

THE

AMERICAN Socialist

Behind the
Know-Nothing Politicos:

The New Tycoons

OCTOBER 1954

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The Silent Revolution

*Automation • Mergers
Runaways*

Special Report:

**Detroit Labor
Meets the
Challenge**



CLIPPINGS

WILLARD SHELTON, CIO News columnist, had some straight talk on the recent plane incident:

"The Russians are shooting down our planes and we are shooting down Soviet-furnished Chinese planes all the way from the top of the Sea of Japan southward along the Asiatic coast. A few principles may be laid down covering this kind of war-without-war.

"First, we may expect more 'incidents' comparable to those of last week end when an American plane on a 'routine' patrol flight northward was shot down by Soviet jets. . . .

"The Russians, after all, have no heavy aircraft carriers nor nearby land bases from which to launch 'routine' patrol flights along the American Pacific mainland. But across the Pacific they have control of the vast Asian Continent.

"It is this equation—that balance of probabilities—that makes it ridiculous for Senate Majority Leader Bill Knowland to shout for Mr. Eisenhower to use the excuse of the stricken Navy patrol plane as a reason for breaking diplomatic relations with the Soviet Union.

"The hard fact is that if we want to maintain the Pacific as an American lake, abutting a hostile mainland, there will be 'incidents' such as the shooting down of planes."

THE NEW YORK State CIO is in a bitter fight with the bosses of the State Democratic Party over who is to be the Democratic candidate for governor. The State and Tammany Hall leaders have endorsed Averell Harriman, millionaire banker and industrialist, while the laborites want Franklin D. Roosevelt, Jr., Congressman from New York City. Behind the tussle lies years of resentment on the part of the CIO leaders. They head the numerically most powerful labor organization of any state in the Union, and constitute the biggest single force inside the State Democratic organization. Yet, year after year, the party bosses have not even bothered to consult them on the choices for candidates.

The State CIO Convention, meeting in Albany on September 12, endorsed FDR Jr. by the resounding vote of 1,121 to 9, and gave him a 15-minute ovation. "This is our answer to Balch [State Democratic Chairman]," said Louis Hollander, State CIO President.

Michael Quill, N. Y. City CIO President and head of the Transport Workers Union, brought the house down with his speech. "We've got to show," Quill bellowed, "that we're not trailing behind the bosses of the

Democratic Party. The national CIO and Political Action Committee should look at the changing conditions which require a change in thinking. We must honestly take a second look at the whole policy of CIO. Maybe the road of CIO and PAC was good in 1944 and 1946 when you had President Roosevelt who would accept the wishes of the people. But you have trailed along the political machines of New York City and New York State with two and three political bosses telling the CIO —'there's nothing else you can do, you have no other place to go, you'll have to go along.'

"They said that to us four years ago in Rochester. Well, I'm not so damned sure about that today. We do have some place to go. We may have to decide that labor must create a party of labor."

MORGAN PHILLIPS, Secretary of the British Labor Party, sent a letter to all trade unions and local party organizations announcing that Socialist Outlook, a small left-wing Labor Party periodical, was being banned. "I am directed to inform you," he wrote, "that the National Executive Committee at its last meeting decided that persons associated with or supporting Socialist Outlook, are declared to be ineligible for membership of the Labor Party."

There has been a great outcry in the labor party against this unprecedented act of bureaucracy. In a lead story, headlined "I Call This An Outrage," Michael Foot, leading Bevanite, wrote in the August 13 Tribune: "For the first time in history, so far as I am aware, the leaders of the Labor Party have

taken steps to suppress a newspaper. . . . The good name of the Labor Party requires that this stupid, cowardly and totalitarian edict should be rescinded at the coming Labor Party Conference and that the National Executive should be instructed not to tamper further with the elementary principles of freedom."

In a postscript, he added: "Many months ago it was announced that Mr. Morgan Phillips and the National Executive were going to start a weekly Socialist paper of their own. Why don't they get on with it? Are they too busy suppressing other people's ideas to find any worth expressing of their own? . . ."

THE CIO, after backing the suppression of unions in Guatemala and talking a lot of poppycock about the wonderful possibilities opening up with the advent of the Castillo regime of building new "free unions," has had to take cognizance of the true state of affairs in the dictatorship-ridden country. Daniel Benedict, Associate Director of the CIO International Affairs Department, now complains that "the legal existence of several unions has been abolished even though they had complied with an earlier decree dissolving the existing leadership, which in some cases had included communists left over from the Arbenz dictatorship [!] and had arranged for new elections.

"In addition, many employers have taken advantage of unsettled conditions [!] by firing and in some cases jailing employees who were active non-communist union members.

"The land reform the new government promised to maintain is being wiped out. Many Indians who had been granted small farms, either individually or through cooperatives, have been driven from their land by the government or by the former owners."

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COVER PICTURE

Our cover picture this month shows Paul Silver (l.), president of Detroit Steel Products Local 351, CIO United Auto Workers, and Carl Stellato, president of Ford Local 600, telling the cops off on the Square D picket-line. See story in this issue.

The New *Verboten* Law

AMERICAN LIBERALISM of the major-party variety, not content with a protracted and lugubrious funeral, has made a return visit from the grave to write its own epitaph. The Communist Control Act of 1954 is more likely to appear on the tombstone of Democratic liberalism than to mark the demise of its intended victim, American radicalism.

Various apologists for the liberals have offered the explanation that the constant Republican charges against them of "leftism" and "pro-communism" got on their nerves so that they exploded in a mad burst of rage and took this means of proving their loyalty. While such a plea of temporary insanity might be admissible in a court of law, it's no good in politics. Anybody in the fight against McCarthyism who hasn't got good nerves had better leave it to others—and certainly shouldn't make any pretense of "leading" it.

But that this was no momentary lapse is clear from the long and persistent record of the Democratic liberals in supporting every basic aspect of the witch-hunt, from the very first moment when it was initiated by their own leader, Harry S. Truman. It is a capitulation which, as we have several times pointed out, stems from the acceptance by these liberals of every conception upon which the thought-control program is based: the war drive and all that goes with it.

That *capitulation* is the proper word to choose for their posture is demonstrated by such words as these spoken by Senator Humphrey (Dem., Minn.) in the Senate debate:

I want Senators to stand up and to answer whether they are for the Communist Party or are against it. The proposal in the Amendment will place Senators right on the line.

If there be any who can distinguish between Humphrey's method in this re-

mark, by which he labels as a "pro-communist" anyone who is not willing to back the medieval "outlawry" of a party, and McCarthy's oft-displayed method of calling every liberal and opponent a "communist," then they have sharper wits than ordinary people. In this instance it is impossible to find even a crevice between Humphrey and McCarthy, and the *National Guardian* certainly had every right to comment editorially:

... we suggest that we stop splitting hairs between the McCarthyites and the sickening "liberal" Humphreyites who went Joe one better in the grossest display of opportunism in modern legislative history. ... No self-respecting American can cast a ballot for anyone who voted for these bills.

WHAT WILL THIS "outlawry" mean? The entire concept is so alien to American law—indeed to all Anglo-American jurisprudence — that few legal authorities have yet ventured an opinion. Certainly the last persons in a position to guess where this law

will carry them are its hysterical sponsors who drafted the bill between midnight and 1 A.M. one wild night, or the rabbit-like Congressmen who voted for it before they could even have read it. (The biggest demand for printed copies after Congress adjourned came from legislators who wanted to see what they had voted for.)

To place an organization in the position of being "outlawed" is inconsistent with all post-feudal concepts of law, and the only modern experiences which American "democracy" can refer to have been in Hitler's Germany, or Mussolini's Italy. Or, on the other hand, to make members of an organization criminals by virtue of their membership, if outlawry is to be interpreted in that fashion, is clearly a bill of attainder, in that it adjudges persons automatically guilty of a crime by legislative fiat and not by judicial process. This would be in violation of Article I Section 9 of the Constitution, which, in prohibiting bills of attainder, was merely recording that which capitalist society had achieved in the previous 200 years of struggle against feudal barbarities.

Thus it is still not clear what is to be expected under that section of the new law called—in true Hitlerite fashion—"Proscribed Organizations," which Senator Humphrey and his colleagues added to the bill. But one thing there is no doubt about is that action can soon be expected under that section of the law entitled "Communist-Infiltrated Organizations,"



McCARTHY



HUMPHREY

which is the part the administration was chiefly interested in passing.

The history of this section is the following: Brownell and his associates had been pressing for a new law which could be used as artillery to wipe out the left-wing unions, because the Taft-Hartley law, which has a clause devoted to that object, had been found insufficient. To that end, the Butler Bill was drafted. It provides virtual government licensing of unions, with those unions failing to pass muster with the Attorney-General getting a "rejected" stamp.

THIS ENTIRELY unprecedented move, in the tradition of Mussolini corporate unionism or Robert Ley's Labor Front, was bitterly opposed by the major-union leaderships of the nation, for they correctly interpreted it as the opening wedge in a campaign for further government restrictions.

At the start, some of the Senate liberals made devastatingly accurate attacks on the bill, drawing their arguments from the union movement. But Humphrey soon came up with his lick-'em-by-joining-'em strategy, and proposed the outlawing of the Communist Party as a substitute measure for the Butler Bill. In the end the liberals got both, tied together in one grisly parcel, and completed their collapse by voting for both—unanimously.

Prior to the passage of the Communist Control Act of 1954, the union press from all parts of the nation was packed with angry editorial denunciation of the union-licensing feature. After it was passed, most of the union press, with only a few honorable exceptions, began talking with pebbles in their mouths. Clearly, the union leaders were having trouble orienting themselves on a case of McCarthyism sponsored by those very legislators upon whom they rely to fight the Right.

The *AFL News-Reporter* merely found it necessary to remark that the new law "does not affect AFL units." The *CIO News*, in a truly frightful editorial, congratulated the Senate liberals: "It is understandable under the circumstances, why the liberals had voted for the bill, and observers who saw the look of chagrin on the faces of the GOP's extreme right wing could realize that the liberal Democrats had spoiled their hypocritical game." The editorial's criticism of the law was mild in the extreme.

IF THE long-run objects and trends of such legislation as Congress passed in August were still obscured from the labor leaders by the mists of the future, there were those who were doing their level best to make them painfully clear. Within weeks after the passage of the law, an employer went into action in the very heart of U.S. union territory—Detroit.

The Square D management, we may rest assured, does not really care whether the leaders of its employees' union are Communists, Baptists, or vegetarians, except insofar as its balance sheet is affected. It sees "communism" as a good slogan to smash unions; for evidence of this we have only to recall that this same charge was raised against the entire CIO movement at its birth, and still is raised by every employer against almost any union when he thinks he can get away with it. Taking advantage of the fact that its employees are organized into a local of the United Electrical Workers, which was expelled from the CIO about five years ago on charges of "communist domination," Square D launched a scabherding drive *en masse*, to break the strike it had deliberately provoked.

The meaning was clear. If one strike could be broken by old-style methods in Detroit on *any* pretext, then other strikes could be broken. The pretexts could be found or manufactured, once the foot was in the door. While top officials of labor were sagely chuckling over the "discomfiture" of the McCarthyites because the liberals had stolen their thunder, hundreds and then thousands of Detroit workers saw the danger. Their anger was so great, and their action so correct, that soon the entire massive auto-union movement of Detroit was swung into battle, and that is a force which no strikebreaking employer can defeat. At this writing, it appears that the strike has been saved. (See our story from Detroit.)

It is true that the CIO leaders have pushed the local UE leadership into the background, and the CIO may take over the local union as a result of the strike. But even more significant, in the present circumstances, is the action of the local leaders and rank-and-file members, who were determined to save the strike and teach the employer and public officials that strike-breaking would not be tolerated. Instinctive and traditional class feeling underlay this

move, and that is a force that is sometimes superior to heavy political cogitation, especially of the kind displayed by the union leaders and their Senate mentors.

WHETHER we shall have a police state in the United States, or whether the reactionary offensive can be beaten off, is a question the outcome of which is being determined by a race between the speed of reaction and the re-orientation of the labor movement. Every worker, every unionist, every progressive-minded individual must take these recent events as the occasion to weigh and assess the present policy of subservience to the Democratic Party. Where such subservience will lead is becoming only too clear: The liberals will not be able to fulfill the trust placed in their hands, and labor will be left politically helpless.

One must consider how brazen the liberals have become in their assurance of support from the labor movement. The union leaders apparently do not even place the slightest condition upon them. They do not even say: "We shall support you only so long as you act like liberals." They say instead: "Since you have placed the stamp of liberalism upon yourselves in some bygone day, we shall support you for good and aye, even if you act like McCarthyites." With their left flank thus securely covered, the liberals are free to appease the right wing. And, being only politicians, they are moving rightward at a hasty scamper.

Labor must call a halt to its heedless policy, and begin to exercise the kind of independence which alone can give it political leverage. That means it must give its first loyalty to a program of welfare for the people, and break the hypnotism of outworn labels. It means vigorous and determined legislative fights for those things which labor and the people need and want, and equally vigorous fights against everything that menaces the people, no matter what the source. It means independence of the politicians of both parties—a course which, it can be guaranteed, would wring more concessions from them than the present support. And it means—in the long run, but the sooner the better—a beginning at the building of a Labor Party, which will be the only substantial bulwark of labor's gains and popular liberties.

A basic undercurrent of change in U.S. economy, showing itself in the trends of automation, mergers, runaway industries, threatens the union movement with a new situation, which it must learn to face.

The Silent Revolution

by Bert Cochran

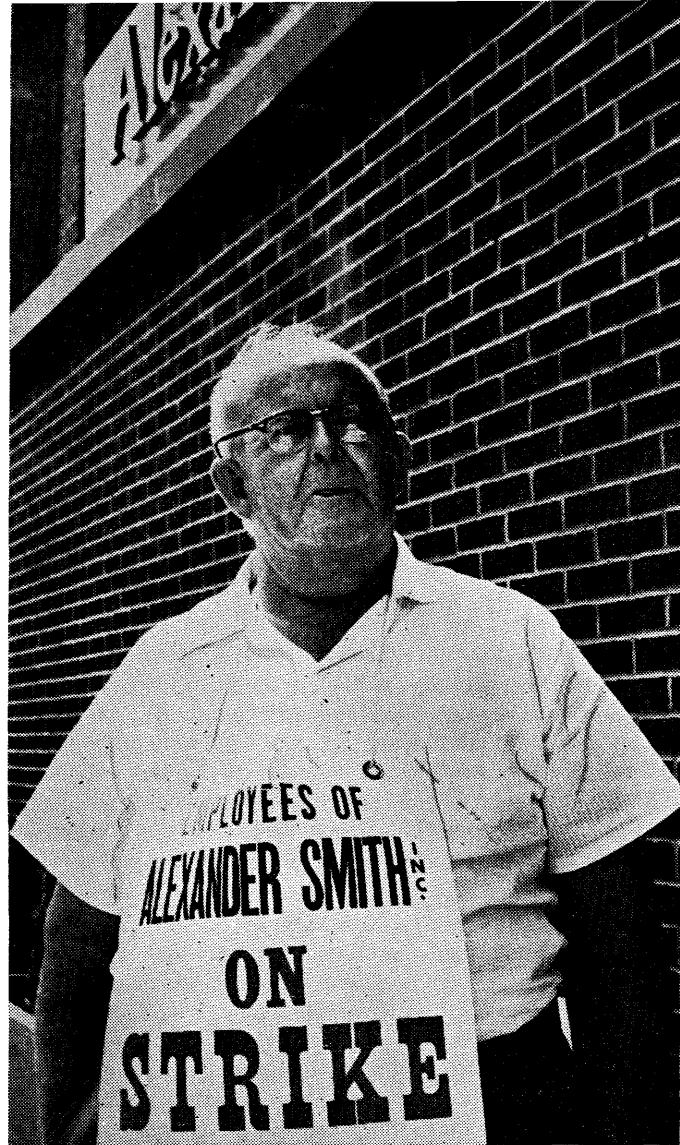
THERE IS a silent revolution going on in America today, inexorable, unremitting, pitiless, and it is twisting the lives of the laboring people more harshly than many a battle fought on the field. Union after union, grown accustomed to a familiar routine, has suddenly found itself grabbed by the scruff of the neck, with all the complacency shaken out of its officers as they face the specter of loss of members, and years of hard-won achievements in the way of contracts, seniority accumulations, health and pension funds get knocked from under them. Who is this implacable enemy that has appeared in our midst, and is spreading disaster in his wake?

