Communist Party but members of all other organizations which seriously oppose the policies of the administration are notified that their ranks are, or soon can be permeated with spies.

### **Vast Secret Police Being Created**

But while this is taking place in front of the scenes, behind them, and not too far behind, the real, more important preparations are going on. There is being built up in these United States an organization of secret police on a scale and with ramifications that so far can only be guessed at. Look at these figures. Up to March 1949 the records of 2,350,097 employees of the government had been examined by the FBI. Behind that simple word "examined" is the following paragraph from the Loyalty Order. "*An investigation shall be made of all applicants at all available pertinent sources of information.*" What are pertinent sources? The government's Executive Order details them. "*FBI files, Civil Service Commission files, Military and*

*Naval Intelligence files, the files of any other appropriate government investigative or intelligence agency, the files of the House Committee on Un-American Activities, the local law enforcement files; also schools and colleges attended . . . former employers, references given . . . and any other appropriate source.*"

This now is the field of operations, by law assigned to the FBI, for applicants for civil service positions and in the testing of those employed. It was precisely on such tests that the Gestapo operated and the GPU still functions. The private employer can at any time hand over the important information and the name of any "suspicious character" to the FBI. The excuse is simple: he can be suspected of "subversive activities." It must not be forgotten that these investigations include the wives, families and friends of those investigated.

While the FBI carries out these practices, 200 national boards carry out personal examinations. The candidate is at the mercy of these inquisitors. Here are some of the questions:

*Do you read a great deal?* Obviously the perfect qualification for employment in the American government is not to read anything whatever.

*Do you entertain Negroes at your house? How do you happen to have an album of Robeson's records at your house? Would you marry a Negro?*

Here is another query to be answered: Explain the report of your ex-landlord that among a file of magazines you left there was a copy of the *New Masses*.

Let the news about questions like these circulate through the Civil Service, let the knowledge of minute investigations of the FBI circulate also. You get a situation where civil servants and their friends and relations, with this in their rear and the trials and propaganda in front of them, are being hammered into docile acceptance of Truman's conception of the "American Way." The state legislatures have not been slow to follow the federal example, with permutations and combinations of their own. Maryland, for example, has just passed a law providing penalties up to 20 years for subversive activities.

Now academic freedom is under attack. The expulsion of members or "suspected" members of the CP from the staff of the University of Washington, approved by recreant intellectuals like Hook and Counts, was the signal for state laws in New York, Nebraska and elsewhere proscribing "subversives" from teaching in the schools and colleges. As this method is now being proposed for nationwide use by Eisenhower and Conant, the Un-American Committee is preparing to kindle a Hitlerite book-burning fire.

Of symbolic importance is the case of the atomic scientists. The government subjects them to a brutal examination. They complain bitterly in their bulletin. They attempted to get answers to a questionnaire which asked a dozen innocuous questions. Various army, navy and air force officials refused permission to their subordinates to answer, some threatened government action, and carried out a spoken and written propaganda against the proposal as being intended to smear the American form of government. All this is very bewildering to the scientists.

But if every attempt is being made to maintain Negroes in subjection, to cripple the labor movement by Taft-Hartley or some version thereof, to intimidate the films and the teachers, to terrorize the government employees, why should atomic or any other scientists be let off free?

In the face of the enormous complexity of modern economic life, the growing revolt of the workers against the conditions of modern capitalist slavery, the need for regimenting the whole country for war, and preparing it for this regimentation, the government must stamp out, or prepare to stamp out all present or potential opposition.

It is true that the government wants to rid itself of all scientists with a Stalinist tinge. But that is only the pretext. The *Bulletin of the Atomic Scientists* itself contains constant discussions as to the role of the scientist, whether he should or should not contribute to the destructiveness of modern science, the necessity of world government, draft constitutions for world federation, etc. All this is precisely what the government must stamp out, control, circumscribe, discredit. All who continue to be astonished, or to bleat out agonized protests, to proclaim that they support the government's foreign policy but cannot see the reason for its attacks on civil rights, these, *whatever their intentions*, are aiding American capitalist propaganda in its assault upon the liberties of the American people.

It is in the construction of atomic energy that the general tendency meets with its most finished expression. First of all atomic energy as used by capitalism for destruction generates such terror that governments as well as politicians are subject to hysteria. The battle between the military and the civilians for control is a sham battle. All the various atomic projects *and the industries which serve them* will be in the hands of the military as soon as war breaks out; and today the military decides what they want done and how.

Atomic energy production is a gigantic project. It employs 60,000 men in factories and buildings numbering over 2000. These numbers steadily increase. The whole is under control of the government. What are the results to date?

1) Secrecy of such a kind that the general public has not the faintest idea of what is being done or not done in a project which can spell life and death for so many millions.

2) The workers connected with the project are treated with the utmost rigor; union recognition is little more than window-dressing for a vicious barracks regime.

3) Oak Ridge, a town built by the government, is constructed on rigid patterns of Negro segregation.

4) The Commission submits its scientists as well as its workers to the full blast of loyalty oaths and tests.

It is not serious to consider all this accidental. The Atomic Energy Commission follows the course of the armed forces during the war. It can claim as the General Staff did that it was not formed to right civilian wrongs. In the present crisis it cannot jeopardize its main purpose by attempting to alter social laws and practices characteristic of the country as a whole. It must enforce them and precisely because of the vast range, complexity and

ramifications of the work and its urgency, those responsible must enforce these reactionary practices with the utmost rigidity.

But other nations can have atomic bombs, supersonic planes, the materials for bacteriological warfare, and the whole deadly paraphernalia of modern war. An atomic bomb may come in a plane; it might be a guided missile; its parts carried in suitcases to be assembled; it can be secreted in a vessel; it can be transferred in a submarine. Against the terror and social disintegration which are inherent in these possibilities, the government must prepare. It is preparing. Recently a Pittsburgh paper carried a report of these preparations. Private industrialists and other reliable persons will be given commissions in the army, and complete regimentation imposed upon the population, above all on the workers. There is not the slightest reason to doubt this. How else can discipline be imposed—first, the discipline of modern industry, and, at its peak, the construction of atomic energy; then the discipline needed to keep men at work under the threat of atomic attacks; and finally the discipline needed to prevent millions of workers deciding to bring the whole thing to an end by getting rid of the rule of capitalism and establishing their own government and stretching out their hands to the tens of millions in other countries suffering similar tortures from their rulers?

But the American people are not passive spectators to this systematic destruction of their cherished liberties. The working class was ready to undertake direct action when the Taft-Hartley Bill was passed in 1947. The labor leadership prevented it. The great body of the people has a growing sympathy for the struggle of the Negroes. While the Catholic Church seizes this opportunity to take the offensive against civil liberties and finds a welcome in the highest places of the government, important sections of the Protestant Church have expressed alarm at the assault on democratic rights and have denounced war preparations, militarization, the destruction of civil liberties. But the very resistance imposes the need for further encroachments upon civil rights and this in turn can and does stimulate more radical protest.

