

VANGUARD newsletter

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THEIR MORALS AND OURS

Trotsky, as most of our readers are aware, directed a pamphlet with the above title against petty-bourgeois moralists, including the extreme "left wing" of the petty-bourgeoisie, who lump Stalinism together with Trotskyism as "amoral".

Exposing their class roots, and, in essence, their aid and comfort to the counterrevolutionary executioners against the revolutionary victims of the purges, Trotsky made clear that morality has a class character; that the sermons on absolute morality preached by these sometime "sincere" servitors of the bourgeoisie has as its essential purpose the deception of the masses, the cloaking of its oppressive and exploitative rule.

Means must correspond to the desired end in order to achieve it. The end which revolutionary Marxists seek is a society without oppression, a classless cooperative world commonwealth of producers, in which each individual can achieve the full flowering of his mental and physical capacities on the basis of an enormous development of productive forces freed from the fetters of the capitalist mode of production.

As means to this end, they organize a vanguard party based in the working class, and fight to imbue the class with the consciousness of its historic mission to overthrow capi-

talism, to take power, reorganize production and distribution on a rational plan in the interests of the producers, and thus prepare the transition to a classless society.

It was because its means and end were entirely congruent that Trotsky could say of the Bolshevik party:

"...when it actually represented the proletarian vanguard, it was the most honest party in history. Whenever it could, it, of course, deceived the class enemies; on the other hand it told the toilers the truth, the whole truth and nothing but the truth. Only thanks to this did it succeed in winning their trust to a degree never before achieved by any other party in the world."

The workers need consciousness, i.e., the entire truth concerning all factors, objective and subjective, which affect their lives, and not least, a full awareness of the qualities of present and aspiring leaders. The validation of a leadership and the presumably revolu-

tionary party which it heads is of the utmost importance to the working class, especially at a revolutionary moment. As we have frequently said, without Lenin and Trotsky, there would have been no October Revolution in Russia. Without a party of the Bolshevik type, and leadership of this stature, a successful proletarian revolution cannot be organized and maintained.

Those revolutionists who try to build organizations and the prestige of leaders by a policy of deception, who attempt to manipulate the working class, who misrepresent facts and directly lie to the workers' movement, violate revolutionary morality. Their means are in flagrant opposition to the social end which they espouse. It becomes an elementary and necessary act of political hygiene to expose the fraudulent practices of such groups.

As we reported last month, the "Bulletin" of May 24th, the organ of the Workers League (WL), carried an editorial announcing the reprinting of Cde. Turner's letter to Gerry Healy by "Intercontinental Press", edited by the Socialist Workers Party's (SWP) Joseph Hansen.

The editorial refers to "a slanderous letter by a certain Harry Turner". While it did not repeat the "slanders", if only to refute them, it has issued a blanket and direct denial that the specific incidents detailed by Cde. Turner ever occurred. It stated the following:

"All that happened was that Turner together with Harold Robins proposed a discussion on possible unification of their group with the Workers League. The discussion was held but effectively broken up when Robins launched into a tirade against the perspectives adopted by the recent conference of the Workers League which he characterized as 'anti-Trotskyist.' When he was interrupted in that tirade...he walked out of the office and that was that.

"Turner somehow turns this into the accusation that the Workers League has adopted 'neo-Stalinist methods!'"

Cde. Turner had made the following points in his letter to Healy:

1. that a political "recantation" had been demanded from the VANGUARD NEWSLETTER delegation--the "repudiation" of its "incorrect course" toward the International Committee (IC)-- before the WL would enter into serious discussion with it.

2. that Wohlforth had justified his refusal to allow Cde. Robins to complete his critical remarks, on the basis that the WL's "petty-bourgeois property rights determine the norms for discussion or the rules of conduct for meetings..."

3. that it was Wohlforth who broke up the meeting by grossly insulting, ejecting and threatening Cde. Robins, a veteran Trotskyist of almost 40 years standing, "at some distance and in the language of the gutter" with having "his nose broken if he ever returned there".

The other three participants from VANGUARD NEWSLETTER are prepared to state in writing that these events, which illustrate a "method" borrowed from the Stalinist arsenal, occurred exactly as Cde. Turner had depicted.

We ask the WL's participants, Mueller, O'Casey and Connolly, are you prepared to back up Wohlforth's version in the same manner? If you are not, if a concern for revolutionary morality prevents you from so doing, then are you not also obligated by the same concern to fight against your organization's deliberate policy of deceiving the workers' movement whenever it seems convenient or profitable? Furthermore, are you not required to reassess the essence of an organization which is capable of using such means toward a revolutionary end?

The "Bulletin" has made much of the fact that Cde. Turner's letter was reprinted in Joseph Hansen's weekly newsletter. We were, of course, fully aware that, as stated in that letter, the knowledge of Wohlforth's "'method' in 'discussions'" would "provide grist to the mills of the Pabloist United Secretariat" /U Sec/, who might "even use it to justify their rejection" of Healy's "recent proposals for discussion with them".

It was precisely for that reason that Cde. Turner attached a cover letter to his original letter, and sent copies of both to the WL. The cover letter informed Healy and Wohlforth that the March issue of VANGUARD NEWSLETTER would be held until the end of the month for their reply. It continued as follows:

"If we can expect a serious change in Wohlforth's attitude, then we intend to eliminate all references in the issue to Wohlforth's "method" in discussion with us, and, in general, try for a more dispassionate tone, while retaining the essentially political material. We would do so, only to prevent the knowledge of Wohlforth's shabby treatment of us from being used by our common enemies against you."