The local newspapers of the auto union speak of "automation." The publication of the garment union is alarmed by the runaway shop. The textile union is worrying about mergers and the wiping out of small companies. As a matter of fact, the changing pattern of American industry combines all these manifestations, and confronts the unions with radical alterations now in process in the economic structure which imperiously demand a new approach and tactic on the part of the labor movement.

The outward signs of the shifting trend are a spree of mergers and "shaking out" of smaller firms, the growth of the billionaire class of corporate aggregates, automation and increased mechanization, the building up of new industrial centers in the Southwest and elsewhere.

The trend toward concentration of industry in fewer and fewer hands is a long-term one of our economic system, and has been documented in innumerable government studies and investigations. The most recent report of the Federal Trade Commission records that the process is still going on, that while in 1935 the largest 200 manufacturing concerns accounted for almost 38 percent of the total value of all manufactured products, in 1950 they accounted for almost 41 percent.

THESE government figures only go up to 1950. But 1953-54 has probably broken all previous records. The Institute for Business Planning refers to the recent period as one that "economic historians will call an era of merger and concentration," and estimates that the number is now running at over 1,000 a year. Last year alone, 20 com-



Decades and even generations of carpet-making mean nothing when a firm like Alexander Smith moves South from Yonkers, N. Y., in quest of lower pay rates, union-free operation, and higher profits. Old-timers like the picket above, left without jobs, are the other side of the coin to slick "cost-cutting" schemes devised in the walnut-paneled board rooms.

panies with stocks listed on the N.Y. Stock Exchange were consolidated into 10 larger units. Not only is the "merger and acquisition trend intensified," to use the wording of the Institute for Business Planning, but "the concentration movement in manufacturing and distribution will continue," according to Dr. Marcus Nadler, economist of the Hanover Bank.

Many companies that used to be considered "Big Business" just a few years ago, can now barely stand the pace, and either have to merge, or sell out to the behemoths of the industry. When the U.S. Steel Corporation was formed in 1901, it was the one and only billion dollar concern in the United States, and represented a milestone pointed towards concentration of wealth and monopoly growth. By 1919, at the end of the first World War, there were 6 corporations with assets of over one billion dollars. When the country entered the second World War, there were 31 billionaire corporations with assets of 66½ billion dol-

lars. By the end of 1952, the "Billionaire Club" had 66 members with assets of over 174 billion dollars. These 66 are only one-hundredth of one percent of all corporations, but they hold over 28 percent of total corporate assets.

The pyramiding of great wealth is an enduring trait of American capitalism, but in the second World War period it attained unprecedented dimensions. When this element was added to others, the resultant flux triggered the process of reshaping the economic structure. What happened at the end of the war was that the American plutocracy had accumulated this towering treasure of capital, but the world was too unsettled, with vast areas in the grip of revolutionary upheavals, for private industry and banking to invest abroad on a scale commensurate with its surplus funds. It was difficult to find outlets for super-profits abroad; but at home labor costs were high. Unions had become housebroken, and the plunderbund had begun nibbling away at wage standards, but it was still afraid to go too far in provoking labor.

WRITERS describing the industrial revolution that occurred in England in the Eighteenth Century showed how time and again necessity was the mother of invention. Given the set of circumstances that confronted American capitalism after the second World War, it was inevitable that the continual trend toward mechanization of industry should take on a breathless pace, and what with American engineering genius, explode into a new revolutionary technology.

Everyone has heard of "automation" by now and knows it is a new giant stride in the elimination of human labor in production by the use of automatic machinery, electronic computers and feedback controls. Few factories are as yet built on complete "automation" lines, which in its strict scientific definition describes electronic or magnetic-tape control of complete sequence operations. Partial use of the new technology, however, is already becoming common. In continuous-flow-process industries, such as petrochemicals, many plants are on the verge of complete automation. *Fortune* magazine analysts believe even more startling changes may come in the white collar field with the introduction of high speed "memory" and computing machines such as "Univac" or IBM's No. 702.

Professor Norbert Weiner of the Massachusetts Institute of Technology, author of the book, "Cybernetics," the pioneering work in this field, who probably knows more about the subject than any other one individual, sees America entering a distinctly new economic era. He writes:

This country is on the threshold of a catastrophic second industrial revolution brought about by the use of the automatic machine. Unless we prepare ourselves for it, our industrial cities face a vast decentralization process, and a shifting of population to rural districts brought about by unemployment. . . . The rapid development of the automatic machine in industry will, within the next decade, or sooner if hastened by another war, completely wipe out the assembly line and in its place substitute a complicated electronic machine which will do the same work faster and better. Whereas an assembly line contained a hundred workers, with the automaton, this same line will resemble the emptiness

of a huge power plant, with only a skeleton maintenance crew to service the machine.

WHEN YOU CONSIDER the great savings per unit with the new automatic processes once you pass the break-even point, and that capital goods costs are up only 85 percent from pre-war as against manufacturing labor costs which are up 130 percent, you get a pretty good clue as to why a wave of mergers is taking place in the automobile and other industries. The industrial giants are blazing away revamping their production plants; but these new machines and units are so expensive, they require such enormous capital outlays, that even companies that were considered big 10-20 years ago are unable to raise that kind of money today. Many will survive only by permitting themselves to get absorbed by the shrinking number of giants.

Even in industries such as textile where the new technology plays little role as yet, and mechanization or improved organization of the work-process takes place along classic lines, mergers or absorptions are proceeding apace, and the little fellows who came in during the lush years are getting bounced out in the contracting market. The September 4 issue of *Textile Labor* mourns that "A tide of corporate mergers has engulfed more than 150 textile companies employing more than 50,000 workers, since July 1953. Its continuing rise threatens many more with a similar fate." Big mergers are also underway in coal, chemicals, armaments and munitions, and basic steel.

This economic transformation, which has still to reach its apogee, and the full consequences of which are still to be felt by the labor organizations, has already resulted in the wiping out of many local unions by the shift of plant operations to new unorganized areas. *Textile Labor* fears that the merger movement "forebodes a more concentrated attack on wage standards and working conditions, both through further runaways from unionized areas and more scientifically-stiffened resistance to organization."

In the auto industry, probably 60 thousand workers have been permanently eliminated, and the end is not in sight. In coal, where there has been very heavy mechanization and a shrinking market, many old local unions have seen the mines under their jurisdiction closed down entirely. Other members are working only two or three days a week. Westinghouse has just opened a new \$10 million plant in Raleigh, N. C., which will be operated, according to its plant manager, so that the workers "will not need a union." At the same time, half of the workers at the unionized Newark plant have lost their jobs. Other big plants that are moving south to new modern establishments and leaving the union members holding the bag include the Alexander Smith Carpet Works of Yonkers, N. Y., American Safety Razor of Brooklyn, N. Y., Motor Products of Marion, Ohio, Du Pont in Yerkes, N. Y., and Westinghouse Meter of Newark, N. J.

HOW ARE UNIONS meeting this threat? What is the program of the "labor statesmen" to protect the workingman's equity in his job, his seniority and pension rights? How do the officers who head the big labor federations visualize the union's role in the changing economy, and what new strategy or tactics have they devised to safeguard labor's position and sustain labor's strength? If you

are looking for an answer to these questions from the labor leaders, you have come to the wrong place. They have no answer. All their elaborate research and legal staffs and economic advisers notwithstanding, the union leaders are as bewildered as the man on the street. Their actions thus far have been a combination of panicky retreats and defensive strike improvisations.

Last year, the AFL executive council, in voting support to the strike against the Hat Corporation of America, which was moving most of its production from Norwalk, Conn., to the South, announced that its action was the opening gun of a national campaign against the runaway shop. That was the beginning and end of the "campaign." Nobody has heard of it since.

Walter Reuther, CIO President, who in the past was never at a loss at whipping out a plan, whether it was on the subject of converting automobile plants to aircraft production, or feeding the natives of Patagonia, is now strangely reticent on problems far closer to home. The auto union leadership is still talking glibly about big schemes for the 1955 contracts, but in practice the union is in full retreat before the corporations, as a consequence of the acceptance of wage cuts in Willys, Studebaker and some of the parts plants. Local has been pitted against local, and one locality is vying with another to bid for the employers' favor.

The ladies garment union, led by statesmen from away back, is resorting to the meanest and most unsubstantial palliatives. After getting soundly trounced trying to organize a runaway plant, with all of the striking workers out on the street, the union proceeded to buy a plant in Appomatox, Virginia, leased it on very favorable terms to another boss, who in return agreed to hire all the strikers. Dubinsky can practice this kind of statesmanship in one or two cases, but as an answer to the runaway shop problem, it's worse than useless. The AFL hat workers union pulled a similar stunt when it had its workers make a loan to a boss who was facing bankruptcy. As for the textile unions, both the AFL and CIO organizations are so overwhelmed by the proportions of the problem, they are simply hoping, like Micawber, that something will turn up.

ON THE WAGE FRONT the picture is a dismal one. "If any single generalization emerges at mid-year from the 1954 wage negotiations," *Fortune* magazine gloats, "it is this: labor lacked aggressiveness and management was firm." According to the Bureau of National Affairs, the wage rise was between 4 and 9 cents per hour in 60 percent of new wage contracts. The steel union settled for a nickel an hour and fringe benefits. The CIO electrical union settled with GE for a wage increase of 2.68 percent, also approximately a nickel an hour, and no fringe benefits. The CIO maritime union signed a contract with no wage increase, simply a few minor concessions. In textile, the CIO union permitted American Woolen, the pacesetter of the industry, to cut wages 9½ cents per hour, and reduce fringe benefits by another 6½ cents per hour.

Many unions have been forced out on long strikes, in order to finally get settlements of 5 to 7 cents. The rubber union signed for an average 6½ cent increase with Goodrich after a hard-fought 7-week strike. AFL and CIO

lumber and sawmill workers have been striking since June 21 for a 12½ cent increase, with a number of locals going back in the past two weeks with no increase at all, and the CIO settling with the biggest one, Weyerhaeuser Lumber Co., for a 2½ cent increase. (Some locals won the full demand from the smaller companies.)

The workers are so demoralized by the job uncertainty, unemployment, moving of plants, and apparent weakness of the unions, that they breathe a sigh of relief when their leaders get them a nickel increase without their having to strike for it. Labor sights and goals are getting cut down drastically in this period of reaction and retreat.

But giving up rights won after years of hard struggles is no solution to anything. Labor cannot even hope by these methods to stabilize itself on a lower level. Wage cuts and more speed-up are not a prelude to happier labor-management relationships, but to new demands for more wage cuts and still more speed-up. Obviously, the labor movement has hit a blind alley; it is badly in need of a thorough-going reappraisal of its policy, and of a "new look" in its strategy. The business of letting each local union fend for itself in time of trouble, the tactic of taking wage cuts in order to make companies "more competitive," the complacency in the face of unemployment, the constant retreat before reaction on the political front—all this has to be stopped in a hurry. Else, it will not be too many years before labor will know catastrophe.

LABOR cannot afford to mark time and just hope for a turn of the wheel for the better. What is required is a new program of action that will fuse the membership into an embattled army fighting to advance, not reconciled to retreat. As our Detroit correspondent suggests, the securing of industry-wide agreements and the campaign for a shorter work week are trade union *musts* today. To this should be added the plank for a major organization campaign in the South, to cut across the runaway shop problem and frustrate the attempt to play one section of labor against another.

It may be asked: How are you going to win these far-reaching objectives when labor has to wage long bitter strikes today just for a couple of pennies? How are you going to organize the South in the face of Taft-Hartley and the reactionary climate that prevails? The answer to these questions is that none of these tasks are primarily administrative ones. On the basis of the present outlook, methods and organization, not one of these objectives will be attained. Remember, it took a new type of organization, spirit, outlook, program to organize the mass production industries twenty years ago. The AFL, with its craft psychology and methods, could not do it. Similarly, the philosophy and methods of the present leaders of the big labor federations are inadequate for the job at hand. They cannot inspire the ranks, they cannot weld them together into an army with banners. They breathe the spirit of bureaucracy, not labor militancy. They inspire complacency and conservatism, not sacrifice and struggle.

The long retreat was halted and labor started going places two decades ago when the CIO was first set up. Now, labor is in a pocket again, and needs a new militant unionism integrated with a political labor organization to tackle the job.

The new war-babies of trade and speculation are having their impact on U.S. politics. Arrogant and unstable, they, more than the old oligarchy, are the men behind the McCarthys and McCarrans.

The New Tycoons

by Harry Braverman

THE UNITED STATES is today firmly ruled by an aristocracy of wealth and power formed in a century of expansion of American capitalism. Cartelized and trustified, hooked into a massive whole by thousands of interlocking fingers, solidly based on the three or four (in some cases one or two) giant industrial corporations which dominate output in each major field, and commanded from the top by a select coterie of banking and investment groupings—this is the true American ruling class.

The dominant oligarchy has quite brazenly exhibited its power in recent years by furnishing, more and more directly, the governing, administrative and policy personnel for the government. During the Democratic administrations from 1940 on, Wall Street firms like Dillon Read and Co. and Brown Brothers, Harriman & Co. kept the government departments staffed. Since the Republican victory in 1952, the big industrial corporations like General Motors and M. A. Hanna have taken the lead in that function. But throughout, the oligarchy has kept a firm hand on the throttle, and has successfully defeated all important opposition movements within the Republican and Democratic parties.

The ruling class is not completely homogeneous in its interests, as no such class, especially one as diversified and ramified as this one, can be. It has its internecine quarrels, which erupt from time to time on the political arena, where some thoughtless or Pollyannish liberals often take them to be fights between the "people" and the "interests." Of late, one of the most serious internal quarrels in the ruling class over its policy and perspective has broken out, symbolized by the rise of McCarthy and his associated coterie of fascist-type *Kämpfers*.