A great mass movement of struggle is possible. But, on the one hand, the labor leadership keeps tight rein upon the working class while the Stalinists have been a perfect godsend to the American bourgeoisie. Stained with every political crime, advocates of the no-strike pledge, defenders of jim crow during the war, advocates of the use of the Smith Act against the Trotskyists in the Minneapolis Trial, and again today, defenders of totalitarianism in Russia and Eastern Europe, slaves to every twist and turn of the Kremlin, the Stalinists are today utterly discredited; and many who wish to defend civil rights cannot find the stomach to brave the government's attack on behalf of these corrupt and bedraggled errand boys of the Kremlin and the GPU. The small Trotskyist movement, persecuted by the government during the last war, rallied an impressive support. Today Kutcher, the legless veteran, dismissed from his government post because of his membership in the Socialist Workers Party, has won support in his protest from unions and intellectuals, including some

of the most distinguished scientists in the country. The Trotskyists are confident that the great masses of the American people, faced as they will be with the loss of every civil liberty in order to protect the profits and privileges of a few, will know how to measure up to the great struggle. Until then the task is to fight on the specific issues as they arise. But it is necessary periodically to make clear the basic axis around which the whole struggle revolves.

The brutal assault upon civil rights sooner or later will be completely integrated in the minds of the workers with the economic and political degradation which capitalism imposes upon them. To follow this movement step by step but never to lose sight of the relationship between the assault upon civil rights and the degradation of capitalism, that is the task for Marxists.

## Wall Street's Labor Salesmen

By **BERT COCHRAN**

The American labor union officialdom, especially the CIO section, has been in a coalition with the capitalist state since the advent of the New Deal. It was only in the war period, however, that they integrated themselves into the governmental machinery and became an indispensable cog in the administrative works.

Sidney Hillman, former president of the Amalgamated Clothing Workers, who had long been casting coy glances at Roosevelt in an effort to gain a bigger stage for his performance as "labor statesman," gave the cue to his fellow bureaucrats by plunging into the "war effort" even before the shooting started. Throughout 1941, he served as co-director with William S. Knudsen of General Motors in the "Office of Production Management."

But Roosevelt soon realized that he needed far more comprehensive support from the labor bureaucracy for the successful prosecution of his war program. Hillman's drawback was his lack of official recognition as a plenipotentiary of the labor movement. The tripartite National Defense Mediation Board broke down in 1941 for want of a suitable formula on union security.

Immediately after Pearl Harbor, Roosevelt moved to remedy this state of affairs by moving the bureaucracy right into the war machine. An extraordinary conference was held of all union leaders, out of which came labor's no-strike pledge and unqualified backing of the war effort; in return Roosevelt created the War Labor Board, which guaranteed the labor leaders their organizational strength and revenues by means of a bastardized form of union shop, "maintenance of membership."

The OPM, in turn, was replaced by the War Production Board under the chairmanship of Donald M. Nelson. Here, too, a number of labor advisory committees were set up, and AFL and CIO representatives served as vice-chairmen in charge of manpower and labor production. The labor production division of the WPB had six leading AFL and CIO officials, and all subsidiary industry divisions included labor officials in advisory posts. The six AFL and CIO representatives on the WPB likewise served on the War Manpower Commission's labor-management advisory committee. Labor dignitaries were also placed in the Economic Stabilization Board, the OPA, the Office of Civilian Defense and many other lesser war agencies.

This incorporation of the bureaucracy into the war apparatus went deep down into the ranks of the union officialdom. From one end of the country to the other, labor officers, from international down to district and local rank, received official status through appointments to War Labor Board regional panels, local price and rationing boards, civilian defense, war relief agencies, bond selling divisions, and what have you.

The labor bureaucracy accepted the assignment of top-sergeant in charge of the labor forces without any qualms. Its mentality was geared so completely with that of the capitalists that it saw no need to even justify its treacherous role in the war. Its vision extended only to safeguarding its own organizational bases and to seeking out all opportunities to augment its power and prestige.

The ease with which the Murrays and Greens slid into administrative posts and the notable concessions they secured from the Roosevelt war administration attested to the labor movement's intrinsic strength and the indispensability of its backing for the execution of Washington's imperialist projects. How strong labor had grown can be gauged by contrasting its situation with the position of Gompers' AFL in the First World War.

### What Gompers Gave -- And What He Got

The AFL had a membership of only some 2 million in 1914 and was especially weak in the metal industries. Nevertheless, Woodrow Wilson's war machine enlisted the support of Gompers and the other labor leaders not so much because of their hold on the American working people, but as a counter-weight to the important anti-war forces then present in the working class represented by the IWW and the Debs socialists. The support of the AFL was also needed to offset the influence of a serious pacifist movement which had been responsible for such demonstrative protests as the resignation of Secretary of State William Jennings Bryan in 1915 and Senator La Follette's vote against the war two years later. In return for Gompers' services, the AFL gained a number of concessions like the Adamson Act, which established the 8-hour day on the railroads, the La Follette Seamen's Act, the prohibition of the Taylor system in arsenals, navy yards and gun stations.

Wilson welcomed the labor leaders into respectable society at the dedication of the AFL building in Washing-

ton on July 4, 1916, with the declaration that no president could any longer ignore the organized labor movement. But, notwithstanding all this recognition and Gompers' value to the government, the AFL received little more than crumbs from Wilson's War Labor Board and could not even get a statement of policy in favor of union recognition or the basic 8-hour day, much less anything like "maintenance of membership."

In some respects the labor movement has retrogressed since the First World War. In 1941, there existed no mass opposition to the war. The socialist opposition—represented solely by the Socialist Workers Party—was weak; the pacifist movement was much smaller, and the Stalinists were the loudest jingoes of all. But—in contrast to Gompers' AFL—the union movement itself was a potent force and especially impregnable in the decisive mass production industries. That is why it was granted sizable concessions right away which put in the pale those won by Gompers, and why the labor bureaucracy was provided places and posts on all the war agencies as a matter of course.

The difference between the two labor movements is even more striking if we contrast the two postwar periods.

After the First World War, Gompers was rewarded for his patriotic work by the crushing of the steel strike and the coal strike, by government injunctions, the "American Plan" and an all-out open shop drive that left the AFL decimated, impotent and in full retreat. The intentions of the corporations were hardly more honorable in 1945, but they couldn't swing their union-busting this time. They were rebuffed on the strike fronts in 1945 and 1946 and rebuffed again in the elections in 1948. The organized union movement although hamstrung by Taft-Hartleyism has held its swollen wartime membership and the bureaucracy has more than maintained its wartime influence. It was this set of circumstances that forced the capitalist rulers to continue the alliance first projected by Roosevelt in the New Deal and carried over in more systematic fashion into the war period.