As we have shown, we had no desire to "scandalize" the WL. On the contrary, we wished to give Wohlforth and the WL the opportunity of withdrawing from an untenable position. The continued silence of the WL and SLL could only be interpreted as condoning Wohlforth's behavior, i.e., as policy. We, therefore, proceeded to expose this aspect of the WL's method before the workers' movement.

Ironically, shortly thereafter, Wohlforth's "chickens came home to roost". Members of the WL were threatened and then assaulted by the Movimiento Pro Independencia (MPI). The WL correctly raised the demand that working class and radical organizations give full publicity and indicate their opposition to "all physical attacks on other tendencies..." We, of course, were happy to offer help to the WL against attack which would "include Cde. Robins whose nose Wohlforth finds so displeasing."

Joseph Hansen has, like Edward Bernstein before him, concluded, in effect, that organization, "the movement" is everything, the "idea", the revolutionary program, "the final goal" is nothing, or at best a convenience. It is of little importance to Hansen that Turner's letter is also a sharp attack on opportunist policies which the WL and SLL share

with the SWP and U Sec, e.g., the "Arab Revolution", "diplomatic silence on the Stalinist program of betrayal of the Indochinese struggle!"

It is of little importance that VANGUARD NEWSLETTER has consistently attacked the WL on the Negro question and on the national question in general for being the opportunist mirror image of the SWP with all signs reversed! Not a word in reply to our politics in Hansen's foreward! Theory is fine, but not to be compared to a "clever" organizational maneuver!

The "Bulletin", in its lengthy response to Hansen, did not find the space to respond to his footnote which charged the WL with believing that Trotsky's "ignorance" led him into "supporting Black nationalism a number of decades before it appeared". Its silence is an acknowledgement that it accepts the charge!

Both the SWP and the "METHOD"ologists of the WL abstract Trotsky's remarks on the Negro question from the concrete circumstances in which they were made; the former, to justify its opportunist adaptation to Black nationalism; the latter, to justify opportunism of an opposite order on the national question.

Trotsky did foresee the possibility of a national development for the Negro people, but the SWP interpreted his remarks in an entirely different way before 1962, as our series in 1969, "Trotsky On the Negro Question" (still available upon request) made clear. Both the SWP and the WL eclectically ignore Trotsky's remarks in the 1939 discussions (Documents On the Negro Struggle, now mis-labeled Leon Trotsky On Black Nationalism and Self-Determination), that:

"We cannot tell them [Blacks] to set up a state because that will weaken imperialism... that would be against internationalism itself..."

"Our Negro comrades can say, 'The Fourth International says that if it is our wish to be independent, it will help us in every way possible... However, I, as a Negro member of the Fourth hold a view that we must remain in the same state as the whites.'"

They would not have fit the "Black nationalist" interpretation both accept. However, they entirely fit our thesis, that Lenin and Trotsky were in full accord on the national question; that both fought for the right of self-determination, i.e., the right to separate, in order to unite the workers of oppressor and oppressed nations against all kinds of petty-bourgeois nationalism and their advocates in the workers' movement; that the key to unity is the struggle by the working class against the special conditions of oppression of some workers in the interests of all workers.

The opportunist policies of the SWP and the U Sec, which served to promote a quick organizational return, as against the "old" Trotskyism, is now causing a sharp crisis in their ranks. Their "chickens" are also wending their way homeward.

The Cuban revolution was the turning point for the SWP. The accumulated dry rot--a tendency toward increasingly opportunist practice as a direct result of its confusion and loss of a proletarian perspective --reached critical mass at that time, and transformed the SWP from an unhealthy but still revolutionary party into a centrist swamp. Its adaptation to Castro freed it from other restraints. After Castro came adaptation to petty-bourgeois movements such as Black and Chicano nationalism, anti-war "popular front"-ism, feminism, "gay" and lesbian "liberation"

Joseph Hansen was the principle architect and ideologue of this transformation, which reached its logical culmination in a re-unification with the International Secretariat of Michel Pablo, Livio Maitan, Pierre Frank and Ernest Mandel.

Hansen became the bellwether, who proclaimed Castro as the at last revealed reincarnation of Lenin and Trotsky in the making, and the Cuban revolution as possessing equal if not superior content to the October Revolution--minus certain unessential "forms", which were shortly to be forthcoming. These "forms"? A Leninist and Trotskyist working

class vanguard party! Soviets--workers' councils--the organs of working class rule!

Cuba, according to Hansen, was the living proof of the Permanent Revolution, the historical manifestation of the "objective process" by which "socialism" was being achieved. This neo-Austro-Marxist "objectivism" inadequately masked the SWP's disillusionment with and eager acceptance of substitutes for the "passive" working class.

Hansen attempts to shrug off references to the Pabloism of the SWP and U Sec. Pablo broke from the latter shortly after its formation, so why do you "ultra-left sectarians" keep charging us with being Pabloists, queries Hansen?

Pablo's policies of adaptation to the Stalinist bureaucracy and liquidation of the Trotskyist parties, and to the "Colonial Revolution" as the "epicenter" of world revolution, whose peasantry was demonstrating a newly revealed revolutionary potential, were arrived at by the method of empiricism. Pablo abandoned the dialectical method of Marxism for the "new" reality, for the empirical "fact" given an inordinate specific weight, and counterposed to the fundamental Marxist outlook. The empiricists-cum-Marxists are, of course, adept at intoning "Marxist" benedictions, e.g., pious references to Trotsky, to the Permanent Revolution, and even to the working class.