Behind the new movement lies the complex and revolutionary world scene, with its popular challenge to existing reactionary institutions of capitalism and imperialism. The crusade from the extreme right represents the hysterical reply of a portion of the ruling class. But, playing a big part in the hysteria and in the forces which manifest it most clearly, there stands a quarter-century of a new development in the ruling class which can be summarized in a single phrase: *the new tycoons*.

AFTER THE stabilization of the American oligarchy at the peak of its power in the Twenties, and especially with the decline and stagnation of the early Thirties, the pace of capital accumulation slowed down. But with the almost continuous war boom since 1940, a vast new expansion, almost unprecedented in capitalist history, set in. If all of the indicators of economics, history and politics

are any guide, this is the last of the wealth-floods of U.S. capitalism, but on its crest, a whole new minor-oligarchy has ridden to wealth and power.

When *Fortune* recently surveyed opinion about McCarthy among top businessmen, of 50 in the three major Northeast cities (New York, Philadelphia and Boston) only two could be found who plumped for him. One of these was Boston's John Fox. Mr. Fox's career is worth investigating, as it is quite typical of the new tycoon, among whom he is one of the biggest and newest.

Fox, coming from a middle-class South Boston Irish family, attended Harvard in the late Twenties, but accomplished nothing to distinguish himself from the run-of-the-mine struggling real estate promoter until the war boom of the Forties was well under way. Having made a fortunate connection ("lucky connection" is one of the key phrases in the lexicon of the new tycoon) with millionaire New York real-estater Charles F. Noyes, he was able to open speculative operations in real estate securities while still in the Marines, a branch of the service which he graced with great commercial, if not military, ardor.



H. L. HUNT: New tycoon, Texas style.

SENATOR McCARRAN celebrates his 70th birthday in 1946 by cutting a giant cake at party which also marked his successful fight to raise the price of silver. Nevada silver interests were grateful.

He pyramided holdings with his customers' money by purchasing securities far beyond the amount of the cash they placed in his hands, and floating ever-new loans to cover, using the securities themselves as collateral. By the time he was discharged from the Marines in 1944 (on the strength of his ulcers), Manhattan real estate was well into its war boom, and Fox sold out a position which had cost about \$300,000 for a cool million. He here demonstrated an ability, also typical of the new tycoons, to plunge through every loophole in the tax laws put there for far wealthier citizens, and managed to hold on to most of the profit. From then on, back in his native Boston, he mushroomed fast.

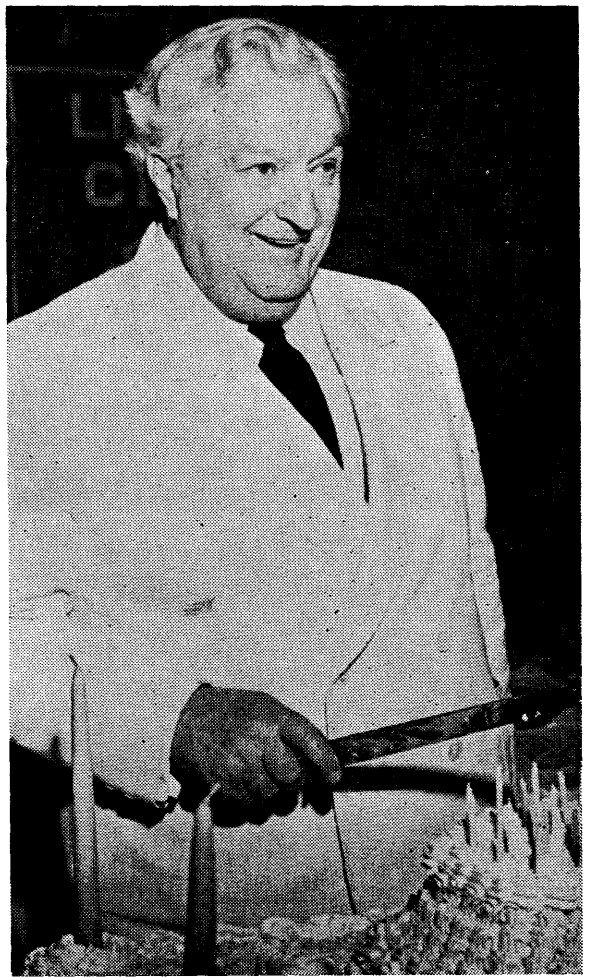
By 1947, Fox felt big enough to grapple with the solid and conservative First Boston Corp. (and in the process with most of the big State Street investment houses), for control over New England Gas and Electric. A last-minute second-shaving spurt, which saw the kind of shirrtails-in-the-wind racing from one bank to another which the staid Bostonian magnates haven't seen since an earlier and more hectic day, brought control to Fox and made him one of the big powers in Boston.

TODAY, he holds a big slice of New York and Boston realty, is the principal stockholder in Western Union, and has spreading interests in several gas and electric holding companies, Newfoundland and Cuba oil, Reo Motors, and many other fields. Fox is still what they call a "special situation man," who plays the angles, or "rinky dinks," as they're known in his trade. He buys, liquidates, plunges into new ventures, disdains the smaller profits of cautious industrial operation for the bigger (and more lightly taxed) capital gains on quick turnovers of entire companies. In ten years of operations of this kind he has "made" \$25 million, and calls Wall Streeters "a bunch of lazy bums."

Fox, like most of the other new tycoons, is contemptuous of the methods and attitudes of today's business statesmen. He can't understand the—to his way of thinking—equanimity with which they face the "communist menace," and one of his big ambitions is to rouse the country out of its torpor. To this end, he bought the *Boston Post*, and has used it to back McCarthy and McCarthyism.

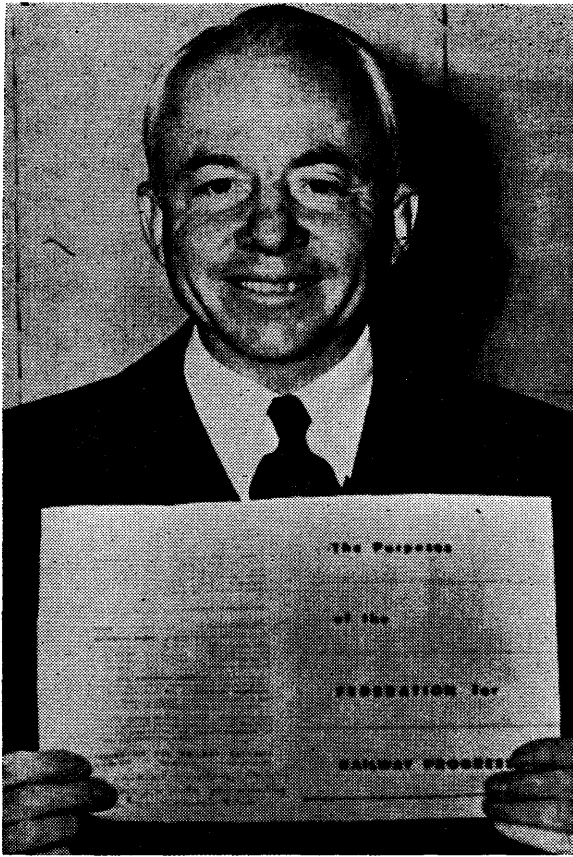
His palpitating fears on this score are also characteristic of the new tycoons, who seem to exhibit almost psychopathic jitters about the threat of communism, partly because they lack the assured self-confidence born of many generations of solid and enduring overlordship possessed by the oligarchy. A Texas oilman explained: "We all made money fast. We were interested in nothing else. Then this Communism business suddenly burst upon us. Were we going to lose what we had gained?"

It would be impossible to speak of the new tycoons and their ties with the new politicians without thinking at once of those ultimate examples, the Texas oil Maecenas. Three things are basically responsible for the Texas millionaire crop: tax laws with their built-in steal; the rise in the price of oil from its low point after the first flood



of East Texas oil hit the market in the early Thirties when it was down to as low as a dime a barrel to its wartime and postwar boom prices (it is now over \$2.50 a barrel); and the fact that the outpouring of Texas oil was so great that the big oil trusts of the oligarchy (Standard, Gulf, Sun, Humble, etc.) could not possibly keep all of it under their control.

AMONG THE TAX LAWS, the most important is the "depletion" allowance, which is so decisive in its effects upon the profit-taking in oil that its relatively simple mode of operation should be set forth. Depletion was enacted in the early Twenties, when oil wells were sucked dry with a ferocious and unregulated thirst, so that many of them did not last more than a few months. At that time, the argument was that, with their capital asset in the ground going dry so rapidly, oil men should be compensated by having a portion of their earnings exempted from any taxation. The provision for 27.5 percent depletion allowance thus assumes that the average life of a well is under four years. In fact, under the present regulations governing output, laid down to maintain the price of oil by the industry itself, wells may last as long as twenty, thirty or more years. But each and every one of those years, the oil man is allowed more than one-fourth of his gross earnings (*which may run as high as 50 percent of his net earnings!*) completely tax free, on the original and



ROBERT R. YOUNG is a connecting link between Texas "wheeler-dealers" and Eastern angle-shooters; recently scored big success for the new tycoons by breaking old interests' hold over New York Central Railroad.

totally false theory that his well won't hold out more than 3-4 years. This bonanza, while helpful to the major oil companies, is the foundation of the wealth of the independents.

The oil magnates are also favored by another tax proviso, which is said to be even greater in its benign results for them than depletion. That is the clause which allows them to charge off all new drilling expenses against income as current expense. In brief, what this provides is that, after taking his clear and untaxed profit under depletion, if the oilman spends the rest on new, expanded drilling operations, that too is exempted from taxation. No other industry can make new capital investments with the benefit of such a writeoff.

Of the Texas oil independents, the most active politicians are Hugh Roy Cullen and Haroldson Lafayette Hunt. Cullen is a great one for political and philanthropic donations, but when he makes them, he wants something in return. He has given the University of Houston oil properties valued in the neighborhood of \$80 million, but when he finds the preacher "too doleful" at university commencement exercises, he just goes up and pushes him away from the microphone. The student officer corps is called the "Cullen Rifles." He has been the largest donor to the Houston Symphony, but sees to it that the orchestra plays "Old Black Joe" as well as the more staid classics. He supported Eisenhower and even claims to have "groomed Ike for the Presidency," and now is getting fed up with him because "Ike," in the grip of the bigger plutocracy, pays no attention to Cullen's telegrams, a recent example of which ended with: "Ike, I hope you will not

wait but attend to this important matter immediately."

Cullen has become one of McCarthy's most important capitalist patrons, and the Wisconsin Senator stays with Cullen's son-in-law when he's down that way. In 1952, Cullen intervened with his ample finances in some 34 campaigns, in 24 states, and 22 of his beneficiaries were winners, including McCarthy, Jenner, and others of similar kidney.

H. L. HUNT, sponsor of the national propaganda network Facts Forum, is credited with having won his first oil leases in a poker game, and his big upward leap took place at the expense of the pioneer oil driller "Dad" Joiner, who made the great East Texas oil discovery on which most of the present millionaires rode to wealth. Hunt bargained Joiner out of his holdings, and Joiner died a pauper. That was the way of many of the new tycoons, who like to speak of themselves as energetic pioneers, but who actually, as one Texan has put it, "were standing there blowing the bass tuba the day it rained gold."

Facts Forum, which Hunt set up in 1951, is a tax-free foundation which costs Hunt very little in cash, but which benefits from vast amounts of network time, both radio and television. The Facts Forum radio program is carried on almost 250 radio stations, produces two network shows—one on television—for which it gets free time, and sends a stream of material to newspapers, radio stations, congressmen, etc. Those who have noted an increasing uniformity in the McCarthyite polemics throughout the country would probably be correct in attributing this to the unifying effect of Facts Forum.

One of its cutest tricks is to pay for letters to editors, published in various papers presumably as opinion from the "man on the street," but actually representing McCarthyite paid contributions. A Dallas man is supposed to have made \$594 in "prizes for civic endeavor" writing letters to the papers. The organization also encourages and circulates the literature of the straight fascist lunatic fringe, the race-hate agitators, the Joseph Kamps, Allen A. Zolls, and Merwin K. Harts. McCarthy himself was formally presented as a Facts Forum speaker only once, but it circulates his book and speeches. McCarthy's wife and former secretary, Jean Kerr, once worked for the Forum setting up its television project.

McCarthy's friend and supporter, Robert E. Lee, was appointed to his important post on the Federal Communications Commission from a job as a Facts Forum moderator. He was helped in that promotion by Senator Styles Bridges of New Hampshire, a China Lobby man who made connections with the new tycoons through influence-peddler Henry Grunewald.

Facts Forum occasionally promotes the giant mail-order house Sears Roebuck commercially. General Robert E. Wood, Sears chairman, is on the national board of Facts Forum, being, together with Charles White of Republic

Steel, one of the few McCarthy backers to be found in the central oligarchy itself.

OF ALL THE Texas illustrations of the new tycoon (in that state they are called "big wheeler-dealers"), Clinton Murchison is perhaps the most interesting. Murchison, who operates as a team with his friend Sid Richardson, has broad national connections and responsibilities in the financial and political world of the inner oligarchy; hence his and Richardson's support of McCarthy has been more reserved and has recently begun to be hedged with many reservations.

Murchison derives from a small-town banking family, and got his start selling and buying oil leases during the golden oil days of the early Twenties. He made a small fortune on the strength of words whispered by Dame Rumor, who is so important a woman around every speculative business. He then got into the production end of the business, rolled up \$5-6 million by 1927 (selling "hot oil" in violation of quota regulations, some say) rode out the depression and in the late Thirties, gambling on the growing belligerence of inter-imperialist rivalries, put himself deeply in hock to lay his hands on every tangible asset he could. The war and post-war inflation lifted him to the heights.

His mode of operation has been so characteristic of the new tycoon everywhere that it is worth noting. Murchison disdained mature companies with steady income, calling them "widow stocks." He struck out instead for big capital gains, which offer a way to make money in large chunks, and which are taxed at much lower rates than dividend income. Thus his career, like that of most of the new tycoons, has become a complex web of "spinoffs"—new companies spun out of old—with the "sale" profits pocketed. Murchison has spun these companies like a busy spider, until he has surrounded himself with a complex web of credit and profit.

After World War II, like others of the new tycoons, Murchison was compelled by his vast accumulations of capital and credit availability to embark upon a diversification program. This has put him in many businesses, with combined assets of over \$300 million, a sort of minor league Rockefeller empire. He is in chemicals and insecticides, cabs and local banking, candy and drygoods, fishing tackle and fishing bait, appliances and silverware, drive-ins and motels, restaurants and bus transportation. He controls Diebold, Inc., of Canton, Ohio, makers of office equipment, and the major sports magazine *Field and*

Stream. He owns a good piece of the Missouri Pacific railroad, and purchased control of New York publisher Henry Holt, gambling on the textbook boom. (His sole advice to this company was to publish a book on gin rummy.)

THESE HOLDINGS illustrate another important point about the new tycoons. They are not often able to break into the basic industries monopolized by the oligarchy, but have penetrated all the interstices of trade and production left open by the plutocracy, or freshly opened by the boom. The soaring consumer industries have attracted them, and highly speculative fields like the fast-rising real estate market. The wheeler-dealers have thus been the angle-shooters of the post-war boom, the speculators who reproduce in the more limited present fields the buccaneering of the tycoons of three-quarters of a century ago. They toil not, neither do they spin; like a man at the races they are always on the lookout for a fast buck—only with them it's a fast ten million.