### Recognition Aplenty But No Power

All the honors and encomiums showered upon the AFL and CIO heads should not give one any exaggerated idea of their actual voice in the affairs of government or influence on matters of policy. Actually, the labor leaders were pretty much limited to "advisory roles" and never granted the place in the coalition achieved by their cousins in England or by their counterparts in the pre-war coalitions on the European continent. The bureaucrats smarted under this inferior status and were continually huffing and puffing to demonstrate their "statesmanship" and "maturity" to the powers-that-be.

The wartime AFL and CIO conventions adopted sonorous resolutions chock-full of weighty recommendations on how production could be speeded up, bottlenecks eliminated, morale lifted, labor-management cooperation improved—if only "labor" were taken into full partnership and its leaders afforded the recognition which they felt they so richly deserved. The CIO began throwing its weight around for the adoption of the Tolan Committee recom-

mendations to coordinate all the manifold war agencies under a single administrative body. At the same time, they were shouting for the establishment of labor-management committees to increase production. The 1942 Toronto AFL convention similarly demanded the "centralization and definite delegation of responsibility."

Meanwhile, the international unions, especially those of the CIO, were frenziedly pushing their individual industry plans to "achieve total steel output," "to assure the armed forces an adequate aluminum supply," "a plan for the stabilization of the lumber industry," "an 8-point production and conservation program" for the oil industry, an 11-point project "to obtain all-out production in the rubber factories of the nation," the well known "Reuther Plan" to convert the automobile industry's plants to mass production of aircraft, the UE-Stalinist scheme for War Production Councils and its offer to sponsor a campaign to increase output by 15% over and above any increases effected through improved methods, and so on and so forth.

But the banker-statesmen and dollar-a-year men, who were actually running the show in Washington, continued to hold the trade union chieftains at arm's length, despite their zeal and service for the war. The labor moguls refused to be discouraged. Sensing their indispensability to the "American Century," they never slackened their efforts to crash into the places of the mighty. Thwarted on the production end of the war, the AFL and CIO became active in civilian defense projects, consumer committees and in the different war relief outfits, even sponsoring their independent labor war chests administered by their own representatives.

This whole trend took a unique turn with the end of the war. At the very time that the monied interests were trying to whittle down the size and strength of the unions at home, they discovered a dire need for the services of this same labor bureaucracy in their imperialist ventures abroad. The bureaucrats, for their part, were not too choosy or particular about the policies and aims of Wall Street empire-building, so long as "labor" got its share of patronage and recognition. As against the first postwar period, when the imperialist sun stopped shining on Gompers right after the ending of hostilities, the recognition given the labor bureaucracy in the capitalist state machine now proceeded right through the postwar days and became especially pronounced in the departments directing Washington's far-flung imperial enterprises.

### Honeymoon Period of WFTU

Upon the conclusion of the war, the CIO unions, under the direction of its "global thinker," Sidney Hillman, joined with the British and Russians to set up a new trade union international, the World Federation of Trade Unions. History has recorded all kinds of betrayals of the labor ranks, but certainly nothing like the WFTU has ever been seen before on land or sea. Even the "Amsterdam International" in its worst days in the Twenties felt the need of covering up its perfidy with high-sounding socialist declamations. But this new combination of labor lackeys of Anglo-American imperialism and Stalinism knew neither shame nor the pangs of conscience. The spiritual guide

of the new international was not Marx or Lenin, but Roosevelt, for whose "tireless efforts" the founding Paris Congress in September 1945 expressed its unbounded admiration "and recommended him as an example to the chiefs of the UN."

In the essence of the matter, this was a governmental labor agency on an international scale. Not only because the Russian and East European unions were government-sponsored and controlled organizations, but also because the American and British labor officials had sold their souls to the capitalist governments and taken on the job of watchdogs of their interests. The Paris Congress adopted an innocuous "Charter of Human Rights," okayed the Potsdam agreement and UN policy on Japan. The main purpose of the new international was to get "labor" representation in Roosevelt's "grand design." This clearly came out in the resolutions requesting WFTU representation, in an advisory capacity (Sidney Hillman was practical and realistic, after all), on the Allied Control Commission for Germany and on the Occupation Authority in Japan; to gain for the WFTU an opportunity "fully and effectively" to express its views on the peace treaties; "to take all necessary steps to secure representation for the WFTU on all other international agencies and commissions which may hereafter be established."

The American labor bureaucracy refers nowadays scornfully to the corkscrew line of the Stalinists and how they twist and squirm with every new directive from the Kremlin. The hands of these "legitimate" labor fakers are no cleaner. Observe how slavishly these bureaucrats adhere to the State Department line; how Hillman and Carey changed their tune, no less than Kuznetsov and Saillant, Stalinist directors of the WFTU, with every motion of the director's baton.

### Murray and Carey as Stalin's Apologists

All was peace and harmony between the two crews of labor bureaucrats in the WFTU while unity reigned between Western imperialism and the USSR. The CIO even went so far as to emulate the State Department in organizing its own "Mission to Moscow" to whitewash the Stalinist trade unions, a mission which included such paragons of virtue as James Carey, Allan Haywood and Emil Rieve. And let no one think that these people were hoodwinked by the Stalinists. They knew just what they were about.

Phillip Murray describes the purpose of the junket in his introduction to the *Report of the CIO Delegation to the Soviet Union*. He states: "*The CIO, the vanguard of American labor, rallied behind the plans of President Roosevelt and other leaders of the UN to continue this wartime unity into the postwar period. . . . I consider this document of first rate importance, not only for American labor but for all who are interested in knowing the truth about the Soviet trade union movement.*"

At the conclusion of the CIO tour on October 19, 1945, James Carey held a press conference in Moscow, and here is what he said: "*As trade unionists, we have of course paid particular attention to the activities of the Soviet trade unions. We have been impressed by their promoting of the interests of the workers. . . . We have also noted with*

*pleasure their many activities of a social welfare and cultural character and the comprehensive nature of the social security system which they operate. Our observations have increased our pride in being associated with such a great trade union movement through the WFTU.*"

In those days, Carey and Murray could hardly be distinguished from the "fellow-travelers" in glorifying Stalin's totalitarian regime which had not yet been relegated behind an "iron curtain."

When Roosevelt and Stalin were cheek by jowl, Carey and Kuznetsov were buddies and the totalitarianized Russian unions were declared to be fine outstanding organizations. As soon as their masters began to quarrel, the labor lackeys fell out among themselves.

The American labor bureaucracy is brazen in carrying through its knavish assignment. Here is the sordid account right out of its own mouth. We are quoting from Phillip Murray's printed report to the 1948 Portland CIO convention:

The 1945 London Trade Union Conference was called at the invitation of the British Trade Union Congress and was enthusiastically welcomed by the Allied wartime leaders. Mr. Winston Churchill and Mr. Ernest Bevin expressed their strong approval of its purposes. The Conference charted unanimously a postwar program and laid the foundation of the World Federation of Trade Unions.