Empiricism, the method of all revisionists of Marxism since Bernstein, the method of Hansen, was the chariot on which the SWP arrived at political agreement on fundamentals with Pablo and Pabloism, although with some "less important" issues still unresolved. The contempt for theory of the "re-unifiers" of 1963 was shown by their eagerness to forget "past" disputes, to concentrate instead on the new "opportunities", on "practical" questions. Pablo's departure from the U Sec since the re-unification cannot change this record, despite Hansen's empirical waving of this new "fact" against the charge of the U Sec's Pabloism.

[The logic of the SWP's abandonment

of a working class perspective, in adapting to the Castro-Mao "third world" variety of petty-bourgeois "revolutionary" nationalism, to peasant-guerrilla vanguardism, has now culminated in a liquidationist tendency of a majority in the U Sec, led by Maitan and Mandel. Its program calls for U Sec affiliates in Latin America to engage in peasant-guerrilla adventures of the Guevara type. It has also stimulated urban guerrilla activities, as in Argentina. This suicidal program is advanced at a time when working class struggles in Latin America are acquiring a greater intensity and militancy.

The SWP, the pragmatic one-time piper of the peasant-guerrilla road, has drawn the lessons of the Guevara fiasco in Bolivia--it didn't "work"--and now conducts a struggle against this program in the U Sec, thus preparing its disintegration.

Hansen, busily covering up his and the SWP's past as obsequious cheer-leaders for Castro, is solemnly warning his European colleagues not to "adapt" to Castro's "limitations".

The SWP's past hosannas to Castro have indeed become a source of embarrassment, as the kinship of the Cuban Bonapartist clique with the Stalinist bureaucracy becomes more openly revealed--in the Heberto Padilla case, in earlier suppression of the Posadas tendency, in the repetition of Stalinist slanders of Trotskyism, in support of the Soviet invasion of Czechoslovakia, and to other Bonapartist and Social-Democratic formations in Latin America.

It should be recalled that when Mercador-"Jackson", the assassin of Trotsky, was released from a Mexican prison after serving 20 years, he and his two Soviet secret police "escorts" stopped off in Cuba on the way to Czechoslovakia. The "Mil-litant", evidently with the acquiescence of Hansen, made no mention of this "fact", in a transparent effort to avoid pointing to its recently installed idol's clay feet.

The pragmatic "good" of the Castro coat-tails has now been transformed into its opposite. The increasing awareness of the gross opportunism

on Cuba and of the opportunist nature of its policies at home are the major elements of the crisis within the SWP and among its newly acquired youth. Its youth may have been recruited during the period of the SWP's "popular front" with the liberals and Stalinists, but they are also reading the literature of revolutionary Marxism, which the SWP still prints as a warrant for its "Trotskyism". A significant part of its youth is now becoming disillusioned and beginning to pay attention to the SWP's left critics. Of these, the WL is the largest and in political solidarity with its international rivals in the IC. Why not publish the smaller VANGUARD NEWSLETTER's disclosures of its organizational atrocities, even if it also means publicizing its ideas which are even more consistently hostile than those of its larger opponent? Hansen's worship of the organizational "fact" is reflected as well in his supercilious acknowledgement of our existence.

He might recall that a similar approach was taken by the German High Command in the 1st World War, when it arranged for Lenin and his comrades to travel through Germany to Russia in a sealed train. What a clever scheme! These "ultra-left sectarians" might help stir up "mischief" behind the Russian lines! The pragmatic German militarists also emphasized the organizational side of politics. They were soon to learn that Lenin's "mischief" did not end at the Russian state's borders. It was also to help spark an upheaval in Germany as well, which threatened to overthrow capitalism there and in all Europe.

Hansen may soon find that his organizational judo can also turn on him. He has helped acquaint more of his readers with the "fact" and the ideas of VANGUARD NEWSLETTER. Revolutionary Marxist ideas have a "habit", sooner or later, of being translated into organizational flesh and blood, as the cynical organizational manipulators, the crude and more sophisticated falsifiers of the historical record will discover.

THE PENTAGON PAPERS AND THE RULING CLASS

The revelations which have appeared in the "NY Times" and elsewhere, of the fraudulence and trickery on Indochina of Democratic and Republican ruling class politicians, will scarcely come as a surprise to the readers of VANGUARD NEWSLETTER, or, for that matter, to a sizeable section of the American people.

A great deal of what we and the press of other revolutionary and radical organizations have been stating has now been confirmed in precise detail from the pens of representatives of the ruling class.

The examination into the policies of the US government in Vietnam was ordered by the then Secretary of Defense, Robert S. McNamara in 1968, and has filled 47 volumes of "Top Secret" papers.

It confirms that President Johnson had already planned the vast escalation of American intervention in Vietnam, which, at one point, involved more than half a million troops, and the saturation bombing of North Vietnam, while posing as the more peaceful alternative to "warmonger" Goldwater in the 1964 election campaign; that the Gulf of Tonkin "incident" had been staged to win Congressional approval for the bombing of North Vietnam and expanded US intervention; that the copious flow of peace rhetoric masked the Johnson Administration's clandestine bombing of North Vietnam before the Tonkin resolution, its opposition to peace negotiations with North Vietnam and the NLF, and its determination to achieve a military victory; and that the CIA and US Air Force bombers were already in Laos in 1964, and in operation against the Pathet Lao.