With all of their publicity, the Texas millionaires are still badly dwarfed—not in personal wealth, where they are second to few, but in basic corporate wealth and power—by the giant oligarchic trusts which have been in existence for many decades. And, it is interesting to note, being a Southern oil man does not make one necessarily a McCarthy supporter—not if you are in the majors. The bush leaguers are the more typical McCarthy supporters; the Republican head of a Southern *major* oil company, by contrast, called McCarthy "beyond the pale."

Delhi Oil, a \$70 million capital stock corporation, which is sponsoring a \$300 million transcontinental gas pipeline in Canada, is Murchison's bid to break into the majors in oil. With his associate Richardson, Murchison recently got on the board of New York Central, after helping Robert R. Young take over that road. The Morgan interests were defeated in this sensational feat by Young, who is something of a cross between a new tycoon and oligarchic magnate, but it is more likely that the Young crowd will tend in the long run to merge into the oligarchy rather than continue to fight it.

Robert Young is a nodal center who serves to connect many of the biggest of the new tycoons. He now works closely with New York's biggest example of the new tycoon, William Zeckendorf, who, starting with a deficit of \$127,000 in 1942, rode the real estate boom to a cool \$75 million fortune (through which he controls an additional \$250 million) in the most dramatic exhibition of solo financial virtuosity of recent years.

THE NEW TYCOONS maintain a network of political connections on the local and federal level, attracting in their wake, as could be expected, the most reactionary of the demagogues. The political stables are maintained only partly for propaganda purposes; they have other important uses. In an age when a single small war contract, barely noticed by the oligarchy and diverted towards a friend by a busy politician, is enough to turn the owner of a small parts shop into a multi-millionaire, no aspiring tycoon can afford to neglect the ins and outs of influence-peddling politics and of legislation for gain. A comma altered in the tax laws, a clause inserted in one or another

Drink Up — Or Down

REALTY NOTE: Some unrevealed details about Robert R. Young's plans for constructing the world's largest building on the site of Grand Central: It will include the most modern opera house in the world, and may become the new home of the Met. The building will be shaped like the bell tower of San Marco Square in Venice. The elevators will be glass-enclosed, operating like a ferris wheel, rising up and over the tower and then descending, giving paying sightseers a view of the city. Each elevator will have a bar in it.

Columnist Leonard Lyons

bill where it will do the most good, can fatten a few more of the sharks that dart in and out energetically among the more massive whales of industry.

Norman Biltz, the new tycoon who rules Nevada in partnership with that shrewdest of McCarthyite Democrats Senator McCarran, is an excellent case in point. Biltz's vast financial resources are in good part a creation of Nevada's senior Senator; just as Army officers are gentlemen by act of Congress, Biltz is a tycoon by act of the Nevada legislature.

Starting as a rather impecunious western floater (he was a strikebreaker on the San Francisco waterfront during the Twenties), Biltz hit upon the idea of selling Nevada estate plots on the Lake Tahoe front to selected wealthy men, the gimmick in the deal being Nevada's lenient tax laws. Nevada had no state income tax, nor sales, gift or inheritance taxes, nor, most important of all, any tax on intangible assets (securities, bank accounts). Biltz prospered, but the wealthy refugees from more tax-prone states, not being fools, soon began to clamor for assurance that the tax laws wouldn't be altered. At first, Biltz could only give them personal pledges, but he was later able to have Nevada's existing tax laws *written into the State Constitution*, which takes at least six years to change!

Biltz and McCarran pressed their object of making Nevada a rich playboy's paradise, to the greater profit and power of the real estate and gambling interests, by, in 1931, legalizing gambling, which had been outlawed since 1911, reducing residence requirements for divorce, and making the sale of liquor legal 24 hours of the day, seven days a week. With the war, and the possibilities for greater and diversified turnover of capital, Biltz mushroomed as another of the new tycoons, distinctive in that his domain—some call it a dukedom—comprises an entire state.

Today, Biltz has his fingers in just about everything in the state, from oil to hotels. He has flowered out as a huge-scale rancher, and besides the 44,000 acres he owns, has federal grazing rights to a million more. The faithful McCarran periodically sponsors exceptions to his own iron-fence immigration law of 1950, which the President dutifully signs, to provide for the importation of Basque sheep herders for his state.

Biltz is a Republican while McCarran belongs to that party of liberalism, the Democrats, but this bothers neither of them. The difference between the parties, they say, is of little importance. "In the Nevada elections," says Biltz, "what most of us are interested in is getting the right kind of people, and we don't give a damn whether they are Democrats or Republicans." McCarran, Biltz adds, "is the greatest Senator Nevada could possibly have." And, in a moment of pure candor, Biltz painted a complete picture of the beauties of politics in his state when he said: "You couldn't elect an alderman in New York City for \$30,000, and yet that's all it costs to elect a Nevada Senator." The ultimate argument for being a big fish in a little pond.

THE INFORMATION that is before us has certain unmistakable meanings. The oligarchy of American capitalism, massive, matured in power and responsibility (not

to the people but to its own interests), is committed for the present to a certain line of domestic and international policy. Occupying secondary positions on the rungs of the corporate ladder below the oligarchs, are the brash new tycoons. New to wealth and controlling only its fringes, they compare with the oligarchy as privateers with a naval force.

The new tycoons, constantly challenging, trying to find a road into the centers of power, show a surprisingly uniform affinity for the new politics of capitalism, the McCarthy semi-fascist type. We can enumerate a number of reasons:

- For their money-making projects, the new tycoons rest heavily upon special political help, and for this object as well as for the reactionary atmosphere that such special-interest legislation calls for, they turn naturally to an extremism of the Right, and encourage it to grow.

- Unaccustomed to the flexibilities and compromises of power-wielding on a national scale, they believe their new wealth can buy anything, including absolute security. This feeling, the McCarthy politicians try to reflect and fulfill.

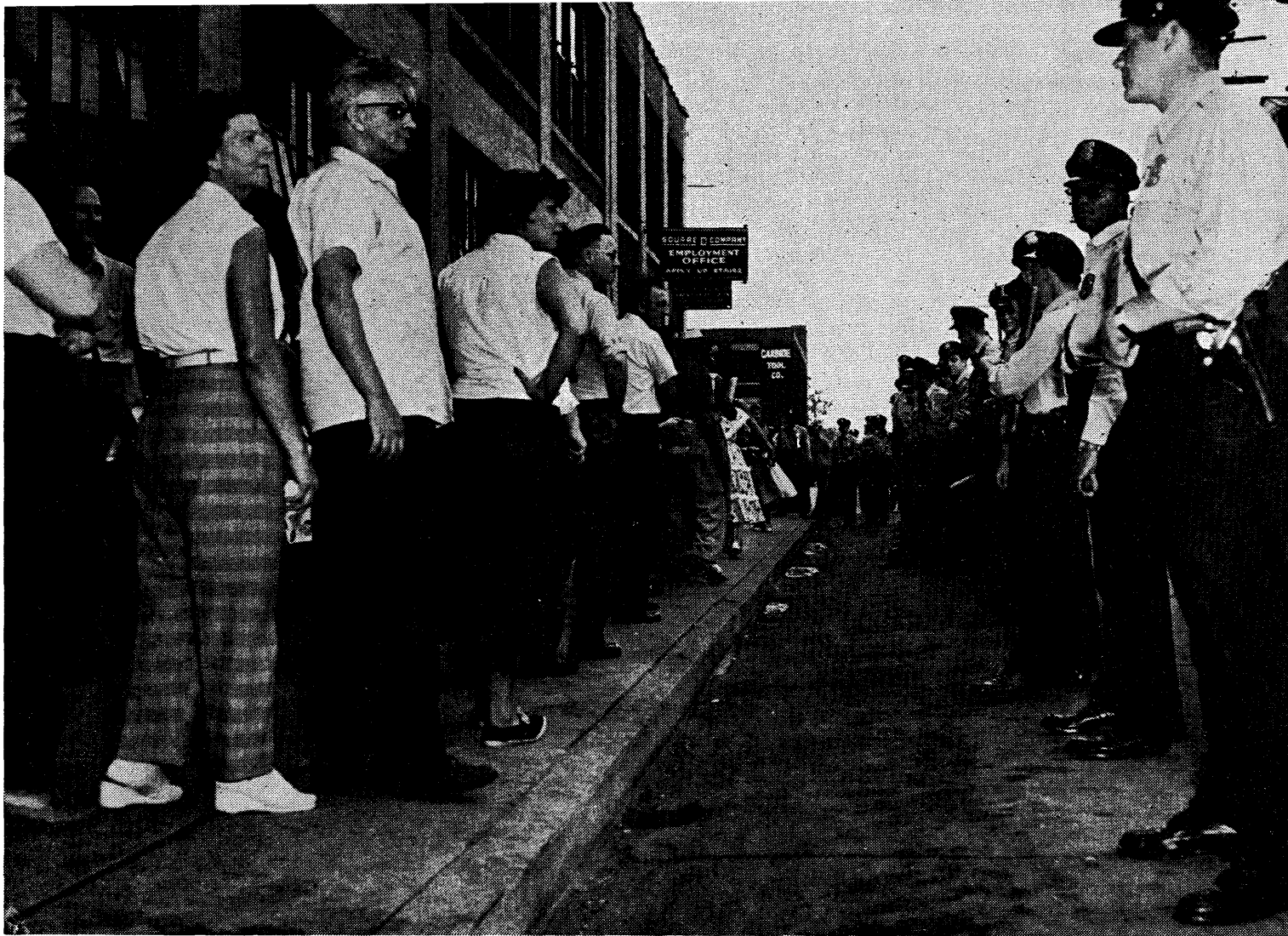
- The same hysteria extended to the international arena produces the extremisms of the dump-the-allies preventive-war mania more quickly than among the big oligarchs, who tend to be restrained by their greater experience and by their long-standing imperialist obligations and commitments.

- Anti-communism of the McCarthyite variety, in a certain facet of its use by the new tycoons, has nothing whatever to do with communism, but is being employed crudely as a bludgeon against the power and policies of the oligarchy. When they call Paul Hoffman of Studebaker and Ford Foundation the "grey eminence of American communism," they are only striking out against their oligarchy opponents with the weapon which they have found to be most effective in today's atmosphere.

The split in the ruling class is important, but it would be dangerous to exaggerate it, to place reliance upon it, to think of the Dulles-Brownell-General Motors-Acheson-Wall Street crowd as a serious bulwark against the extreme Right. None of the differences are fundamental, and not only Brownell or Dulles, but at times even Humphrey, Morse, Lehman, Douglas in the Senate, act just like McCarthy.

Whatever may be the individual fate of McCarthy, the oligarchy won't stop the new politicians, because, while they have the power to do it easily, they don't want to destroy them but to keep them in reserve. Thus the relations between the new politicians and the old, like those between the new tycoons and the old, are compounded of a curious mixture of antagonism and cooperation. Like locomotive fireman and engineer, one guides the train while the other supplies the steam in the drive towards police state and war. If they have their quarrels, they also push towards the same ends, and even their public quarrels help them to work as a team, disarming opponents who hope to "leave it to Ike."

Thus if there is a policy split in the ruling class, and if this split does have certain economic and political roots which we have tried to expose, this split is by no means basic, and can become more ephemeral and even vanish, depending upon the turn taken by events.



Square D Strike:

Detroit Labor Meets the Challenge

DETROIT, Sept. 14
NEWSEEEK magazine carried a story that the Square D Company of Detroit has "decided to become a pioneer in the squeamish business of strike-breaking." It seemed like a good place to start "pioneering," as Local 957 is affiliated to the independent UE, which had been expelled from the CIO, and the Square D workers had just voted in May in an NLRB election in favor of the UE and against the CIO.

The company prepared its conspiracy carefully. It forced the workers out on strike June 15 by demanding a no-strike clause in the contract such as is contained in no union contract in the city of Detroit. Then it let go with a barrage which, it was confidently expected, would quickly wipe out this small, isolated local.

An attempt to smash a union, triggered by Congressional anti-labor legislation, has aroused Detroit labor to massive action.

The workers were hit from all sides: inflammatory attacks by the daily press, company threats that it would move out of town, wholesale firing of strikers, threats to discharge all strikers, a Taft-Hartley damage suit for \$210,000 against the union, impounding of union funds, the cry that war and atomic work were being held up, a company announcement that the union agreement was being scrapped, white collar and salaried personnel ordered to do production work. This vicious offensive was powered throughout by red-baiting of the crudest variety. The company attempted to drown the actual strike issue in a wave of "anti-communism."

For twelve long weeks the Square D strikers were marching the picket line with practically no support from the rest of the labor movement. It seemed only a matter of time before they would have to surrender to superior strength.

Then, with the passage of the anti-communist law in Congress, the company and public officials moved in to kill the strike. The House Un-American Committee, which

had "observers" on the scene, let it be known that it would subpoena international officers of the striking union. Rep. Clardy of the committee broadcast that two of the leaders were allegedly communists (although one was in Lexington, Ky., and the other was an office girl in St. Joseph, Mich., and neither of the two had any connection with the strike).

On Sept. 7, the company suddenly rushed about 180 scabs into the plant early in the morning before the pickets had arrived. The following day the same thing was attempted, with a big contingent of cops roughing up the pickets, and the mounted police smashing into the lines and injuring three strikers.

The company also ran big ads in all of the papers, signed by a number of the scabs, which stated: "We're not fighting any legitimate labor union or the company. WE'RE FIGHTING COMMUNISM. We're not crossing a picket line—we're crossing a communist line. AND WE'RE PROUD OF IT!"

AT THIS MOMENT, when the strike seemed on its last legs, the labor movement was aroused to the danger. It now dawned on the more alert Detroit union leaders that if the manufacturers got away with smashing this strike, all of Detroit was in for plenty of hard knocks. As the officers of Ford Local 600 summed it up in the lead story of September 11 *Ford Facts*, "Detroit labor is slow to arouse, but once it comes awake, it is ready to fight." And fight it did.

The development of the struggle can be gauged from the changing local newspaper headlines. On Friday morning, September 3, the *Detroit Free Press* headline read: "Red Plot Is Aimed At Auto Factories—Colonizers Take Jobs on Lines—House Probers Cite Flint Case." On Friday afternoon, the *Detroit Times* ran a banner headline: "Police Battle 500 Pickets—Police Lead Workers In Plant." A few days later, the headline changed to: "UAW Locals Aid Strikers—Square D Pickets Mass In Defiance of Court—Hundreds March On Plant Gate."

What led to this remarkable change in the situation, and the intervention of the labor movement against the attempted strike-breaking, was the action of a number of independent Detroit UAW leaders, notably Paul Silver, President of the Detroit Steel Products Local 351, and

Carl Stellato, President of Ford Local 600. Apparently, they arrived at an agreement with the Square D local leaders to keep out of the strike situation any UE officers alleged to be associated with the communists, and very likely there was a tentative understanding concerning eventual affiliation to the CIO.