Last November, the WFTU Executive Bureau met in Paris in a diplomatic atmosphere from which allied wartime unity was vanishing. Sharp disagreement among the affiliated unions was at once apparent on the question of the projected European Recovery Program. . . . The WFTU Executive Bureau next met in Rome in May 1948. . . . The CIO and the representatives from the other democratic trade union movements subjected the activities of the General Secretary (Louis Saillant) and his staff to searching criticism. . . . An agreement was reached in an effort to preserve the WFTU. . . .

The course of the WFTU, however, continued stormy and was further adversely affected by the diplomatic crisis over Germany and Berlin. In September 1948 the Executive Bureau met again for its regular meeting. . . . The deteriorating international situation, and the cleavage between East and West rendered these meetings nearly valueless. . . .

### Two Strikes -- A Study in Duplicity

Two events, not discussed in Murray's report, clinch the case that the Western labor bureaucracy—exactly as the Stalinists—view the international working class as mere pawns to be maneuvered this way or that at the behest of and in compliance with the requirements of their masters.

Last October the starving French coal miners went on strike. The Stalinists, who control the union, attempted to utilize the strike as part of their campaign to undermine the Marshall Plan. But the French coal strike was a legitimate labor battle and the French miners were fighting to redress genuine wrongs. Of course this latter consideration did not interest the American imperialists or their French juniors who, while shooting down the miners in cold blood, set up a howl about "sabotage," "political warfare," "Communism." With the single honorable exception of John L. Lewis, the American labor officialdom joined in this unholy chorus and sided with the strike-breaking French bourgeoisie against the striking and starving French miners.

At present a strike is in progress in Berlin where the shoe is on the other foot. The hungry Berlin railroad workers are striking against the Stalinist-run administration, while the Western powers are trying to make use of the strike to embarrass the Kremlin. Now Stalin's stooges are hurling choice epithets at the strikers, "pogromshiks," "saboteurs," "hoodlums," while, lo and behold! the AFL and CIO officials, whose feelings of international solidarity froze up in the case of the French miners, are overflowing with generosity for the Berlin strikers:

James Carey declared: "The record seems clear that the Communists in Berlin, backed by German Soviet satellite police from the Eastern Zone, and even Red Army officers, have been trying to break the strike." He acidly observed that protests from Kuznetsov and Saillant were "strangely lacking." The AFL sprang into action and sent \$5,000 worth of CARE food packages to the strikers while Matthew Woll, chairman of its International Relations Committee cabled the strikers the AFL's "warmest solidarity" in their "courageous fight against Russian totalitarian oppressors."

It all depends on whose ox is gored. Such is the "internationalism" of the two labor bureaucracies.

Under the circumstances, not only Roosevelt's, but also Hillman's "grand design" came to nought as the winds of the cold war began to blow more fiercely. But this, after all, was only a tactical incident in the lives and careers of America's social-imperialistic time-servers. The CIO leaders presently joined hands with the AFL and their British cousins overseas to set up still a new labor international which will link the "free trade unions" in the struggle against "Communism." The latest organizational change of line is dictated by the new orientation of the State Department and will serve as a better instrument to carry out Uncle Sam's world program.

### In the Service of Marshall and Co.

The second major postwar venture of Wall Street's labor lieutenants was the underwriting of the Marshall Plan and an aggressive campaign to sell American imperialism as a liberal, humanitarian and peace-loving outfit. The ex-Prince of Wales used to be considered a wonderful salesman for the British Empire, but no imperialist power boasted of better salesmen than Wall Street's labor division; so faithful, so energetic, so zealous—and so cheap.

The CIO at its 1947 Boston convention provided General Marshall with the labor forum to launch the Wall Street crusade under proper humanitarian auspices. The convention hastened to adopt a resolution giving blanket endorsement to the Marshall Plan even before the plan had been fully formulated and reduced to writing. The AFL meeting in San Francisco followed suit. Then the labor officials, with indecent haste, plunged into the feeding trough and started slopping up the patronage gravy.

Clinton S. Golden, former assistant to the president of the CIO steel union, had previously been sent to Greece, under the "Truman Doctrine," as Chief Labor Policy Adviser to the head of the American Military Mission, an appointment which received the warm commendation of both Murray and Green. The AFL and CIO already had

representatives in Germany and Japan, in addition to a number of unofficial ambassadors building "free unions" in whatever countries the State Department deemed best. Now, all these multitudinous activities were streamlined and placed under central control.

Clinton S. Golden, fresh from his labors of upholding the Monarcho-Fascist regime in Greece, and Bert M. Jewell of the AFL were appointed as Labor Advisers to the ECA. They forthwith set up shop in Washington and Paris. They publish their own *ECA Labor News Letter* called *Trans-Atlantic* and direct a veritable army of labor officials, researchers, statisticians and newspapermen, swarming all over Western Europe, who keep themselves busy lining up and buying labor leaders, subsidizing papers, issuing language bulletins and, in general, waging political warfare against the Stalinists and working to swing the European masses behind American imperialism. Labor Advisers have been included in each of the ECA countries, as well as Trieste and Greece, and a Labor Division has been set up in roving ambassador Harriman's office headed by the AFL Chief Economist, Boris Shishkin.

Among their many activities, the labor Marshall planners have sent labor missions abroad and received foreign labor delegations here in the United States, they have set up the Anglo-American Council on Productivity to speed up production in British plants, have visited with the Pope, and maintain close working relations with the UN Educational, Scientific and Cultural Organization. U. S. dollars lavishly expended by the labor "diplomats" financed the split in the French trade union movement and led to the formation of the impotent social democratic "Force Ouvriere." The same costly and disruptive venture was then repeated in Italy.

Nothing the imperialist brigands propose shocks or fazes this venal crew. They are ready for anything, so long as "labor" gets its due share of "representation." For instance, the February *Trans-Atlantic* runs an article by Calomiris, Secretary of the Greek Federation of Labor, who has the gall to attempt a whitewash of the Greek terror regime. He assures his readers that "the workers-of Greece are not prosecuted for their labor activities." This is typical of the yellow character of the whole enterprise and the cynicism of the AFL and CIO staffs. Corruption has proceeded so far that no one was surprised, or expected anything different, when both labor bodies came out in unqualified endorsement of one of the most reactionary war alliances of modern diplomacy, the Atlantic Pact.

Is it any wonder, then, that Paul Hoffman, ECA boss, a hard-boiled American business executive, formerly head of the Studebaker Corporation, was so glowing in his praise of the "labor statesmen"? No one, he publicly declared, has done more for the success of the Marshall Plan than Golden and Jewell. Wall Street is justly proud of its labor flunkys.