It also confirms that President Eisenhower and Secretary of State John Foster Dulles had considered coming to the aid of the French in Vietnam at the time of Dienbienphu, and had opposed the elections agreed upon at the Geneva Convention in 1954; that Eisenhower was considering and Vice-President Nixon was advocating the use of "tactical" nuclear weapons against the Vietminh.

Our readers will not be surprised at the information that the Soviet Union's Molotov and China's Chou

En-lai had displayed the utmost in sweet reasonableness toward the US puppet regime in South Vietnam headed by Ngo Dinh Diem, and that both were prepared for a prolonged partition of Vietnam, and to "recognize" the status quo in the kingdoms of Laos and Cambodia.

The information that the assassination of Diem in 1963 in a military coup was engineered by the Kennedy Administration, will also not come as a surprise to our readers. The underlying reason, however, has now emerged. Diem was beginning to demonstrate a certain independence of the US State Department and Henry Cabot Lodge. The Kennedy Administration feared his transformation from puppet into Bonapart. It feared that Diem might seek a truce with North Vietnam, and agree to the removal of the US military "presence" for a guarantee of a continued separate and "neutralist" South Vietnam. It had even feared the North Vietnamese troops might come to Diem's aid to thwart the coup.

It was at first believed that the Nixon Administration had "leaked" the Pentagon papers to the "NY Times" because the installments which it had managed to print were so damaging to the Johnson Administration's "credibility". However, Nixon, far from seeking to capitalize on the exposures, has, through his Attorney General Mitchell, frantically sought to prevent further disclosures by court injunction. But, no sooner has one newspaper been hailed into court and temporarily enjoined from further publication of material from the Pentagon papers, than another has hastened to fill the gap.

Both capitalist parties are tarred with the same brush. The last four administrations have been exposed as directly and regularly lying to and manipulating the American public.

The liberal politicians in both

Democratic and Republican parties are now claiming shock at the "new" knowledge of the deceitfulness of the American government. Their claim to naivety is hardly becoming to "seasoned" politicians such as Senators Fulbright, Kennedy, McGovern and other peace "doves", and about as convincing as Sen. Humphrey's statement that he, the then Vice-President, had not been told by Pres. Johnson of these deceptions.

They knew, just as did the Republican presidential contender in 1964, Sen. Goldwater, who admits to prior knowledge of the "scenario" of the imminent US escalation of its intervention in Vietnam. It is manifestly impossible to prepare troops for future action--often many months in advance--without all official Washington knowing it. These secrets are "leaked", sometimes deliberately from the highest administrative sources, and often by the very nature of Washington's machinery, to "responsible" parties. And, in fact, the "NY Times" has admitted that it had received advance knowledge of the Cuban Bay of Pigs invasion in 1961, which it "responsibly" kept secret from the public.

It can be stated with assurance that all the leading politicians in both major parties knew, or had reason to know, that the US government was deceiving the American people in the process of advancing its imperialist interests, in fulfilling its role as the gendarme for world capitalism. They all "understood" that the public was being "prepared". They "patriotically" supported Eisenhower and Kennedy in sending, not troops, but "advisors" to Vietnam, and in giving Johnson authorization to bomb North Vietnam in "retaliation" for its "attack" on the US Navy!

The fact is that all capitalist governments deceive their people in the same manner. The aggressive and annexationist plans of the British and French imperialists with Russia, masked by phrases of defense of "democracy" and "liberty", were exposed by the Bolsheviks who published their secret treaties.

Roosevelt had also run for a

fourth term on a platform of keeping the US out of World War II. He made certain, however, of the "day which will live in infamy" by deliberately prodding the Japanese imperialists into "aggression" against the American imperialists. The US, not Germany, was to dominate the world!

The Indochinese war, at one point a boon to the economy, has been transformed into its opposite. The US gendarme role has a directly negative effect on the US balance of payments, and is a major factor in the continuing monetary crisis. It is also a major factor in the still galloping inflation, which is moving the workers into struggle, and radicalizing the minorities and youth. The economic downturn and deepening contradictions of world capitalism sharpens the class struggle in every capitalist country over the manner of division of the declining national income. In these circumstances, the Indochinese war becomes an increasing economic and political liability.

The soft wing of the ruling class has decided to end the war, to accept the peace terms of North Vietnam and the NLF, in the best interests of American imperialism.

The NLF program is part of the Stalinist program of "peaceful co-existence" with imperialism. The Soviet and Chinese parasitic bureaucracies are each occupied with promoting its own brand of national "socialism in one country", with defending its base of power at the sacrifice of the international working class movement, through "deals" with imperialism.

The NLF guarantees capitalist relations in a "neutral" and separate South Vietnam--the program of Diem! But the hard wing of imperialism, headed by Nixon, insists on something more firm than pledges, and demands the capitulation of North Vietnam and the NLF. It hopes to achieve a military victory which will secure, not only the Thieu regime in South Vietnam, but also the rest of Indochina and Southeast Asia as imperialist preserves.

It is instructive to compare our program for the victory of the Viet-

namese and Indochinese revolution for an end to the capitalist and imperialist war and war-makers in a world socialist revolution, with that of other socialist tendencies.