Immediately afterward, a number of the officers of the most important of the non-Reuther locals pledged support to the strike, including Ford Local 600, Dodge Local 3, Detroit Steel Products Local 351, Budd Local 306, Plymouth Local 51, Hudson Local 154, De Soto Local 227, Detroit Chevrolet Local 235 and Chevrolet Forge Local 262. Hundreds of workers from these locals appeared on the picket line. The battle thereupon went into high tension.

The *Detroit News* lead story of September 9 conveys the strong impression that the tide was beginning to turn: "Hundreds of hooting and jeering pickets poured into the streets surrounding the Square D Company plant today threatening a showdown with police and ignoring a Circuit Court order against mass picketing at the main gate, 6060 Rivard, near Piquette.

"The explosive situation developed after last night's melee with police in which two pickets were injured and three arrested in two separate attempts to attack employees who had gone back as they were leaving the plant."

EVEN THE SLANTED newspaper stories could not conceal the calculated brutality of the police. The *Detroit Times* reporter described the picket line scene in the following way: "Ninety policemen surged against milling, screaming women pickets today to protect eight women and two men workers who entered the strike-bound Square D Company plant. The skirmish was handled by officers on foot, with gas masks ready, but mounted policemen and others armed with tear gas guns stood by until quiet was restored. In readiness at the Detroit Infantry Armory, Piquette and John R., only three blocks from the plant, were two police commando squads of 10 men each. They were prepared to speed to the scene in armored trucks."

The *Detroit News* reporter follows up with this description of the next scene: "During the police-herding operation, some pickets were crowded against a high wire

"Within The Unity of Labor Lies The Salvation of America's Workers"—Carl Stellato

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VOL. 20

72

DETROIT, MICHIGAN, SATURDAY, SEPTEMBER 11, 1954

No. 37

Detroit Police Act As

STRIKE BREAKERS

fence at the plant. Others were jammed between police horses. One picket got his ankle caught in a fence and the police clearing action was delayed until he was released. Mrs. Mildred Hill, a picket, was sent to Receiving Hospital for first aid to a finger which she charged was injured when a mounted officer kicked her or when his horse pushed a stirrup against her."

Next day an angry set of unionists gathered at the Police Commissioner's office and demanded that he withdraw his army of cops, end his scab-herding and strike-breaking activities, and put a stop to the police brutality. The outcry against Police Commissioner Piggins continued to mount until the City Council requested a report on the police activities.

MEANWHILE, the Reuther administration of the union, which had ignored the whole affair, was impelled to take a position, now that many of the locals were in the strike up to their armpits. Emil Mazey, International Secretary-Treasurer, issued a statement backing the strike, but at the same time telling the workers to get out of the UE: "The Square D workers have legitimate demands and legitimate grievances which demand redress. Their major objectives are wages and conditions already largely in effect in Detroit industry. We do not want to see these workers suffer in a squeeze play between an unscrupulous management and a Commie-line leadership. We urge the company to sit down and negotiate a fair agreement.

"When this is done, we would like to see the Square D workers eliminate the possibility that they will be caught in any future squeeze plays like this one by getting back into the mainstream of the American labor movement and joining the IUE-CIO."

The daily press had been playing up the division inside the UAW and emphasizing the point that all the UAW locals supporting the strike were critics of Walter Reuther. They seized upon Mazey's statement to further drive home the wedge. The *Free Press* declared: "Most of the UAW leaders were members of a faction that is frequently at odds with the so-called 'right-wing' administration of UAW and CIO President Walter P. Reuther. The UAW International has refused so far to heed a UE request for picket-line support. Emil Mazey has issued a statement deploring the use of police for 'strikebreaking.' At the same time, however, he branded the UE, which was ousted from the CIO in 1949 as a union with 'Commie-line' leadership."

In an editorial, the *Free Press* offered this analysis of the real lowdown: "The International UAW has wisely adopted a hands-off policy. The locals that have acted on their own are headed by leaders opposed to the International union administration. The suggestion is that union politics are therefore playing a part in a situation where politics have no place. The employment of mass picketing techniques is only an invitation to riotous conduct, and that cannot be tolerated in the streets of this city."

The pressure of the struggle was too great for the International to simply limit itself to Mazey's verbal gesture of support. The strike was in the headlines every day, court action against the strike leaders was threatened, and the cry became more insistent for all-out solidarity to crush this brazen attempt to reintroduce strike-breaking in the heart of the auto union city.

On Monday, September 13, the International UAW announced its full backing of the strike and asked local unions to give financial and picket line support. At the same time, officers of 14 UAW locals representing 200,000 members met to pledge "full moral, physical, and financial support to the Square D workers." They set up a 6-man strike strategy committee, including Stellato, Silver, Harry Southwell, President of Local 174, and Ken Morris, President of Chrysler-Briggs Local 212. The inclusion of Southwell and Morris was of special importance, as the two are highly prominent spokesmen and supporters of the Reuther administration. The creation of this strike strategy committee was heartening news to all of Detroit labor, as it meant that the UAW had closed ranks to ward off the company attack, and, in effect, had taken over the leadership of the Square D strike.

THE NEXT DAY, the union gave its fighting answer to Mayor Cobo's "get tough" policy when the flying squadrons of leading UAW locals of both factions demonstrated their strength and solidarity. Representatives of the participating locals agreed that Paul Silver should serve as spokesman for the CIO in the strike.

The display of strength had its effects and the strike-breaking front began to fold up. By Monday, September 13, the company admitted that far fewer scabs were reporting for work. The company vice-president received a telegram that same day signed by 15 persons who had been reporting for work during the strike and announcing that they would now stay away. The telegram stated that they had originally returned to work because they were "unable to trust the communist leadership of the UE international union. Now, however . . . the UE's significance in the strike is completely overshadowed by that of the CIO."

On the legal front, Circuit Judge Ferguson had issued a temporary injunction on September 3 limiting the number of pickets to five at each of the four entrances to the plant. After the mass picketing began, he issued an order against 22 strike leaders, asking that they show cause why they should not be held in contempt of court for violating the injunction.

But with the display of union power, the "get tough" boys began to speak more softly. Judge Ferguson adjourned the contempt hearing on September 14, asking both sides to try to come to an agreement and report back to him the following day. The *Detroit Times* explained:

"Circuit Judge Frank B. Ferguson, aware of the tense situation on the picket line which he has sought to regulate through court order, assumed the role of mediator today with a suggestion that both sides get together and iron out their differences. He asked the union to limit the number of pickets at the plant and the company to cease hiring new employees, while both sides bargain in 'good faith.'"

At this writing, the report has come through that the company has agreed to resume negotiations with the union. Labor people are confident that victory is in sight. Joseph Cheal, President of Dodge Local 3, told reporters: "Square D might as well give up, because they are going to be taken. If the UE doesn't, the UAW will."

Can wage-cuts save jobs? Studebaker has asked for and gotten such a cut; so have other corporations. Where is this course taking the unions?

Retreat Is No Answer

by Douglas Brown

be reduced to normal hourly rate levels from their jacked-up piece-work rate. The gist of their argument, however, was that the proposed changes would only bring Studebaker wages into line with General Motors, Ford and Chrysler.

After listening to these explanations, the members engaged in a two-and-one-half hour debate. The discussion convinced the 5,000 workers present that the proposal was not in their interest, and the meeting overwhelmingly rejected it.

THE MAIN ARGUMENT of the rank-and-filers was that wages in the Big Three ought to be brought up to the Studebaker level. This thought truly reflects a deeply ingrained UAW tradition. The constitution of the International Union says:

The International Executive Board shall protect all local unions who have succeeded in establishing higher wages and favorable conditions, and have superior agreements, so that no infringement by local unions with inferior agreements in plants doing similar work may be committed against the local union with the advanced agreements.

Article XIX, Section 6

Ordinarily, a democratic rank-and-file decision would settle the question. Not so this time. During the week that followed, every means of propaganda—radio, television, press—was used against these workers. The local South Bend television station, for example, granted the officers of the Studebaker Company and of Local 5 a full hour of free time.

The propagandists argued that South Bend would become a ghost town if the workers didn't take the cut, that homeowners would lose their homes, that cars would be produced in the Detroit Packard plant (recently merged with Studebaker). Even the mayor and city council got into the act with an appeal to civic pride. Leaders of the rank-and-file were hit with the accusation of seeking to make political hay out of the wage cut. The company announced cancellation of its agreement with the UAW.

Asher Lauren wrote in the *Detroit News* of August 15: "It can now be revealed that the leaders of the Studebaker Local, before the 'yes' vote in South Bend, were flooded with telegrams from local union leaders in the Detroit



STUDEBAKER'S PAUL HOFFMAN

A SCREAMING HEADLINE in the August 3 *Detroit Free Press*, "UAW Asks Pay Cut to Aid Studebaker," was the first shocking announcement to the auto workers that their union had adopted a policy of granting financial relief to the auto manufacturers. On August 5, Lewis Horvath, local president, explained to the members the wage-cutting and other concessions which union officers were recommending for adoption: an average 15 percent cut in pay, which runs more than 40 cents an hour in some cases and averages 30 cents (the highest wage raise in UAW history was 18½ cents an hour); reductions of the late-shift premiums from ten to six percent; strengthening of company disciplinary powers; introduction of an arbitration system—in all, the giving-away of many years' hard-won gains.

The officers explained that these changes were being recommended to "increase employment." The company had been working at less than half-force for six months, and the 10,000 workers remaining on the payroll averaged only 20 hours a week. However, on the same day as the announced wage-cut proposal, the company stated that it was not considering a cut in the price of their cars. How Studebaker can sell more cars and increase employment without cutting prices remains a mystery.

The union officers further argued that there would be a change from piece work to hourly rate production, but could give no promise that production standards would

area and from coast to coast, the gist of which were, 'Don't take a pay cut!' This news was suppressed.

After a week of barrage, the overwhelmed Studebaker workers, isolated in the city of South Bend, with no news or reported support from the outside, caved in before the campaign of management and the union leadership in a plebiscite-type vote at an outdoor meeting.

THE ENTIRE pay-cut argument rested on the difference between Studebaker and Big Three contracts. It is true that working conditions are generally a little better in the independents than in the major firms. Two main factors operated to bring this about:

- Until very recently, bargaining with the independents—Studebaker, Hudson, Packard, Nash and Willys—has been conducted by local union officers, more responsive to the needs of the ranks. In contrast, the power to write GM, Ford and Chrysler contracts was taken out of the local union hands and shifted to international officers. Thus, as the sociologists phrase it, the "chain of communications" between leaders and ranks was more easily severed.

- The independents' strength in contests with the union is decidedly weaker than the power that a General Motors can marshal.

The one-at-a-time bargaining strategy, clung to by UAW officials, has proven inadequate. The tail (independents) is unable to wag the dog (Big Three). The better working conditions in the independents have not become the industry yardstick; instead, Big Three inferior agreements have become the standard. A uniform industry agreement, established in industry-wide bargaining, would have prevented the present rat-race. Under the present setup, the employer can and does transfer the problem of inner-industry competition to competition between workers to determine which can work for least in a market which does not provide jobs for all.

The Studebaker wage cut actually lowers the standards of these workers *below* those in the Big Three. The higher Studebaker rates were *piece work* rates. No time-study expert is needed to inform auto workers that such rates are offset by the man-killing production rates which result from such a system. By reducing wages to Big Three levels while maintaining piece-work production standards, Studebaker has driven working conditions even lower than the Big Three.

IS STUDEBAKER now at least in a competitive position? Will there be more jobs? A review of the pertinent economic data is not reassuring. Close to \$3 billion has been allocated by GM, over \$1½ billion by Ford, and \$300 million by Chrysler for a modernization program so stupendous that the new word, "automation," had to be coined to describe it. At the same time, there has been a ten percent reduction in car production and sales, at the expense of the independents.

These two facts combined to reduce the total auto work force approximately 215,000 between April 1953 and May 1954. About one-fourth of this number is probably permanently laid-off.

In the face of this situation, wage cuts were tried at Kaiser-Willys, at Bohn Aluminum, and elsewhere. Nowhere have they succeeded in creating more employment,

but only in lowering purchasing power (and thus job opportunities) and in emboldening employers to ask for more. Steven A. Girard, vice-president of Kaiser-Willys, is now asking for a second wage-cut, and says "We have received excellent cooperation from the union. . . . We are confident it will continue that way."

Even Chrysler is demanding concessions from the union, now that the top leadership has opened the flood-gates. L. L. Colbert, Chrysler president, made a special appeal in person at a national Chrysler union conference held August 25. Such conferences were once reserved for planning strategy in the fight for better conditions at Chrysler. Colbert sought to convert it into a pep rally for Chrysler products.

Even after all the concessions made to Studebaker, Paul G. Hoffman says his firm is not in a competitive position. He conceded publicly that General Motors has the profit margin and the resources to put every other auto manufacturer out of business. "But I have no fear of any price war that would destroy the independents," Hoffman said. "General Motors knows that it would soon be broken up if it became a monopoly. . . ." Thus Studebaker workers, even after their terrific wage- and condition-slash, are told to rely on General Motors' fear of anti-trust prosecution (from this administration in Washington!) for their job security.

GEORGE W. MASON of American Motors (Hudson-Nash) states the case bluntly when he says: "The independents obviously can't live on five percent of the business." Yet, in the first six months of 1954, their combined share was only 5.9 percent of the market. This is the hard economic fact behind the independents' troubles. It is for this reason that rumors persist in auto financial circles that all of the independents will merge within a year.

The crisis in auto has created a new set of problems for the union. What to do with 8,000 Murray workers? With the 10,000 permanently laid-off Hudson workers? With the thousands of older men who have 25 years or more seniority and no jobs? What to do with their pension rights, if, indeed, they have any after their job is eliminated? How to attack the growing GM-Ford monopoly? How to maintain full employment in an industry where fewer cars are being sold, and these fewer are being built by ever-fewer people.

The scheduled November UAW national pre-contract conference can be the starting point for the solution of the crisis. The establishment of an industry-wide agreement, which will create uniform wages and working conditions, is a minimum requirement. The creation of an industry-wide pension pool and job pool to take care of permanently displaced workers must be undertaken. Shorter hours of work without a reduction in take-home pay, to provide work for those eliminated by speed-up, automation, etc., is most important of all.

So far, the ranks have only heard the company side of these issues. The union leadership has not introduced any program. The result has been confusion and demoralization in the ranks. It has made workers the easy victims of company demands. It is time the union adopt a positive program and rally the membership for a counter-attack.

The split in the Republican Party, really a split in the ruling class, is behind Representative Reece's investigation of the monied foundations.

Political Probe

by Fred Gross

ON APRIL 23, 1953, Rep. B. Carroll Reece (R., Tenn.), former GOP national committee chairman and ardent Southern Taft supporter, introduced a House resolution asking for an investigation of philanthropic foundations to determine whether they "are using their resources for un-American and subversive activity."

In view of the fact that the foundations which were to be the target of the investigation are associated with some of the most reactionary and well-heeled personages in the country, such as Ford and Rockefeller, this announcement was greeted with much incredulity. But Reece pressed his charge. "There is evidence to show that there is a diabolical conspiracy. . . . Its aim is the furtherance of socialism in the United States."