### Taft-Hartleyism and "Labor's Diplomats"

What is ironic about this whole development is that it occurred at the very time when American capitalism was cracking down hard on the unions at home. The period of the breaking of the railroad and mine strikes and the

enactment of the Taft-Hartley law was the very period in which the "labor statesmen" were busiest trumpeting the virtues of American "democracy" and "free enterprise." This unique development is testimony to the power of the bureaucracy as well as its corruption; it further testifies to the weakness of American imperialism, which even now desperately needs the labor fig leaf for its indecent transactions. The complacency of the big brass of the unions has made possible a simple division of labor for the vested interests. On the one hand, they employ the labor bureaucracy in their imperialist undertakings and extol them for services rendered. On the other hand, the monopolists continue to use the Taft-Hartley club to beat down labor at home. The Murrays and Greens, adaptable and spineless, whine about the repressions but lap up the honors and jobs and continue to carry out Wall Street's dirty chores.

Although the bureaucracy has made a lot of headway in gaining salaries and places in the government, it is still, in reality, relegated to second-class citizenship. In the ECA, for example, all of its numerous positions are "advisory," outside of two recent appointments, that of John Gross, former official of the Colorado AFL to head a special ECA mission to Norway, and Victor Reuther, who has been named as co-chairman of the Anglo-American Council on Productivity. The fact that after the 1948 elections Truman did not appoint one single union representative to his cabinet speaks volumes about the real relationship between the labor bureaucracy and their capitalist masters.

Here and there, the younger and more ambitious of the "labor statesmen" are beginning to chaff under this inferior status. Irving Brown, former Lovestoneite and now AFL representative in Europe, writes in the April 1949 *American Federationist*:

What is needed, he says, is more than just "the participation of American trade unions in international affairs and organizations. This means something more than labor attaches, labor advisers or labor divisions in government agencies. Europeans must begin to see and feel the effects of American trade unionists in top policy positions abroad. For example, the appointment of a top trade union leader to America's leading post in Germany would have an electrifying effect—encouraging our friends and astounding our enemies! On several occasions since 1946 the author has made this type of proposal to the top policy-makers of the State Department and on one occasion to a former Secretary of State."

George Baldanzi, another ex-militant, who is Executive Vice President of the CIO textile union, and belongs to the Reutherite wing of the bureaucracy, declared at the recent UAW Education Conference that more union men must be sent abroad "in posts of authority and not just as window dressing." He went on to say: "Over there, a trade union card is a better label than all the diplomatic badges in the world."

### Small Payment for Big Service

There is something else involved. The more energetic and alert of the bureaucrats have measured themselves against the professional diplomats and feel—probably correctly—that they are just as smart and glib, and cannot

see why they should have to play second fiddle. Bevin and the others are in the "Big Time" in England. Why not they? But although Brown has whispered into the ear of a former Secretary of State, and Baldanzi is making bellicose speeches ("I have seen people in the State Department whom I wouldn't have as a shop steward"), and although a Supreme Court judge has even worked up the whole proposition into a thesis about the "Welfare State," the financial blue-bloods remain unconvinced that such a policy is either necessary or desirable. This inflexible and stiff-necked ruling class did not even deem it discreet to throw the labor leaders a few crumbs on the Taft-Hartley law after its own ignominious failure at the polls last November. Why should it, then, unless constrained to do so, take the initiative in enlarging labor's role in the present day backdoor coalition?

The immediate trend, though, seems to favor the labor bureaucracy's ambitions. The peculiarity of the present situation consists in this: that in the midst of a sweeping reaction in all spheres of American public life, the unions have maintained their organizational strength and have absorbed all incidental defeats, with their basic structure and influence unimpaired. For this reason even in the midst of the Taft-Hartley era, American imperialism can no more rule without the aid of this social-imperialistic labor bureaucracy than the British Empire can now maintain its precarious existence without the efforts of the Bevins and Attlees. As the difficulties multiply at home and abroad, the Wall Street oligarchy will find it harder to rule in its own name, and hence will push forward its labor servitors on a more generous scale. By the same token, Wall Street's labor salesmen, who are ready to countenance any crime so long as their own existence is protected, will disgrace and discredit themselves before ever-larger segments of the working class, thereby weakening the hold of capitalism upon the broad masses, and clearing the way for a new, stormy left-wing formation.

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# Program of the Opposition

By *WILLIAM F. WARDE*

The history of anti-imperialist struggles in the United States over the past sixty years cannot be viewed as a simple record of direct opposition to the predatory foreign policy of Big Business and its government. On the one hand, American imperialism has experienced a peculiar course of development. On the other hand, a number of different social elements, political groupings and ideological trends have contended for influence within the anti-imperialist movements. All this has given the struggle an extremely complex and contradictory character.

Capitalist United States entered the path of world mastery much later than its European rivals. But it has more than made up for that tardiness by the exceptional speed and scope of its expansion since World War I. American capitalism ascended to the top of the imperialist hierarchy not by slow and measured steps but in giant leaps. At the close of the nineteenth century the United States was little more than a makeweight in the balance of world politics dominated by Western European countries. By the First World War America proved strong enough to tip the balance of power through its intervention. Imperial America was the decisive force in the Second World War and is today the keystone of the entire imperialist structure.

This spectacular rise of the capitalist rulers has not thus far been matched either by the American labor movement or its revolutionary socialist vanguard. For good and sufficient reasons they have up till now lagged behind.

As a result, bourgeois and petty-bourgeois tendencies have predominated within the anti-imperialist camp, weakening and undermining the struggle. To organize the forces for such a formidable task, to give them maximum cohesion and guide them to victory over the imperialists, it has been necessary to combat and uproot these vitiating influences.

The most vital aspect of past anti-imperialist struggles has been this process of demarcating the disguised agents of capitalist interests from the genuine fighters against the monopolists within the working class which alone can give consistent leadership to the anti-imperialist forces. The separation of these tendencies has already taken many years of intense ideological and political conflict between diverse parties and programs active in the anti-imperialist struggle and has now entered a new and critical phase.

The major division between the opposing tendencies, today as in the past, proceeds along class lines. On one side are ranged those parties and programs which in one manner or another express the interests and outlook of bourgeois and petty-bourgeois elements. Among them must be included those parading in bogus "socialist" or "communist" apparel. Historically, these tendencies fall under the four headings of isolationism, pacifism, social-patriotism and, more recently, Stalinism.

Counterposed to all these groupings, which seek either to preserve the capitalist foundations of imperialism or to compromise with its rulers, is the genuine Marxist movement and its program which aims to organize the power of the workers' in uncompromising struggle against the entire capitalist system and for socialism.

In reviewing the anti-imperialist movements of the six decades, three salient features can be noted. First is the inherent inability of any of the bourgeois and petty-bourgeois forces to conduct an irreconcilable fight against the imperialists. Because of their underlying devotion to the capitalist regime, their opposition has invariably faltered at some crucial point, usually with the approach or outbreak of war.