We, as our readers know, have posed a four-point program, which includes the organization of an international boycott of American goods, and the blacklisting of all cargo which can be used by the US against the Indochinese; an international campaign to demand that the Soviet bloc and China supply the Indochinese with sufficient military equipment for offensive as well as defensive action against the US military machine; the program of the Permanent Revolution--a coordinated offensive in all Indochina, the overthrow of capitalism by the working class at the head of the peasantry and the establishment of the working class in power; the organization of the American workers through trade union rank and file caucuses on a program which unites their struggle against exploitation and oppression to the fight against the US imperialist war. (See leaflet attachment to our April 1971 issue, "Defeat US Capitalism In Indochina--and At Home!")

In contrast, the Communist Party (CP), in congruence with the Soviet proffered "deal" with US imperialism, operates a "popular front" with the liberals, and poses "set the date"- "people's peace treaty" propaganda.

The SWP has abandoned the Trotskyist program on war, along with the rest of Trotsky's program, and blocs with the Stalinists and liberals.

The WL, under cover of its slogan, "Victory to the NLF", is mute on the question of the NLF program of betrayal. It ignores the task of organizing an international working class struggle against US imperialist intervention and the Stalinist program in Indochina. This diplomatic accommodation to Stalinism is the way in which the WL and SLL fight Pabloism!

But will not peace on NLF terms be the inevitable forerunner to a social transformation as in Eastern Europe and China?

Our recent series, "State and Revo-

lution In Latin America", makes the point that Bonapartism on capitalist foundations can become Bonapartism on collective foundations in under-developed sectors, because the masses increasingly demand an end to the poverty which their inadequately developed productive forces ensures.

Bonapartism, an expression of the crisis, arises to prevent the working class from fulfilling its historic mission. It then performs the same task in a new way.

Stalinism, a new form of Bonapartism, arose on the foundations of the first workers' state established by the Bolshèvik party under Lenin and Trotsky. It has derailed and betrayed the workers' movement in every country since 1924, thus helping to prolong the existence of world capitalism and the proliferation of Bonapartist regimes. The death and suffering of countless millions, including millions of Indochinese, has resulted from the "practical" politics of Stalinism.

Only the revolutionary struggle against capitalism can end the slaughter of humanity. Bonapartism on collective property will be overthrown in a political revolution indissolubly linked to the social revolution against capitalism.

The period of world capitalist expansion is ended. The economic downturn again propels workers in advanced and under-developed countries into revolutionary struggle, and also the workers in degenerated and deformed workers' states.

The social opportunists will attempt to use the Pentagon papers to whip up greater support behind the liberal wing of the ruling class to "end the war". Revolutionary socialists will see the political exposure of both wings as an opportunity to win the workers to independent and revolutionary politics --to a labor party based on the unions, to the transitional program of Trotskyism, and to the working class vanguard party which VANGUARD NEWSLETTER works to build.

The concluding section of "Bangla Desh and Leninism" will appear in our next issue.

ANOTHER DOLLAR CRISIS ROCKS THE CAPITALIST WORLD - by Harold Robins

Another bench mark was established in the curve of the decline of the power of American capitalism, the May 1971 dollar crisis.

The tidal wave of dollars traded for the currencies of Germany, Austria, Belgium, Switzerland and Holland, smashed beyond repair the old "fixed" rate policy of trading in national currencies.

The economies of countries in Europe plus Japan with "strong" currencies reflect the underlying changes in relative productive efficiencies as against the US. Those nations which have retained the fixed exchange policy only indicate that their economies maintain or lag behind present productivity relationships with the declining American colossus. They, therefore, seek to bolster their tenuous economic stability by retaining the present parity of their currencies to the dollar.

The dollar supply has been accelerating at an ever increasing tempo in the past 6 months. Speeded up debasement of the American dollar increasingly threatens these more backward national economies.

In 1928, Leon Trotsky, having observed the workings of economic law as European imperialism declined, pointed to the dynamite built into American hegemony.

An understanding of the historical significance of the new dollar crisis can only be achieved by evaluating the economic-political-social forces at work, and not by proceeding from the bare fact of the crisis in currency trading. Viewed within the framework of world historical developments, the succession of 5 dollar crises in 3 years clearly demonstrates that US capitalism has passed the high point in its role as the dominant capitalist power. There is a striking resemblance to the rise and fall of its predecessor, the British empire. Although the tempos of development differ in each case--100 years of British domination and about 50 years of American--both saw their predominance transformed into its opposite.

Such developments always surprise

the pragmatists, but confirm to the hilt the materialist conception of history, first formulated by Marx and Engels. Not so long ago, the short-sighted, pragmatic turncoats wrote knowingly that American capitalism had acquired built-in stabilizers which guaranteed it a long term perspective of growth and power. Subjected to the acid test of history, these prognostications are revealed as chimeras.

When the US dollar was transformed from the world's only strong monetary currency into a rapidly declining and questionable paper dollar, US capitalism had manifestly "had it".

The flood of dollars that inundated the central banks of Germany, Switzerland, Holland, Belgium and Austria amounted to some \$20 billion in Germany alone, at its high point on May 6, 1971. The first--and last--hour of trading before the exchanges were quickly closed by government fiat, saw a dollar flood estimated at \$1 billion an hour.