Reece was supported in his demand for an investigation (there had just been an investigation which had "cleared" the foundations on the subversive count) only by the most hysterical of the Republican reactionaries, like Hoffman, Clardy and their ilk. A majority of congressmen who took the floor opposed the Reece resolution, but it was passed anyway. Columnist Doris Fleeson reported that "the House grapevine says that Martin (Speaker of the House) and Halleck (House Majority Leader) badly needed a Reece vote on the Rules Committee in the excess-profits tax struggle last year and that Reece traded it for his investigation appropriation."

Reece has charged the foundations, notably those endowed by Ford, Rockefeller and Carnegie, with advocating "internationalism," sponsoring "socialistic and collectivistic" concepts, and undermining "American traditions." Among grants criticized by the committee "experts" were those to the Encyclopedia of the Social Sciences, Teachers College, University of Chicago Round Table discussions, Public Affairs pamphlets, the National Education Association, the Kinsey studies of sex behavior, and Gunnar Myrdal for his "American Dilemma," the study of the Negro American. The Ford Foundation came most heavily under attack for its activities in India, its Fund for the Republic, and its grant to the Advertising Council for a "restatement of the principles of American society."

IN THIS free-swinging record of the committee charges, it is hard to tell where seriousness ends and lunacy begins. For this reason, there has been a tendency on the part of most of the press to dismiss the investigation as a farce. The antics of various "experts" and "researchers," one of whom saw "communism" in an 1891 papal en-



B. CARROLL REECE

cyclical which was read to him, certainly provided much ground for hilarity. But there is a good deal more behind the investigation than appears on the surface.

Reece's vendetta against the foundations is closely connected with the current factional division within the Republican Party. It is part of the overall plan of ex-Taft and present McCarthy elements to discredit and immobilize their Dewey-Dulles-Eisenhower opponents in order to capture the party. Reece's resolution, interestingly, followed by two weeks a McCarthy foray on the foundations.

This division in the Republican Party, symptomatic of the discord in the capitalist class, is rooted in the difficulties faced by that class in prosecuting the cold war for the preservation and extension of capitalism. Where the decisive section of the capitalists, unwilling at this time to abandon the traditional framework of government which it has painfully constructed over the years, and confident of its ability to impose a police state through "orderly," step-by-step processes, seeks to cope with the crisis with the means at hand, the "irresponsibles" proclaim the failure of constitutional processes and aim at a reversal of the traditional modes of governing. They attribute the defeats of capitalism in the face of spreading revolution to "conspiracies" and "coddling" initiated by the New Deal and continued by Eisenhower. And, more often than not, the wild charges are advanced more as a club, a weapon in the struggle for power, rather than because their makers really believe them.

At the end of 1952, the Ford Foundation established the Fund for the Republic, with an operating grant of \$15 million. Despite Rep. Reece's outcry that this Fund would be a "king-sized Civil Rights Congress" designed to defend communists, the Fund for the Republic in reality expresses nothing more than the *present* desire of the major capitalists to contain McCarthyism within limits consistent with their own immediate aims. By sponsoring various "liberal"

forums and research and discussion projects, the Fund provides aid for anti-McCarthy sentiment while leaving the roots of McCarthyism undisturbed and bolstering the Eisenhower concept of an "orderly" and "constitutional" police state.

A RECENT column by the Alsop brothers throws light on the background of the investigation. It revealed that "Rep. Brazilla Carroll Reece, the old Taft delegate-hunter-in the South, told Rep. Roosevelt that he and other like-minded Republicans were ready to help Roosevelt against Dewey in any way they could. This extraordinary offer, which Roosevelt creditably did not accept, was repeated by another leading figure in the old Taft group. . . ." Clearly, the faction of the Republicans with which Reece is associated is willing to go to any length to gain a victory over the Republican Party's major wing, a fact which goes far to explain the anti-foundation witch-hunt.

In New Jersey, a violent attack is currently being launched against Republican senatorial candidate Clifford P. Case by the Taft-McCarthy wing of his own party. "Case is actually an Eisenhower Republican of the strictest sect," the Alsops comment, "but according to the *Selvage* booklet [*Selvage* is a public relations man who used to work for Taft], the Republican senatorial nominee in N. J. is no better than a creature of the CIO and the ADA. . . ." It should be noted that Clifford Case is an important figure in the Fund for the Republic.

Under heavy fire from the dominant Eisenhower Republicans, Reece was forced to discontinue his investigation. Soon after that happened, however, Sen. McCarran (D. Nev.) attached a "sleeper" to the omnibus tax bill that would have denied tax-exemption to foundations granting funds to "subversives." This was soon thrown out by the Senate. Since the committee sessions were halted before the foundations could make a presentation of their case, several of them have issued statements blasting the committee.

On July 22, a telegram was sent to the Senate urging it to "deal resolutely with an abuse of power or contempt of its traditions . . . which threatens the orderly and equitable processes of our constitutional system." Prominent among the signers of the blast against McCarthy was Paul G. Hoffman, head of the Fund for the Republic. Sen. Flanders (R., Vt.) is reported to rely heavily on Hoffman's advice in his attempt to have the Senate pass a resolution deploring McCarthy's "flagrant abuse of power."

THE MODERN foundations began to flourish after 1913 when the income tax amendment took effect. Less than 20 foundations were established between 1800 and 1913, but their number increased by more than 80 during the period 1913-1930. Generally, they were intended to provide corporations with the means of escaping huge tax assessments while retaining industrial control. For example, when John D. Rockefeller Jr. tried to oust Robert W. Stewart as chairman of the Standard Oil Company of Indiana in 1929, he voted, in addition to other holdings, the assets of the Rockefeller Foundation, which is tax exempt.

As corporate profits increased and avenues of profitable new investment narrowed, the foundations grew in scope and influence. While previously they had concentrated on medical and other scientific research, their interests—paralleling the growth of the large corporations controlling entire cities and dealing with huge masses of workers on all continents—now began to broaden considerably. Many of their current ventures are along educational and sociological lines, and have furnished material of scientific interest. Backing these activities are enormous assets, the Ford Foundation alone boasting funds of over a half-billion dollars.

An important clue to their role was furnished in a 1952 Congressional report: "Their dominant and most significant function has been displayed in supplying risk or venture capital expended in advancing the frontiers of knowledge. . . . With large sums of money to back their judgment and with complete freedom to spend the money on calculated risks, they are able to do that which neither government nor individuals, nor even small foundations, could or probably should attempt. . . ."

This research, admittedly of great social value but the fruits of which are primarily appropriated for private profit, is pursued on a tax-free basis. Besides, the foundations have increasingly engaged in long-range *political* projects on behalf of the basic interests of American capitalism. Among these have been such semi-official Ford Foundation ventures as the National Committee for a Free Europe, a resettlement campaign for exiled professionals, the East European Fund (formerly headed by George F. Kennan and known as the Free Russia Fund), the Free University of Berlin, and various other such cold war experimental and harassment programs.

Since the Republican election victory, the big foundations have become propaganda and research auxiliaries of the Big Business government in a very direct sense. The great majority of the foundation trustees are Republicans, and come from the dominant Wall Street financial circles which backed Eisenhower against Taft at the 1952 Republican convention. They are "international-minded" in the sense that they have a more urgent appreciation than their narrow opponents of the global interests of the capitalist system and of U.S. capitalism's unique position as the main supporter and strategist of their crisis-ridden system. A third of all Rockefeller Foundation grants is spent abroad, and the Ford Foundation is pouring vast sums into semi-official ventures overseas.

A brief survey of the Ford Foundation shows the preponderance of Eisenhower tycoons. Among its trustees are, or have been, Henry and Benson Ford, Frank W. Abrams (Standard Oil, N.J.), Paul G. Hoffman (Studebaker Corp.), James E. Webber Jr. (J. L. Hudson Co.), Donald K. David (G. E. director), H. Rowan Gaither Jr. (Rand Corp.), and Charles E. Wilson (G. E.).

The foundations represent the global interests of the most far-sighted and sophisticated section of U.S. Capital. They are being attacked by the extreme know-nothing, provincialist and adventurist wing of U.S. capitalism, which is taking advantage of the present difficulties in U.S. foreign policy to push their line and expand their influence.

Witch-hunt hysteria still hasn't died down in Flint. Evidence shows fascist-type groupings working behind the scenes.

Hooliganism, Inc.

FLINT
THREE MONTHS have passed since the visit of Kit Clardy and his House Un-American Activities subcommittee to this industrial town, and the pot is still boiling. To date, eight workers have lost their jobs and the union locals have suffered from the activation of all those reactionary sentiments that lie dormant in a city whose workers are in large part recent migrants from the deep South.

Our previous report on the Clardy committee ["Clardy Finds an Opening," July 1954] described the situation immediately up to the end of the hearings. At that time, the international officers of the CIO United Auto Workers announced the intention to defend the right to their jobs of the workers who had been subpoenaed by the witch-hunting committee. The union also recommended that those who had been subpoenaed take a two-week voluntary leave of absence to permit the hysteria to subside. With few exceptions, that recommendation was complied with.

It is probable that, left to its own devices, the hysteria generated by the hearings would have, in large measure, been laid to rest with the passing of the two weeks. But the subpoenaed workers, when they returned to their jobs, found themselves greeted by a hate atmosphere raised to a new pitch of intensity. It was soon evident that new elements had prepared the greeting.

THE MAIN operation was centered around Chevrolet Plant 5. Two of the subpoenaed workers were employed there on the second shift. Their reappearance resulted in a confused series of work stoppages and several acts of violence against them. A district committeeman named Harold Green was the instigator and ring-leader.

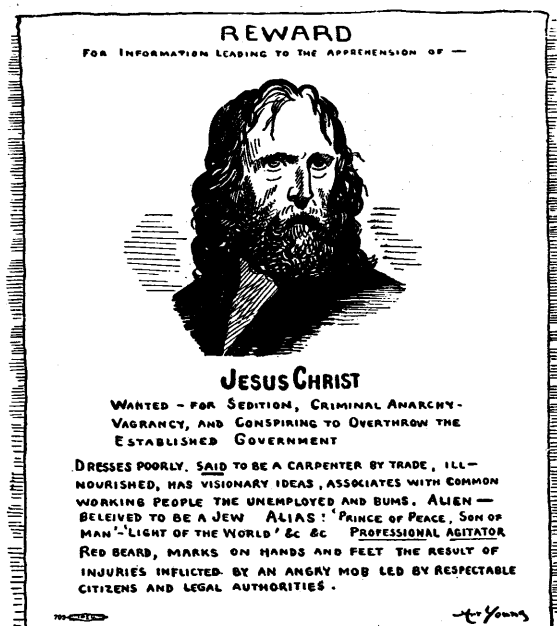
The following morning, Harold Green and a number of people who were apparently not employed at Chevrolet distributed a leaflet requesting that the first-shift workers "help us eliminate the communist element from our local union." They announced the further objective of the elimination of "communists" from "all plants where they work."

At the start of the second shift, Green appeared at the gate with approximately a dozen outsiders, distributing his leaflets and urging the men not to go to work. It was evident to everyone, including plant management, that the whole effort was the result of an organized plan by an outside group to make capital from the intensity of red-baiting in the community.

At one point, a couple of company cops made the record by asking some of the people who were not wearing company badges to leave. However, at that stage of the game, the crowd was sufficiently dense so that the outsiders were able to immerse themselves in it. The initial efforts of the Green crowd were successful, since the number of workers who stayed outside the plant was sufficient to cause management to shut down production for that shift. Both of the subpoenaed workers were assaulted when they appeared, and they were forced to leave the area.

It is difficult to determine the exact role that management played in this series of events. It is clear that the company looked upon Green's efforts tolerantly, and sought to exploit the situation for everything it was worth. Under ordinary circumstances, anyone directly or even indirectly connected with a "wildcat" strike would be fired immediately. General Motors is well known for its ferocity in dealing with wildcat situations. In this case, Green was reprimanded with a three-day suspension. This was management's way of blessing Green's efforts.

AT THE SAME TIME, the corporation announced that four of the subpoenaed workers, two at Chevrolet and two at Buick, were being fired for "falsification of [employment] applications." The union's international of-



ficers, who had placed an administration over the Chevrolet local some weeks before, handled Green by suspending him from his post as district committeeman. At the same time, increasingly alarmed by the turn of events, John Livingston, head of the UAW's GM department, together with a number of other international representatives, came in to address broad committeemen meetings to defend the stand of the union.

During the next two days, sporadic stoppages occurred. Finally management, concerned over the continual disruption of work schedules, announced that Green and two of his cohorts were being fired. From the articles which appeared in the *Flint Journal*, practically a GM house organ, it was evident that management was worried lest the workers draw too many conclusions about the virtues of direct action. The newspaper thus exhibited a ridiculous hybrid attitude, with inflammatory reports on the "red menace in the factories" combined with exhortations to stay calm and observe constitutional procedure in handling the problem.

As far as management is concerned, it has reason to be happy about the outcome. The hysteria caused the union leadership to scuttle its previous firm stand in defense of the subpoenaed workers' right to their jobs. The grievances filed by three of the four fired workers were dropped in short order, and it looks like the same will happen to the fourth. Management saw the green light, and in the following weeks four more workers were fired, all on variations of the same flimsy pretext of falsification of applications. At the time of this writing, seven of the eight grievances have been dropped, with the likelihood that the eighth will share the same fate.

IN THE LAST couple of weeks, some of the confusion in the situation has been clarified. The group for which Green was the spokesman distributed a printed leaflet calling upon members of the Chevrolet local to support them. The leaflet was skillfully written, again with the announced purpose of eliminating "communists" from the membership, and contained the unusual feature of an attack on management for keeping "communists" at work. This type of demagoguery has been a hallmark of the fascist-type grouping which has been endemic to Flint for years. It is not at all surprising that, nourished by the McCarthyite soil of the day, another such grouping should have stepped forward now.

It is to be observed that, during the course of discussions at the Chevrolet local, the name of a prominent local Republican attorney was mentioned several times in connection with this group.

Management is trying to suck every advantage it possibly can from the situation. With negotiations for the new auto contract drawing close, the *Flint Journal* has used the red scare as a peg for initiating a campaign of indiscriminate red-paint-slinging at everyone in the union from Reuther on down. And the union leadership has given way to the hysteria, step by step, and is now in full retreat.

Unless the union leadership reverses this retreat, it is clear that this anti-union assault around the "red" issue will weaken the union in the 1955 negotiations, and that the union men and women will pay for the weakness of their leaders in dollars and cents out of their future pay envelopes.

M. T.

The Day We Almost Went to War

Many of the dramas preparatory to the start of a new war have usually received wide publicity within a short period afterwards. However, the events associated with one war that almost began a number of months ago have been surrounded by a conspiracy of silence. It is only recently that some of the facts have come to light. An article in the Reporter of Sept. 14, "The Day We Didn't Go To War," tells the interesting story:

ON THE COLD Saturday morning of April 3, 1954, eight Senators and Representatives were called into a secret conference with Secretary of State Dulles, Chairman of the Joint Chiefs of Staff Radford, and various members of Eisenhower's executive branch. The congressmen, who included the Republican and Democratic leaders of both Houses, were told that President Eisenhower wanted a resolution passed by Congress to permit the use of U.S. air and naval power against the Vietminh in Indochina. Two U.S. Navy carriers, then "training" in the South China Sea, and U.S. Air Force planes based in the Philippines, were to be used to save Dien-

bienphu, then already under siege for three weeks.