Second, these betrayals have torpedoed a series of promising and powerful anti-imperialist movements and enhanced the confidence of the pirate captains in Washington and Wall Street. This is one reason why the American monopolists are today the most firmly entrenched sector of the world capitalist class.

However, these negative experiences have been counterbalanced by one important positive result. While the various bourgeois and petty-bourgeois leaderships have disclosed their incapacities for sustained struggle, while the differences between them and the outright imperialist gang have diminished, the Marxist movement has clarified and strengthened its ideological positions and more sharply counterposed its revolutionary perspective to all rival tendencies. The voice of authentic socialism was barely raised in the first stage of anti-imperialist struggle. As late as the First World War the socialist program remained indefinite and its outlook vague and restricted, while the labor movement for which it spoke was poorly organized.

These extremely primitive conditions have been removed since then. American labor has been building mighty unions and acquiring a heightened sense of class power. The banner-bearers of Trotskyism have been gathering together around a solid system of ideas tested in the battlegrounds of colossal international events. Although as yet no more than a small fraction of advanced workers adhere to these revolutionary doctrines, they contain the seed from which the unbreakable mass movements against the American plutocracy will grow.

## II. BEGINNINGS OF ANTI-IMPERIALIST STRUGGLE

The beginnings of anti-imperialist struggle in this country reach back to the war against Spain which heralded America's entry into the race for world mastery. The instigators of this early imperialist venture promoted it

under the now familiar formulas of "defense of democracy" and the "freeing of oppressed peoples." The imperialists of that generation waged war in the name of liberating Cubans, Filipinos and Porto Ricans from their Spanish butchers and enslavers.

As the results attested, the war was actually undertaken for different motives. The war-makers sought the Spanish possessions, not to endow the inhabitants with freedom and independence, but for naval and military bases. They fought to safeguard trade worth 100 millions a year and 50 millions of capital investments in Cuba, to help the American merchants and planters who had taken over Hawaii, and to use the Philippines as a stepping stone toward Asia. Moreover, the McKinley-Hanna administration hoped that a short, successful war would stimulate prosperity, forcibly unite a nation torn by the 1893 depression and the political conflicts of 1896, and insure the Republican return to office in 1900.

All these aims were realized — but not without encountering bitter resistance from Populists, radical Democrats, Socialists and even a few unregenerate Republicans. This anti-imperialist coalition took its stand upon the ground of "isolationism." Its organizers defended free competition and free trade against the trusts and tariffs; equality of opportunity against hardening class formations; expanding democracy against the tightening tyranny of the plutocracy. They reminded their compatriots of the democratic ideals of the Declaration of Independence and the Civil War. They opposed territorial expansion beyond the geographical limits of the continent and held up the picture of a self-sufficient United States as the sanctuary of peace, democracy and endless progress.

This program was derived from the economic and political conditions of an older America which capitalism had outgrown. The markets and resources of a single continent were already far too small for the production and wealth controlled by America's monopolists and financiers; they needed new countries and continents to conquer.

The principal opponents of the war party did not understand that the American economy and its government had already then become inseparably fused with the interests and aims of the trusts and banks. Their ideas were anti-monopolist but not in the least anti-capitalist. Just as they hoped to curb or break up the trusts, so they sought to bridle the aggressions of the imperialist conspirators. They proved equally incapable of either. While they mustered enough strength to postpone Hawaii's annexation for five years, they were powerless to prevent the Spanish war and the territorial acquisitions that followed.

We see in this prelude the main traits that were to characterize the far vaster undertakings of the U. S. imperialists in the next century.

The defeat of the opposition during the Spanish-American War was assisted by the abject capitulation of a number of its leaders to the newly hatched imperialist cabal. For example, the territorial acquisitions in the treaty with Spain were pushed through the Senate by a one-vote margin, thanks to William Jennings Bryan's influence upon wavering Democratic senators. Before the war Bryan had

denounced the drive toward annexations in Biblical terms as "the voice of the serpent . . . that bids us eat."

### Under the Flag of Democratic Demagoguery

The American people have never given voluntary consent to the predatory enterprises of the imperialists. This is shown by the fact that the capitalist governments never dared submit the issue of war and peace to a popular vote. Moreover, wherever the people were given any means of expressing their opinion, they voted against intervention. Both Wilson and Roosevelt had to run for reelection as president on platforms pledged to preserve peace; they entered the war by repudiating their commitments immediately thereafter.

Because of this resistance, the capitalist representatives have resorted to unscrupulous deception, bribery and coercion in order to drag the bulk of the American nation along their course of world conquest. The American people who overthrew the British tyrants and the Southern slavocracy by revolutionary action has always cherished a healthy mistrust of their successors, the "malefactors of great wealth."

To allay this suspicion and hoodwink the masses, the spokesmen for the monopolists have perverted the democratic traditions of this country for their own ends. They misrepresent their military expeditions for conquest and plunder as a continuation of the genuinely progressive and revolutionary wars of the eighteenth and nineteenth centuries. They picture the imperialist program as a means of defending and extending the democracy to which the masses are so firmly attached, rather than as the instrument for strangling the liberties of other nations and curtailing the rights of the people at home.

Democratic demagoguery as a camouflage for imperialist designs has become standard equipment for the capitalist politicians and propagandists. It was brought into play under the Republicans in the Spanish-American War; carried forward by Wilson in 1917 through the slogan of "the war to make the world safe for democracy"; and perfected by Roosevelt's inscription of the "Four Freedoms" on the banner of Big Business in the Second World War. Today it has reached new heights in Truman's propaganda preparations for a new world conflict.

But the practice of democratic demagoguery has not been confined to the executives of the imperialists. They have had competition along this line from the most prominent bourgeois and petty-bourgeois figures in the anti-imperialist camp. After exposing the plans of the war-makers, after pledging an all-out fight, after summoning the people to battle, these cardboard leaders crumpled up and changed fronts. Their repeated desertions derailed the anti-war movements and left their followers stranded and discouraged. This happened with William Jennings Bryan in the Spanish-American War; Rabbi Stephen S. Wise who led the pacifist parade in New York City in 1916 and blessed the war in 1917; and most of the isolationist, pacifist and Thomas-Socialist leaders in 1940-41. Henry Wallace is the most conspicuous candidate for a future performance of this role.

### III. THE OPPOSITION TO THE FIRST WORLD WAR

In the fight against American intervention in the First World War headed by Senator La Follette of Wisconsin, the current of isolationism still flowed strongly. He pointed out that the lives of American boys were worth more than the dollars of American capitalists, that the world could not be saved for democracy in alliance with British, Russian and Japanese monarchies and imperialisms, and that the American people would vote against war in any referendum. True as his contentions were, they were no match for the pressures exerted by the profiteers who wheeled President Wilson and his party into line with their war program.