Suddenly, depreciated American printing press dollars, lying at hand as idle "money" became capital in currency exchange enterprises, and, in a vast swindle, traded at high rates for other national currencies of far greater value. Leon Trotsky observed the same tendency operating in 1928. The axiom of Benjamin Franklin that, "War is robbery, while business is generally cheating", would seem appropriate.

In the period since May 6, only a small part of the dollar flood was redeemed at the 5 to 7% profit made possible by the new exchange rates and the "floating" German mark.

A part has been converted into German marks through the liberal use of the West German printing presses. A few billion dollars were converted by the German monetary authorities into relatively high-interest bearing American government notes, paying about 5% interest. The vast bulk of American dollars lie, however, in bank vaults await-

ing purchasers or a transformation into capital as Eurodollar loans.

The tidal wave of transactions fractured beyond repair the 25 year old, Humpty-Dumpty "fixed" currency exchange policy, which had been established by the US at the end of World War II, at Bretton Woods, New Hampshire. Those who were swindled by this fifth US dollar crisis are now on guard against a "repeat performance" from their American "ally".

Even while the tidal wave swept over the "fixed" currency rate exchange policy, the American monetary authorities were busy speeding up the currency presses. Writing in the "NY Times" of May 17, 1971, H. Erich Heineman wrote:

"Last January, the Federal Reserve System--in an apparent effort to make up for a sluggish, 3.4% annual rate of growth of the money supply last fall--...raised its target for monetary expansion... to an annual rate of something like 7.5%." [more than double the rate of expansion--HR emphasis]

That monetary target was reached and then surpassed. The "NY Times" of May 21, 1971, wrote that:

"...in the 4 weeks ended May 12, a 16.8% annual rate of growth [was achieved--HR emphasis]

It is, therefore, quite clear that the torrent of dollars was the result of a deliberate policy of the Federal Reserve Board--perhaps its way of transforming dollars into "capital gains"?

In the last years of World War I and in the 5 following years, all the fallen, formerly great capitalist empires used printing press money issues for precisely the same reasons motivating the Federal Reserve System. Here we see the workings of capitalist economic law, the exchange of less money (or more precisely, paper money) for more money--and for payment for goods produced by others.

Cde. Trotsky's conclusion that American domination of the capitalist world had explosive potential

was based upon repeated manifestations of social-economic swindling at the center of which stood the capitalist state and its monetary printing presses.

Marxism attempts to apprehend phenomena in its totality. The Marxian dialectic recognizes that all phenomena is subject to change, and is the product of contradictions, conflict and transformation of situations into their opposites. None of this is either mystical or magical. The materialist interpretation of history understands the foundation of social orders and classes, and their differing and conflicting cultural outlooks and politics as resting upon the relations of social production of the things necessary for the maintenance and development of living people.

One bourgeois economist gave ample warning of the developing storm. Writing in the "NY Times" on April 26, 1971, Leonard Silk predicted both the crisis and the attitude of the US government to it. He wrote:

"The US ran a deficit of \$10.7 billion to foreign central banks last year. During 1971's first quarter the deficit...totaled \$5 billion, a \$20 billion annual rate. [In April and the first 2 weeks of May 1971, an additional deficit of \$7 billions occurred.]

"Ask an American monetary official what would happen if this enormous deficit rate were to continue for a year, and his answer would be 'nothing'. He would contend that the world has been on a dollar standard since March 1968, when we stopped pegging the price of gold... that foreigners will go on accepting dollars in settlement of our payments deficits--because, if they did not, the world's monetary system would collapse.

"However, many Europeans feel that the Americans are living in a dream world if they think the present dollar outflow can continue indefinitely...

"And last week Raymond Barre, vice-president of the European Economic Community said, 'No one wants a crisis for the dollar, which would

be a crisis for the entire international monetary system, but, under the pressure of violations of the fundamental rules of the system, the moment will come when it will no longer be possible to keep control over events."

[HR emphasis]

Inflation is a potent factor in propelling the working class into economic and political motion. The governments of all Europe have expressed alarm over the heightening inflationary trend in their countries. According to the "NY Times" of May 27, 1971:

"...the size of the Eurodollar market [dollars not redeemed in gold and traded at a discount in the money markets] had increased from \$10 billion in 1964 to between \$50 and \$60 billion in 1971."

The reaction of various government officials, in relation to the historic trend of development, is worthy of note. Secretary of the Treasury, John B. Connally, Jr. said on May 7, 1971, at the beginning period of the breakdown of the dollar exchange said that:

"In the view of the US, maintenance of current parities could provide a basis for re-opening the markets in various European countries."

Ten days later, Mr. Connally stated that the recent monetary turmoil was a "disturbance" rather than a "crisis". The "NY Times" of May 18, 1971, continues, "He said foreign countries 'are not going to make a run' on the remaining US gold stock".

Here we see the chief US government financial official, after the crisis, trying to pass off the dollar as something still "as good as gold"! He obviously deceives himself in this.

As late as May 25, 1971, at an international bankers meeting in Munich, Germany, the deputy governor of West Germany's central bank, Mr. Otto Emminger said, "If you are in the same bed with an elephant, no

matter how good natured he is, it is always uncomfortable." This was said in an effort to end public recriminations over German efforts to protect the Germany economy from speculative raids employing printing press US fiat dollars.