Admiral Radford indicated that if an air strike failed to relieve Dienbienphu, it was to be followed up by other U.S. forces. Rarely had the matter of intervention been put so bluntly in a time of peace. And for a period of two hours and ten minutes, the leading congressional politicians of both capitalist parties came face to face with responsibility for unleashing a new Korea.

Two weeks earlier, General Paul Ely, French Chief of Staff, had said in Washington discussions that unless the U.S. intervened, Indochina would fall to the communists. Government officials felt that the French were weakening and might sneak out of Indochina at any time. Dulles warned the congressional leaders at the April 3 meeting that if Indochina fell, and its fall led to the loss of Southeast Asia, then the U.S. might eventually be forced back to Hawaii as it was before the second World War. Also, somewhere between General Ely's visit to Washington and the April 3 meeting, the National Security Council, Washington's highest policy making body, had taken the position that American inter-

vention in Indochina was immediately necessary. Panic and desperation reached such a high pitch that it was assumed that on April 3, Dulles carried in his briefcase the draft of a joint congressional resolution which would have touched off a new war in Asia.

However, despite the tremendous pressure, the April 3 meeting did not give birth to the new war baby, and Eisenhower's resolution was never brought before Congress. The Congressmen asked if Dulles had checked the attitude of U.S. allies. He had not. A week later in London, the British, point blank, refused to go along with a "Declaration of Intentions" which was to be issued to the world by the Allies when the U.S. military action began.

Though Dulles had planned to put American armed forces into Indochina immediately, the April 3 meeting made it clear that the Congressional leaders wanted the cover of foreign allies for the new war. This multilateral agreement, Dulles quickly found out, was unobtainable.

Neither the British, nor the shaky French government which followed Britain's lead, were willing to sanction a war in Asia which might very well lead into World War III. And when the Geneva Conference began on April 26, the well-laid plans of the administration for war had passed, for the time, into one of the cul-de-sacs of history.

by Our European Correspondent

BONN, Sept. 15
NINETEEN FIFTY-FOUR was to have been the year of the great showdown, in the calculations of the Pentagon-State Department planners. Everything was to have been in place—the military establishment, the political coalition, the economic power—ready for the grand move that would have put an end to the cold war, preferably by “cold” means but in a more forceful way if necessary. Instead 1954 has turned into the year of the great disappointment. The bewilderment must be acute in the councils where the “agonizing reappraisal” is being made. For years they have been moving nations and peoples like chess pieces on a board. Then suddenly, like in an ancient tale, the chess pieces came alive and showed a remarkable will of their own.

First there was Britain, where the “pawns” in the Labor Party spoiled the big gambit in Asia. Then there was France, where the National Assembly, acting under immense popular pressure, all but wrecked the plan in Europe. And now, of all things, West Germany, considered the most reliable piece in the line-up, is beginning to show the same kind of refractory life.

Before us are the fresh returns of the Schleswig-Holstein elections where Chancellor Adenauer had staked the fortunes of his Christian Democratic Party on his foreign policy and went down in a crushing defeat administered by his Social Democratic opponents. This was only a provincial election, to be sure, but coming on the heels of the other events we reported last month and at the very moment when Western Germany was supposed to have picked up the banner of the “anti-communist crusade” dropped by France, its significance is not to be underestimated.

We are nearing the end of the road which began at Potsdam in 1945 when the victors met to lay their plans for a conquered Germany. Not since the Scottish bard wrote his famous lines have the best-laid plans of men and diplomats gone so far awry.

It had been solemnly agreed that Germany’s dynamic economy, too big to be contained at home, must never be permitted to revive. Germany’s production is today higher than in 1936 and its race for export markets has already left British competitors gasping for breath, and is even giving concern to American businessmen.

It was solemnly decided to break up Germany into weak provincial states to prevent another “New Order” like the one Hitler had established over Europe. Today, Western diplomats are breaking their necks to reconstitute the structure, so badly damaged by France, for the unity of the “little Europe” which would inevitably be dominated by Germany.

It had been solemnly agreed that no German Wehr-

macht would ever march again, that the barbarous plague of Nazi barbarism would be exterminated for good. Today Hitler’s ex-generals are waiting impatiently for America and England to find the formula that will again give them an army. Ex-Nazis have honeycombed the Bonn administration. In justification of this full turnabout, it is cynically suggested, as it was at Munich, that if Germany is not given its head in the East it will surely take it in the West.

IT WAS IN the very nature of things that the Potsdam agreement should have been fragile and transitory. The war-time alliance had been a marriage of convenience between nations with antagonistic social systems. Reactionary circles always considered it a tragic mistake; they deplored the failure to launch their armed battalions against Russia after Germany’s defeat, and have been working frantically since then to retrieve that mistake. Had this counter-revolutionary design been successfully consummated, history and the German problem would have taken a different course. As war was impossible, the division of Germany between the occupying armies from east and west sealed the compromise that kept either side from full sway over Europe resulting from complete control over Germany. In the open conflict which finally blew up the war-time alliance, each side has pressed its portion of Germany into the struggle. Each side has revived its occupied zone, but in its own social and political image.

We shall not dwell at length on the Soviet zone at this writing. On the progressive side is the fact that the remnants of Nazism and Prussian militarism have been extirpated. They were pulled up at the roots. The big landed estates of the Junkers, breeding grounds of German reaction for more than a century, were divided among the peasants. Governmental institutions and judiciary, purged of the hereditary Prussian office-holders, were remade from top to bottom. Industry and trade were nationalized under state control. The youth, in larger numbers than ever before, receive the benefits of higher and technical education. But all of this was accompanied by brutal, ruthless methods which have had continuing repercussions throughout all of Germany. In the initial uncertainty of Germany’s future, Stalin lopped off the entire area beyond the Oder-Neisse rivers, which became a Polish Province, turning a million uprooted Germans loose on the rest of Germany as bitter, destitute refugees. Remaining plant equipment was dismantled and shipped into Russia together with huge levies for reparation of war destruction caused by Germany. Political liberty and trade union democracy were stifled, leading finally to the workers’ uprising of June 17, 1953.

The revival of the zones of West Germany occupied by

the U.S., Great Britain and France also followed a jagged course but with an inexorable logic wound up at the opposite extreme of the structure created in the Soviet zone. Step by step, the occupants moved far afield from the fantastic Morgenthau Plan to turn Germany into pastureland. The first idea of keeping German production at a level just high enough to keep the population alive soon proved impractical. Having lost its agricultural regions in the division of the country, Germany had either to export in considerable volume or it would cost the occupation powers billions of dollars in subsidies to maintain a minimum standard of existence. Similarly, the project of restricting the capacity of heavy industry to prevent its possible transformation to armaments—how far we are away from those times!—had to be abandoned because unutilized capacity was too high a charge on production. Finally, contrary to British interests, American capital had little to fear from German competition, and the American dollar then, far more than now, held the whiphand over Britain. In addition, American corporations, linked before the war and even during the war to big German industry by cartel arrangements, had their men in key places in the Occupation Authority.

THE SAME FORCES were also to determine the form of ownership and concentration of industry and the banks. The German unions and the Social Democratic Party demanded the socialization of the Ruhr industries, these giant concentrations that had been the bulwark of the Hitler regime, and were now in the British zone. After some hesitation the British government, then under a Labor regime, rejected the proposal, no doubt under strong American pressure. That action, frankly repudiated by the Bevanites today, cast the die in the social structure of West Germany. The bogus decentralizing measures were cast aside one by one until finally the big *Konzerns*, the Krupps and the Thyssens or their legal *alter egos* were back again in the saddle.

Without altering the economic structure, which would have brought the democratic forces of the working class into the government, the problem of denazification—even gratuitously granting the best will in the world—was to prove insuperable for the Western occupation powers. Once the top Nazis were dispensed with at the Nuremberg trial, there remained no longer any criterion for the purge. Who was guilty? Who was unreliable? The whole nation? The party members, or those who had served it? And how to distinguish between these who did it willingly and those under constraint? Unwilling to allow the power to be wielded by the workers—the one class in Germany which had voted consistently against Hitler to the very last democratic election in 1933—the occupation found the problem insoluble. General Patton was contemptuous of the whole procedure. “I can no more tell the difference,” he said, “between a Nazi and a non-Nazi than between a Republican and a Democrat.” Soon the denazification was to become a farce, then a racket where clearance was sold like soap certificates.

The whole process was speeded up when an autonomous government was established at Bonn as a measure taken in the cold war. In the first place, it had to be an anti-communist government, and in the second place, as

Acheson started trumpeting in 1950, it had to be given arms and enlisted in the anti-communist crusade. Who in fact were more capable, efficient leaders for such a crusade than those who had already had the experience of directing one not many years before? And these men, whose hands are bloodstained with Hitlerite crimes, today hold the highest and key positions in Adenauer’s government. Even those who took part in the plot against Hitler on July 20, 1944, are being pushed out of the government by the “loyalists” who regard the plot as “treason.” These developments were obscured by the crushing defeat suffered by the neo-Nazis at the polls a year ago. What wasn’t clear was that while the people had barred the front door of the government to them, Adenauer, boasting he had eliminated Nazism, was taking them in by the back entrance.

ON THE SURFACE, it seems that history is repeating itself. Ruhr barons, a renascent Nazi Wehrmacht, a Prussianized government, a massive industry, a fierce drive for export markets—all the ingredients that made for World War II—are beginning to reappear in Western Germany. And these are recurring within the tinderbox framework of a divided country and the cold war. The 1953 elections reinforced this grim picture: Adenauer was Western Germany, and Western Germany was anti-communist, restless, expansionist.

One significant fact was deliberately ignored in all the gloating about the “stable,” the “conservative” Germany supposedly reflected by the election returns. That was the roughly eight million votes received by the Social Democratic Party, which comprised the bulk of the working class and one-third of the electorate. Here was the “other” Germany, the Germany which could not be compressed into the reactionary national mold. There was great strength in this working class, a hardy force for progressive purposes. But this power had so long remained inert that reactionary propagandists had succeeded in conveying the picture of the German worker as a man who knew his place, reliable, hardworking and obedient.

There were strong reasons, however, for passivity. The war had been a terrible scourge to the workers. On top of the millions of casualties at the front, the bombings of Germany wreaked terrible havoc on the civilian population. While factories were only lightly damaged, out of the tender consideration of one capitalist for another, the residential areas of the cities were levelled to the ground. In Frankfurt, only 44,000 of 177,000 dwellings remained intact. In Nuremberg, only 10 percent of the homes were habitable. In Hamburg, 43 million cubic metres of rubble replaced 53 percent of the houses. The people staggered out of the inferno of the war into another terrible misery. There was no place to live but the ruins, or underground bunkers without water or light. There were no clothes or medical supplies. Hunger was rampant. The average person consumed a thousand less calories daily than the very minimum necessary for normal functioning. In Cologne, only 12 percent of the children were of normal weight. In Hamburg, 100,000 persons were afflicted with edemas from hunger. Prostitution was widespread. Besides this there were the hordes of miserable refugees streaming in from the east. On top of that, the occupation.

Before the German worker could think of politics or the future of his country, he had to find a way to keep himself and his family alive. Once at work again he was almost totally preoccupied with the most elementary needs of food, shelter and housing. It was due to the hard work and sacrifice of the humble worker—and not to the financial “wizards”—that the much vaunted “economic miracle” occurred. After taking it on the chin for low wages and long hours in the shop, he cleared the bomb rubble after work and lent a hand to his neighbor rebuilding his home. Against this background the reborn German labor movement took on a conservative and defensive aspect.

TOWARD THE END of 1949, when occupation restrictions were relaxed, the DGB (*Deutscher Gewerkschaftsbund*—German Federation of Unions) came into existence, and now boasts some six million members. Unlike its pre-war predecessor, it was less closely linked to the Social Democratic Party, but this has been changing in the last couple of years. A highly centralized body, a 75 percent majority in a strike vote is required before authorization to strike is granted. Its big campaign in the post-war years was the struggle for co-determination, or an equal voice for the workers in management. At the outset, when ownership was still undecided, the slogan had the revolutionary ring of workers’ control of industry. But since then, it has degenerated into a form of class collaboration, recognized by the Adenauer government in a kind of tacit agreement with the union officials exchanging a virtual no-strike policy for minor social benefits. This period is now coming to an end. Successful strikes, marked by labor militancy, are registering that fact.

Having gained the elementary means of existence, the workers have begun to take stock of the fact that they were left out in the cold in the “economic miracle.” Commenting on the survey which showed that 80 percent of the population earned less than 350 marks monthly while only 2.8 percent earned over 1,000 marks per month, the political economy publication of the unions concluded: “These figures show that the pyramid of income in West Germany is unique in its form in Europe; a very broad base on which is mounted a narrow column. This is not conducive to arousing the confidence of the masses in the present economic system.”

On the political side, we find a similar picture of conservatism but also the beginning of change. The most striking fact is the negligible influence of the Communist Party which was almost equal in size and electoral strength to the Social Democracy before Hitler came to power. An initial resurgence was quickly cut short by the brutality of the Russian conquest and their methods in the East Zone; the June 17 uprising of last year finished the job of decimating Stalinism as a force in the German working class. It is well worth pondering the different course that the history of Germany and of Europe might have taken if the Russians had acted as socialists and internationalists toward the German working people.

The party that soon dominated the working-class political scene was the Social Democracy. Although it has declined from the high peak of 1947, it still counts some 650,000 members. While the membership is almost solidly proletarian, the age level is very high, 68 percent being

over 45 and only three percent less than 25 years old (according to figures given at the Dortmund Congress in 1952). Whereas the party, despite its degeneration between the two world wars, still laid claim to the mantle of Karl Marx and Frederick Engels, interest and concern with socialist theory has dropped to an all-time low in the post-World War II Social Democracy. A right wing has for years been trying unsuccessfully to substitute liberalism for Marxism, but up to now there has been no strong counter-acting resurgence of Marxism. The party, like its predecessor, is highly centralized, publishes many papers and has numerous representatives in the Länder (states) and in the Bundestag. Its domestic program is reformist, but far from the aggressive Bevanite model.

HOWEVER, it would be wrong to think that this party is merely a carbon copy of its predecessor. The Social Democracy after World War I resumed its peace-time existence by first crushing a social revolution in conjunction with the Wehrmacht which it helped restore; then for a dozen years, it governed Germany in the name of the Versailles Treaty either as a majority party or as a member of coalition capitalist governments. The present party had to fight its way out of the Occupation to attain national status, and since then it has fought the foreign policy of the government and of the occupation powers. Although it has run or participated in the Länder governments, it has been in the opposition in the federal government from the very beginning. Its position on German rearmament has not always been entirely clear, but it has consistently fought the reconstitution of the old-style Prussian Wehrmacht.

Given this background, given the rise of labor militancy, given the new context of international developments which have weakened the imperialist coalition and the Adenauer regime, there is no reason to exclude a turn of the party to the left or the creation of a Bevanite wing within it.