While isolationism had its nest in Middle West provincialism, social-patriotism had its prime source in the top union circles. Samuel Gompers, president of the American Federation of Labor, proclaimed in 1917 that "this is labor's war." He thereby not only followed in the footsteps of West European labor leaders but shaped the pattern of wartime submission to the capitalist regime that the union bureaucracy duplicated throughout the Second World War and is preparing for the Third. The participation of the union officialdom and many better-paid workers in the proceeds of imperialist enterprise has provided a wide material foundation for this policy of collaboration with imperialism. The labor leaders exchanged the independence of their organizations, the right to strike, etc., and forfeited the interests of their members and the mission of the working class for a piddling share of the privileges derived from exploiting the rest of the world.

The speculative booms of two world wars and the years of prosperity flowing from American victories have undoubtedly corrupted numerous workers, held back the development of their consciousness, and facilitated the sell-outs of their leaders. By and large this union bureaucracy has become so servile and corrupt that in prosperity or depression, peacetime or war, it humbly trots behind Big Business in the field of foreign policy in return for their positions of influence and sources of revenue.

Pacifism was another influential factor in the mass opposition to the First World War. Anti-militarist traditions were ingrained among the American people, especially in the immigrants who had come here to escape the conscription, wars and other evils of the Old World. Pacifism thrived in a nation which had expanded rapidly across a broad continent guarded by oceans and held by weak forces like the Mexicans and Indians.

The strength of pacifist sentiments and ideas can be gauged by their penetration into the Socialist and radical labor movements of that time. This was reflected in the fact that Allen Benson, Socialist candidate for president in 1916, advised his followers that Wilson, running for re-election under the pacifist slogan, "He kept us out of the war," would make an acceptable second choice. A few months later, after Wilson showed what capitalist neutrality amounted to by taking the country into war, the Socialist Party split into patriotic and anti-war factions. But the opposition to the war was predominantly pacifist and in

some sections of the party, as in Wisconsin with a strong German-speaking membership, it was anti-Allied.

#### Debs and the IWW

The blistering anti-war speeches which earned Eugene Debs his jail sentence and the love of millions were animated by revolutionary spirit and working-class principles. He and his co-thinkers were convinced that the war of the dollar-diplomats was reactionary and had to be opposed.

But along what lines and for what strategic aims were the Socialist militants to conduct their fight against the war-makers? Debs did not present a consistent program of revolutionary propaganda and mass action against the capitalist regime which clearly pointed to the conquest of power by the organized workers as the logical culmination of the anti-war and anti-capitalist struggles. Such far-reaching aims and perspectives lay beyond the horizon of American Socialism before the Russian Revolution of 1917. Insofar as the left-wing Socialists envisaged an outcome to their opposition, it meant a reversion to peace, disarmament and the continuation of the movement on the pre-war basis.

The anti-political Industrial Workers of the World (IWW) and its syndicalist leadership had an equally undefined position and inadequate program in the face of the war. The working-class rebels among them simply refused to go along with the war, resisted the pressures of chauvinism, and sought, despite persecutions, to proceed with economic organization of the workers.

The question of revolutionary policy was sharply posed in practice by the draft. Many devoted anti-war fighters became conscientious objectors, refusing to register. This attitude of individual resistance flowed from the absence of a precisely formulated program for the struggle of the workers under wartime conditions. It was a far cry from Lenin's condemnation of bourgeois pacifism and his advice to the workers to learn the military arts as a means for their own defense and emancipation. These and similar questions were clarified and settled only later by the regeneration and advancement of American Marxism following the victory of the Russian Revolution and by the assimilation of Lenin's ideas in the early years of the American Communist Party and the Communist International.

### IV. ISOLATIONISM AND STALINISM IN WORLD WAR II

Although perceptibly waning as imperialism grew, both the isolationist and pacifist tendencies retained some vigor in the political disputes preceding American participation in the Second World War. The principal spokesmen for the isolationists, among them historian Charles A. Beard, argued against the interventionists in numerous books and articles that the United States was ordained for a different destiny than the European imperialisms. America's mission was to build "a civilization within the confines of the continental domain," not to dominate the world for the sake of a few monopolists.

In this controversy with the interventionists, Beard was flanked on the right by certain ultra-reactionary Republican and Big Business elements who sought to appease

the Nazis while safeguarding their imperialist interests in Latin America and the Pacific. He was flanked on the left by pacifists of the Norman Thomas type organized in the Keep-America-Out-Of-War Committee. The real nature of this combination was exposed after Pearl Harbor when, with some grumblings and reservations, its Republican, Democratic and Socialist components alike went over to support the war.

However, in the years preceding America's plunge into the Second World War, it was not the isolationists or pacifists but the Stalinists who played the principal role in demoralizing the anti-imperialist forces, especially among the more class-conscious workers. The Stalinists deluded many by their claim to follow the traditions and program of Lenin. Actually their policies and actions increasingly diverged from Bolshevism until they became its antithesis. Instead of opposing American imperialism's drive toward war, by 1941 the Stalinists were its loudest advocates. The Stalinist turncoats represented not the interests of the working class in the anti-imperialist camp but a new and special formation of petty-bourgeois renegacy from Marxism, stemming from the Soviet bureaucracy which had cast aside Lenin's internationalist program of struggle for socialism.

Between 1931 and 1941 the American Communist Party gyrated through four different phases of political activity on the war question, each dictated by the shifting demands of Kremlin diplomacy. From 1931 to 1934 the Stalinists gave an ultra-left twist to the Leninist policy of anti-war struggle. From 1934 on they began to push the line of "collective security," a projected alliance with the "peace-loving capitalists" to halt the menace of fascist aggression. After the Stalin-Hitler pact in 1939 they reverted to anti-imperialist phrases and played again at opposition to Roosevelt's warlike course. Finally, in 1941 they came forth as flag-wavers and rabid war-mongers. During the war they were the most subservient cogs in the imperialist war-machine.

## V. AN APPRAISAL OF CONTENDING FORCES

The history of the last six decades shows that the industrial and financial magnates of the United States have not been automatically conveyed to the top of the imperialist hierarchy by a historical escalator. At every step in the expansion of their power abroad they have had to contend, not only with strong foreign rivals and with resistance from their intended victims, but also with stubborn opposition at home.

Even today, mighty as they appear from the commanding heights of New York and Washington, the monopolists are far from secure in their seats of supremacy. They rule over a system undermined by crises and conflict. They themselves comprise no more than a tiny group of exploiters. In the United States the rich rulers have been reduced to about 60 families headed by such dynasties as the Morgan, Rockefeller, Du Pont and Mellon interests. These parasites who hide behind the facade of a dollar-democracy, dare not rule in their own name or divulge their real aims.

Their rapacity constantly repels the masses and arouses deep currents of resentment. The plutocracy is confronted

on all sides by the resistance it provokes among the wage workers, Negroes, poor farmers and other oppressed parts of the population. These provide ample sources for the mobilization of strong forces against the imperialist policies of Big Business.