To this, Paul A. Volker, US Undersecretary of the Treasury for Monetary Affairs, speaking from the viewpoint of his government, replied that the elephant--the American dollar--was, "...the beast of burden who goes around doing a lot of work for people, (!!!) who [he] is able to serve because he has a steadiness of purpose." (?)

There were routine calls for men of "good will" to get together, and advice suggesting not to look for villains in these trying times, etc. These emanated from the highest governmental authorities--while the financial swindle was going on.

At the Munich conference, it was made clear by the Germans, despite diplomatic understatement, that the old set-up could no longer be tolerated after the depredations of the recent dollar swindle. The German central bank representative was quoted, in a prize understatement dealing with the decline of the dollar, that it was becoming more difficult to live in the monetary world of stable exchange rates, free capital movements and massive short-term money flows.

In opening the conference, German Foreign Minister Walter Scheel called for an end to mutual recriminations in the latest crisis. There had been, what he termed, a search for scapegoats. Americans called it a "mark" crisis. The Europeans called it a "dollar crisis. The currency crisis had many causes", Mr. Scheel said, "I consider it wrong to join in the complaints against the dollar". As the printing press dollars continue to flow into world trade channels, we may be sure that we shall hear again and again from Mr. Walter Scheel.

Meanwhile, at a US Senate Finance Committee hearing on May 21, 1971, a former Assistant Secretary of Commerce in the Nixon Administration, Kenneth N. Davis, Jr., testified that he had left the administration

in a dispute over trade policy; that there was growing evidence that trade difficulties were the root cause of "persistent high unemployment in the US and the threatened demise of the dollar as the foundation of the world monetary system."

Every sober observer is now aware that the international monetary crisis has only been postponed for

an exceedingly short period by the upward revaluation of the Swiss franc and Austrian schilling, and by the passive revaluation of the "floating" German mark, Netherland guilder and Belgian franc. The next monetary crisis may well bring the extremely unstable financial system of world capitalism crashing down.
(to be continued)

NEW YORK LABOR - STRATEGY AND TACTICS - by Hugh Fredricks and Harry Turner

[The spectacular closing of 27 of NYC's 29 movable bridges to vehicular traffic on June 7th by AFSCME District Council (DC) 37 AFL-CIO, and Local 37 of the Teamsters Union, was, essentially, a futile exercise in "militant" posturing by labor bureaucrats.]

Labor "statesmen" are having an increasingly "hard row to hoe" these days. In spite of nominal wage increases, inflation keeps eating away at real wages. Social services are under increasing attack, as the ruling class shifts a larger proportionate part of the tax burden from its shoulders to those of the working class. Unemployment keeps rising in spite of the sooth-sayers who promise an economic upturn.

The labor bureaucrats are caught between 2 fires: from the union ranks who demand that their wages and conditions be protected and advanced, and from their "associates" in the ruling class, who demand that they be "reasonable", and, under the adverse economic circumstances, agree to more direct and sharper slashes in the wages and conditions of the working class.

How, ponder the labor mis-leaders, can they achieve a "satisfactory" contract, i.e., satisfactory to their ruling class "friends", and, at the same time, keep the workers "quiet", i.e., ensure their retention of often life-long posts.

The gyrations of Victor Gotbaum, who heads DC 37, and of Theodore C. Wenzl, president of the NY State Civil Service Employees Association (CSEA), are, basically, attempts to cope with this "dilemma".

DC 37 had recently signed a contract with NYC, which provided for improved pensions for the 122,000 municipal workers--half pay at age 55 after 20 years, and full pay

after 40 years of employment. The State Legislature, however, with the covert support of Mayor Lindsay, refused to approve the pension plan. Gotbaum, faced with a rising demand for action, decided on a strategy and tactics which would surround him with an aura of militancy, and yet, not unduly embarrass his political bed-fellow, Lindsay, as would a strike of all municipal workers backed by the rest of the labor movement.]

Vehemently opposing a general strike, because, "We do not want to kill anyone"--as if general strikes have not been called before with unions making due provisions for emergency health services--Gotbaum, instead, promised one of the "slopiest" strikes ever, aimed at Gov. Rockefeller and the upstate Republicans in the Legislature.

The day after the bridge tenders and truck drivers had struck, sewer and water department laborers, stationary firemen at incinerators and park department employees were called out--8,000 City workers in all.

The tenders left the bridges in an upright position, and took with them equipment needed in their operation, creating a mammoth traffic jam. However, by the end of the second day, supervisors and the Army Corps of Engineers had placed all but 2 bridges back in service. Rockefeller had also been prepared to send in the National Guard. At this point, Gotbaum, and Feinstein, the head of the Teamsters local, capitulated,

and obeyed the court injunction to call off the strike.

[Gotbaum then announced his great "victory"--the "promises" that the pension plan would be re-submitted to the same Legislature next year, which had refused to consider it this year; and, from Lindsay, of a money equivalent, if the bill was not then passed. When asked about Gotbaum's statement, Lindsay replied, "A flat no. There are no promises.]

Just before the strike, Gotbaum had blustered about his readiness to go to jail--a union leader who had not been imprisoned, he said, did not have "credentials". Afterward, the same Gotbaum eagerly volunteered to pay the Taylor Law fines, without even a court appeal, because, "We broke the law"!

[The leadership of CSEA, an organization representing 133,000 of the more than 170,000 NY State workers, had called a strike for June 16, to demand the immediate re-hiring of all 8,250 workers who had been, or were to be discharged. Just before the deadline, however, the strike was called off, with the announcement by the leaders of another "victory".