As we previously pointed out, the American labor movement has far from caught up with its European counterparts or kept step with the gigantic progress registered by the capitalist rulers. History advances in an extremely uneven manner since the diverse factors in the social process develop and mature at unequal rates. This is strikingly evidenced in the reciprocal relations between the growth of U. S. imperialism, the labor movement and its revolutionary leadership over the past sixty years.

The labor movement has by no means stood still. After a long interval of stagnation, the working class took a tremendous forward leap in the Thirties with the formation of the industrial unions and has built steadily on that basis until union membership now embraces around 16 millions.

The American workers have yet to attain the political level and consciousness of their class aims corresponding to their economic organization and their historical tasks. But, as the 1948 election results indicate, they are striving to reduce their backwardness in these domains as well.

Similar disparities mark the development of revolutionary socialism and its connections with the broad masses of American workers. The ranks of the revolutionary socialists assembled in the Socialist Workers Party are today smaller in number and in mass influence than in the days of Debs and Haywood. If these were the only criteria, it would have to be admitted that the movement toward socialism seems to have rather dim immediate prospects in this country.

But other and no less significant aspects of the situation must be taken into account. The two simultaneous processes—the reinforcement of American imperialism and the rise of American labor—which up to now have appeared to be harmonious are actually extremely antagonistic. Their underlying opposition is bound to be disclosed and accentuated in the new chapter of anti-imperialist struggles now opening up. The inevitable sharpening of class conflicts will drive home to the minds of many American workers the profound incompatibility of their interests and lives with the aims of the monopolists. As this divergence deepens, they will tend to discard outworn and false ideas and turn toward the truths of revolutionary Marxism.

### The Rise of Genuine Anti-Imperialism

In the years between the two world wars something new was brought into the political life of the United States through the formation of the Socialist Workers Party—an authentic Marxist opposition to monopoly capitalism. The Socialist Workers Party has grown out of the entire past search of the working-class vanguard for the best ways and means of conquering capitalism. It arose directly out of the split between the defenders of Marx and Lenin's teachings and their Stalinist falsifiers in the Communist Party. It incorporated within itself the finest traditions of American labor radicalism associated with such figures as Parsons, DeLeon, Debs and Haywood.

At the same time the American Trotskyists advanced beyond these earlier proletarian anti-imperialist movements and corrected their defects by adopting as their guide the more rounded program developed by the Third International and later deepened and amplified by Trotsky and the Fourth International. The Russian Bolsheviks were the first to show in action how the workers could be led to victory over the capitalist oppressors. Although Lenin's party formulated its ideas with direct reference to the conditions of the class struggle in Russia, his analysis of imperialism and the program of struggle against it have a universal application.

In the first place, the methods of action and the forces engaged in the anti-imperialist movements must necessarily be international in character since capitalism operates on the foundations of a world economy and in a world network of state relations. In the second place, the Bolsheviks were internationalists who approached the solution of the tasks facing the workers in their own country through the united struggle of the world working class against the capitalist system.

The Socialist Workers Party has taken the ideas forged in the colossal class battles of our epoch by the Third and Fourth Internationals and wielded them as effective weapons against all those pernicious influences which weaken the anti-imperialist struggle.

The Socialist Workers Party rejects both isolationism and pacifism. Events since 1914 have conclusively proved that in this epoch of world economy and world wars where international developments dominate the internal life of each individual country, any form of national exclusiveness is as outmoded as the log cabin. Isolationism is nowadays impossible for the United States which upholds the entire imperialist system. Where isolationist ideas do not reflect the unrealizable yearning for an irrecoverable national past, they mask the designs of one or another of the imperialist factions.

Pacifism spreads the illusion that peace can be secured without changing the class possessors of power and abolishing the capitalist system which needs and breeds wars; it is positively harmful to the anti-war movement. The mobilization of the working masses against the capitalist rulers leading to the establishment of a Workers and Farmers Government is the only way to remove the source of the antagonisms which disrupt present-day society. The pacifist teachings of individual salvation and abstention from struggle simply serve to cripple mass resistance to the imperialist war-makers.

The Socialist Workers Party opposes and unsparingly exposes the social-patriotic treachery of the union officialdom and the social democrats as well as the duplicity of the Stalinists. Through their participation in the Marshall Plan and their support of the Atlantic Pact the labor bureaucrats have become open assistants of the monopolist offensive for world domination.

### **False Ideologies Are Crumbling**

The ideologies of isolationism and pacifism have withered because they were rooted in bygone provincial conditions and bound up with the political predominance of

petty-bourgeois movements of the past. Despite its present power, the grip of social-patriotism will also become loosened as the material foundations of class-collaboration crumble when the monopolists seek to pile the costs of empire upon the American workers.

While the future of the Communist Party in this country is totally dependent upon the fortunes of its masters in the Kremlin, its record has already caused many militants to distrust Stalinism. The Stalinists, who vied with the union bureaucrats and social democrats in patriotism during the Second World War, have today assumed an oppositional attitude toward the government of U. S. imperialism because its foreign policies are aimed against their master in the Kremlin.

Nevertheless they continue their line of class-collaboration. Even if in a somewhat different form, the essence of their "People's Front" policy remains in force under Foster just as in the days of Browder. Instead of educating the workers in the spirit of independent struggle against the rule of Big Business, the Stalinists put forward Henry Wallace's Progressive Party as the center of resistance to U. S. imperialism.

Wallace is a bourgeois politician of similar stripe to William Jennings Bryan who wrote in February 1917: "We shall support the government in the event of war, but as friends of peace we are in duty bound to do all in our power to save our country from war's horrors." When war was declared two months later, Bryan telegraphed President Wilson to enroll him as a private so that he could do his patriotic duty. Wallace has already expressed similar views in respect to the next war.

### **New Times Demand New Leadership**

The leaders of the Socialist Workers Party have proved their fidelity to the principles of revolutionary socialism and to the cause of labor in a dramatic duel with the capitalist prosecutors in the famous Minneapolis trial of 1941. The exposition of Trotskyist ideas given by J. P. Cannon in his testimony, recently reprinted in "Socialism on Trial," is the same program our party presents to the American workers today in their fight against the evils of war, unemployment and repression.

The new times demand bold new leadership for the solution of new tasks. The Socialist Workers Party has been preparing itself to fulfill these demands. The lessons learned from the 1917 victory in Russia and the setbacks of the past three decades have considerably enriched the program of the revolutionary vanguard. The cadres of American Trotskyism have shown ability to withstand the material pressures and ideological snares of the bourgeoisie; they are equipped with superior ideas and methods to direct the efforts of the workers along the right paths; they are more firmly knit together in ideas, outlook and common experiences.

These qualitative gains are bound to make their impact upon coming events. When, in the course of further developments, the Trotskyist program is conjoined with the militant impulses and practical savvy of the advanced American workers, the world will see an unbeatable combination in action.

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