There would be no "additional" firings beyond the 3,841 already discharged, and the State would "try" to find suitable jobs for "most" of these. In "re turn", CSEA recognized the State's right to further "reduce" the work-force, whenever "economic conditions" required such action.]

One of the factors which assured this "victory" was the earlier "victory" which Gotbaum had achieved, and which served to embolden the State representatives of the ruling class. In addition, Gotbaum directly informed them that DC 37 would not support the CSEA strike, i.e., that they need not fear the solidarity of public service workers and of the rest of NY State's labor movement.

[The capitulation of the CSEA "leadership", however, could have been forecast much earlier. For many years, CSEA had existed as a simon-pure company union, with a no-strike pledge in its constitution, and re-tailing insurance benefits in order to keep its members.

The Taylor Law, passed by a coal-

tion of Democratic and Republican legislators, mandated a Public Employment Relations Board (PERB), which would recognize and deal with one organization of public service workers in each of 3 state-wide administrative units. The weaker and not much more militant AFSCME Council 50, AFL-CIO was thus deliberately and effectively put out of "business", and the "company union" became the only recognized labor organization for State workers.]

However, in order to compete with Council 50, CSEA had had to put on a show of militancy. It had dropped the no-strike clause from its constitution, and had become more firm in handling grievances. As the State budget cuts were implemented and State Mental Hospitals and other facilities were closed down, the more militant hospital workers demanded protection. The CSEA leaders, responding to this pressure, decided to "talk" strike, but without seriously intending to or preparing for a strike.

As the deadline approached, with the bulk of the workers uninvolved and apathetic--not one mass meeting was called in any division in NYC--it became clear that the CSEA's ineffectual bluff would be called, and that it would achieve its present "victory".

The difference between labor "leaders" such as Gotbaum and Wenzl is quantitative, not qualitative. Both bow to the "inalienable right" of the City and State governments to discharge public service workers for "economic" reasons. But this means either the burden of providing necessary services is born by fewer workers, i.e., speed-up, or that necessary services are eliminated, with the poorest workers generally suffering the most.

Both are "business" unionists, who in "good times" are able to carry the crumbs of domestic high profits and international and colonial super-profits to the workers as "gains". But they avoid the mobilization of the workers, if at all possible, and depend on "clever" maneuvers, on manipulation and bluff, to gain a "satisfactory" settlement.

In a period of economic decline, however, this type of "leader" is completely incapable of leading a struggle for the defense, let alone to advance the interests, of the working class.

Gotbaum, whose DC 37 has a high proportion of Black and Puerto Rican workers, likes to emphasize this fact. But, like labor bureaucrats in general, he is a part of and essentially represents the "aristocracy of labor". As is the case with other "aristocrats", he has a contempt for and fear of the rank and file. It is "unnecessary"--as well as inadvisable--to call upon the organized strength and discipline of the labor movement. A few "strategically" placed workers can win "concessions" by pressing the right buttons.

The industrial working class increasingly operates more powerful and costly equipment, but this, by no means, negates the factor of the mass power of the organized working class, as the Technocrats of the '30's and the "new working class" ideologues of the '60's believed. On the contrary, it is especially necessary when the employer is the state, or has its coercive power to draw upon, e.g., courts, police, prisons and "bodies of armed men", as the Gotbaumian adventure with the bridge tenders proves.

The general strike, which Gotbaum spurned, would not only have brought the State Legislature to terms, but could have been the beginning of a working class economic and political counter-offensive. It would have required a truly militant campaign to prepare and win workers for an action which might have entailed, as in any strike, a period of discomfort and even hardship for them. "Sloppy" Gotbaum, of course, preferred the pseudo-militant stance of creating a public nuisance.

Strategy determines tactics; to the labor bureaucrat, gimmick and bluff; to the revolutionary Marxist, the constantly expanding mobilization of the working class, in defense of its immediate and fundamental class interests.

In a period of capitalist decline,

the truth of the basic Marxist proposition, that the working class can only advance its immediate interests to the degree that it advances the fundamental, i.e., the socialist revolution, becomes crystal-clear.

This is the essential point of transitional demands which revolutionary Marxists beginning with Marx have advocated, and of the Transitional Program which Trotsky developed in the crisis of the '30's. It is central to the program of VANGUARD NEWSLETTER, which seeks to unite the racially divided working class in the struggle against special oppression.

We have called for the formation of a network of rank and file caucuses to unite the memberships of every trade union, and to provide an alternative leadership to the labor fakers and social opportunists on the basis of this program.

As against the Gotbaums who base themselves on the capitalist "ethic", what the boss can "afford", we fight for the socialist future in the present. In the process of defending all working class gains, we promote the understanding that the inability of capitalism to provide for the needs of the masses requires, not "concessions", but the socialist revolution. We fight for the right to a job, and with it, the shorter work-week at a standard of life commensurate with the present level of the productive forces. We demand the right to control and manage the means of production as part of the process of preparing the socialist revolution.

We call for a class party of the workers independent of the parties of capitalism, in the process of building the revolutionary vanguard party. We promote the unity of the organized, unorganized, unemployed, of Black and white, of working men and women, of youth, of the most exploited and oppressed under revolutionary leadership, and as part of the world socialist revolution.

The bankruptcy of all the "labor lieutenants of the bourgeoisie" increases the possibility and the necessity of winning the American working class to this program.