At its last Congress, the issue of reunification was returned to the central place of party agitation. In the crux of world politics, this issue also goes to the very heart of the social struggles in Germany. On the nature of its resolution depends the future not only of Germany but of all Europe. The German capitalist class headed by Adenauer, is frightened by the prospect of bringing into Germany the nationalized factories, the collectivized farms, the socialist-type government, judicial and educational institutions of the East Zone. How would it ever unscramble them and restore capitalism—especially as the millions of socialist workers beyond the Elbe would probably give the Social Democratic Party a majority?

For Adenauer and Co., reunification could be a death blow unless it is obtained by a counter-revolution in the East. This explosive issue in all its ramified aspects will bulk large in the coming social struggles in West Germany which are also certain to have their reverberations in the East Zone.

Many battles will be fought from the Rhine to the Elbe before it is determined whether West Germany shall be recreated in its old hateful image, as the bastion of reaction in Europe and the spearhead of a new assault against the East.

A Visit To Guatemala

We here present a brief account of a trip into Guatemala about one month after the Arbenz regime was toppled by United Fruit Co. agent Castillo Armas. Frank Warner is the pen name of a New York worker who was able to take a vacation trip to

Central America. Mr. Warner, unfortunately, was unable to see very much in the fear-ridden atmosphere which now dominates, but his observations, so far as they could go, should be interesting to American Socialist readers.

The Editors

by Frank Warner

OVERLOOKING the spacious Parque Centrale in Guatemala City stands the National Palace. Built during the regime of Dictator Ubico at a cost of millions of quetzals (one quetzal equals one U. S. dollar), it is considered by many to be the most beautiful structure of its kind in Central and South America. Italian marble and other costly materials were used extensively, two immense patios, with fountains and carefully groomed gardens, provide air and light for the honeycomb of administrative offices and private chambers, and elevators provide access to all levels.

But just a short distance away, on the outskirts of the city, and extending through the plantations and jungle to the borders, peasant Indians live in bamboo and straw huts as primitive as

any found in the most backward areas of Africa.

The condition of the Indians, who comprise 60 percent of the population, has not changed appreciably since their conquest by the Spanish Conquistadores in the Sixteenth Century. But in Guatemala City, along Avenida Sesta, you can stop in at any of several first class movie houses featuring American films, then visit an ice cream parlor

for a hot-fudge sundae or coke. If you are one of the wealthy business men, you'll drive back to an attractive villa on Boulevard de la Reforma, in an American automobile.

These contrasts are typical of conditions as I saw them during a six-day trip from the Mexican border to Guatemala City.

Before entering Guatemala, I had some trepidations over the hostility I might encounter as a "gringo." Because of the recent overthrow of the popular Arbenz regime, I thought I would be something less than welcome. However, my intense curiosity overcame my fears, and three days later I crossed the border at Malacatan.

At that time, word came through of a major disturbance at Guatemala City. Rumor had it that the communists had bombed the capital, and a customs inspector advised me to go back. I knew that all the leaders of the Communist Party were either imprisoned, in hiding, or had sought sanctuary at the various embassies, so discarded the rumor as being without foundation. Later, of course, I learned that the military cadets had besieged the encampment of Armas' "Army of Liberation" at the unfinished Roosevelt Hospital and had shelled it all day Sunday.

There were already posters at the customs office, and in the one shack



A typical street in Guatemala City shows indications of dominance of American products in Latin America. Notice sign at left, advertising "Pabst Blue Ribbon," "DuPont" sign on right, and U.S.-make autos. Prices for these commodities are as high as in U.S. or higher, while wages are only 10 or 15 percent of wages in this country.

that served as a store, bearing pictures of Castillo Armas as a young officer, sans mustache, and the slogan "Dios, Patria, Libertad." I reasoned they must have been prepared long before Armas began his attack from Honduras, for it was only a few weeks since the Arbenz regime had been ousted by the Junta.

I SPENT one night at the nearby town of Ayutla, where I was to make a train connection on the following day. At a combination billiard parlor and candy store, I drank Spur, talked to a couple of unemployed workers seeking employment in Guatemala City, and listened to Spanish records that were being played on a giant brilliantly lit juke box. It was incongruous finding this machine, so common in America, in this jungle town. But this incongruity eventually became commonplace as I found continual evidence of the extensive use of American commodities.

The train left the following morning, stopping frequently at villages along the way. I was able to mingle with the people, and purchase their food. At each stop, the train was besieged by peasants trying to make a few centavos selling the passengers pineapples, coconuts, boiled chicken. Beggars, cripples and the blind came through the train in a stream, begging.

A passenger who spoke some English translated a newspaper account of the weekend fighting. Many seemed to sympathize with the Armas men against the cadets. Since I did not want to take sides in the dispute, I limited myself to polite nodding.

Almost all the peasants carried long sharp machetes, the principal and most important tool—a potentially deadly weapon. Nowhere did I feel any hostility on the part of Indians or workers, although I tried making it quite clear each time that I was an American. With Armas firmly in the saddle for the present, opposition sentiment appears to be cowed.

We arrived in Guatemala City Tuesday afternoon. A couple of planes were circling low, buzzing the houses, and frightening many of the people. These were the planes of Armas checking on possible further uprisings on the part of the cadets. It served easily, at the same time, as a check on any activity on the part of the workers.

A funeral procession of eight coffins containing the bodies of some of the victims of the fighting trailed through the streets followed by hundreds of people. There were similar corteges the following day.

MY HOTEL was an inexpensive one, costing \$3.50 per day including three meals. (The coffee was abominable, paradoxical until one realized the best coffee was exported.) The porter, who served as chambermaid as well, received 35 cents per day plus room and board. "Room" consisted of a long wicker basket containing a thin cotton filled mattress, which was placed on the floor near the entrance to the hotel. The porter was thus able to open the door during the night for late arrivals, guard against robberies, and occasionally sleep.

I spent the next few days walking through the streets and having conversations, hampered only slightly by my limited knowledge of Spanish since a surprising number of people spoke English. Everywhere were peasants and poor walking barefoot through the streets, alongside of smartly dressed women shod in the latest-style creations. The parks were filled with the unemployed, and shoeshine "boys" ranging in age from ten to 70. I purchased a penny box of Chiclets from a child selling them from a cigar box. He was no more than seven. Very often, a half-dozen men with shoeshine boxes were stationed on both sides of a walk, all calling to a passerby for the privilege of earning a few pennies. There seemed to be more shoe shine boys than people with shoes.

In the window of an appliance store I saw G.E. electric irons, Remington Rand typewriters, and Zenith radios. At a men's shop, Arrow shirts were displayed. All models of Kodak cameras were offered at one store, and on the shelves of a grocery I saw a familiar package of Tide, among other recognizable brands. Pepsodent tooth paste was featured in the window of a pharmacy, as were other American pharmaceuticals. Esso gasoline was sold at a garage, and so it went.

I began to see how completely the Guatemalan economy is dominated by American interests. The prices for these commodities were the same or greater than those charged in America—and herein lay a terrible reality. The aver-

age wage in the richest area of the country ranged from 75 cents to \$2.50 per day. To purchase one shirt at \$4.50 required two to six days' wages. Of course, a worker could buy a Guatemalan product for about two dollars, but of vastly inferior quality.

I met a police clerk while drinking beer at a small restaurant. He was a seaman from a neighboring country, who could type, and had taken the job for a few months while waiting for a berth on a ship. The building at which he was stationed was filled with Arbenz supporters. Some of them had been subjected to torture, which he had witnessed, while a few had been shot. One cell, he added, was so jammed that the men could only stand or crouch.

ONE DAY after the Armas-cadet fighting had ended, I noticed some men carrying bundles of leaflets from a printing shop. The leaflets announced a demonstration and march at 5 P.M. in honor of Castillo Armas, to end at Parque National. These were subsequently distributed throughout the city. Inside the shop, boys were making up crude hand-lettered placards with the slogans "Viva Castillo Armas," "Fight Communism—Support the Army of Liberation." These placards were carried that day along Avenida Sesta by school girls, some middle-class women and men, and a few ragged laborers. The procession churned along the route to the square, with people lining both sides.

About one hour after the square filled, Castillo Armas appeared with a group of officials on the balcony of the National Palace. A number of speeches were made, each of which received rather moderate applause, completely out of proportion to the size of the crowd. Like myself, large numbers were there out of curiosity.

If there were any Russian products in the stores, I did not see them. But I did see a preponderance of American products. I also saw many Americans. About 1500 are in the capital alone. I also knew that Guatemala's two chief crops, coffee and bananas, are under almost complete control by the United Fruit Company. All of which forced me to conclude that Guatemala, though sovereign in name, was as much a colony of the United States as Puerto Rico or the Phillipines.



BOOK REVIEW

Eastern Europe Today

Challenge In Eastern Europe, 12 essays edited by C. E. Block. Rutgers University Press, New Brunswick, N. J., 1954, \$4.00.

Satellite Agriculture In Crisis, by the Research Staff of Free Europe Press. Frederick A. Praeger, New York, 1954, \$3.50; soft cover, \$2.50.

DULLES'S SPEECHES about "liberation" of Eastern Europe may be only bluff, so far as immediate policy is concerned, but there is no question that they are part of the warp and woof of the ruling oligarchy's long-term planning. As Joseph C. Grew, former ambassador to Japan, bluntly explains in his foreward to "Challenge in Eastern Europe": "In the larger view, America cannot willingly accept a world, or a Europe, half slave and half free. The slave half of Europe must someday be free, or the free half of Europe too may be enslaved." The two books under review are products of the enormous outlay of ideological preparation under way to make ready for *der Tag*.

"Challenge In Eastern Europe," prepared under the auspices of the Mid-European Studies Center of the National Committee for a Free Europe, Inc., is a compendium of 12 essays by American university professors and former officials of East-European governments. Several of the contributions attempt to impress the reader with the alleged liberal tradition in this area before sovietization began, and argue that, left to their own devices, these countries would have emerged as splendid democracies.

One preposterous contribution tries to recreate an idyllic tradition of "peasantism" in Eastern Europe, and to find in a synthetically reconstituted populism the solution for the future; Stanislaw Mikolajczyk, former leader of the Polish Peasant Party, contents himself in his article with a phillipic against the "Peoples Democracies." These men are all the more eager for a "liberation" crusade because the new sociology of the universities holds that it is impossible to dislodge a totalitarian regime internally. It can only be done by military force from the outside.

But, even through this mass of crude "cold war" propaganda, there emerges the picture of a pre-war East Europe wracked by economic, political and social diseases.

THE OLD Austro-Hungarian empire, while a cultural and social monstrosity, had a natural division of labor between its different sections. The new national states which the Versailles treaty carved out of

the old empire were in economic conflict with each other from the first. What little equilibrium existed before was disrupted and the new governments became pawns all the more easily of the major powers. Outside of Czechoslovakia, they were primarily dependent on agriculture. Overpopulation of the land, high costs of agricultural production, extreme poverty, and a stagnant economy became hallmarks of the whole region. This led to political instability, the imposition of tyrannical governments, back-breaking taxes, inefficiency and corruption, the degeneration of the old nationalism to chauvinism and small-power imperialism, and the growth of anti-Semitism—the common denominator with which Hitler was able to unite the university youth and politicians of Eastern Europe. The economic penetration of Nazi Germany into Eastern Europe paved the way for the whole region getting swept into its political maw with the outbreak of the second World War.

Between the two wars, the number was legion of the blueprints, plans and projects drawn up by economists and planners to solve under-employment and poverty by a policy of industrialization. But the results were negligible because of big-power disapproval, the corruption and subservience of East Europe's ruling cliques, the scarcity of capital and skilled labor.

This basic revolution is now being undertaken by the present East European governments. One of the contributors of this book holds: "From the European point of view, the industrial revolution of Eastern Europe is an outstanding historical event, comparable in its implications to the great wars of the present century."

Before the last war, five million people were employed in mining and manufacturing in the six countries of this area. Today, the number exceeds nine million. The Warsaw regime proposes to raise the per capita industrial output of Poland by 1960 to ten times that of 1938. This would mean, if realized, that Polish per capita output would surpass that of France. According to UN data, the 1951 indices of industrial production in these countries compared to 1938 stood as follows: Eastern Germany, 115 percent; Czechoslovakia, 168; Rumania, 206; Hungary, 267; Poland, 270; Bulgaria, 345. (1951 industrial production in Western Europe was 45 percent higher than in 1938.) The results are impressive, even if we consider that the industrial base on which these percentages are based was very low in the latter four countries, and that Poland's industrial potential increased in 1945 by a third with the acquisition of German Silesia.

THIS INDUSTRIAL revolution is transforming these countries. The old problems of under-employment, over-population of the countryside, economic stagnation, etc., are no more. As a matter of fact, the new regimes are running up against labor shortages here and there. But that does not signify that a workers' paradise has already been created. As capital for the new enterprises is taken out of the labor of the masses, and as some or all of these countries

are exploited by the Soviet Union to its own economic advantage, and as they further maintain large standing armies, living standards are poor, housing is deplorable, consumers' goods are insufficient and of poor quality. Thus, some of the tales of woe related by refugees coming out of these countries are not necessarily untrue. What they invariably lack is a sense of proportion and historical perspective, and they become pure propaganda when they imply that things were in great shape before the new governments took over. Before the war, these peoples were ill-fed, ill-clothed, and ill-housed because the economy was stagnating, and their rulers were wastrels. Now, they are at least working for a better future.

An analysis of East European farm economy is given in "Satellite Agriculture In Crisis." The Research Staff that wrote the book is part of the Free Europe Committee, Inc. Nevertheless, this is a real work of scholarship. Despite its preconceived biases and hostile, slanted interpretations, the study provides many insights into the economic problems of the Soviet zone. It is well worth reading.

Our authors first review Russia's agricultural evolution. As a result of the 1917 overturn, the small and medium peasantry got almost all the arable land. Where they had produced 50 percent of the grain in pre-war times, they produced 85 percent in 1926-27. But, while total grain production declined by only 5 percent from the pre-revolutionary level, marketed grain declined by more than 50 percent. The regime had to create a setup where they could get their hands on a far bigger part of the agricultural product at prices it could pay in order to feed the cities, if the program for industrialization was to get off the ground.

THE Stalinist breakneck collectivization drive of 1928-32 finally broke the back of the peasant resistance, and, at the enormous cost of famine, wholesale slaughter of livestock, mass deportations, etc., all land holdings were brought into the collectives. The figures released last year by Khrushchev show up the overhead price of the forced collectivization: The efficiency of the collective farm is very low and overall production has increased very slightly from pre-revolutionary days. But as a structure to align peasant production with state planning, and to make industrialization possible, the collective system has more than vindicated itself.

For a quarter of a century, it has fed the cities and been the indispensable foundation for the most ambitious industrialization program in world history. In 1928, the state collected no more than 18.5 percent of the total grain crop, but in 1937 an estimated 42.4 percent was state-collected. The Soviet government collected in World War II three times the annual amount of grain received by the Czarist regime during World War I when "72 percent of all marketed grain was concentrated in the hands of estate owners and kulaks." These figures speak for themselves.

In 1945, under Red Army occupation of Eastern Europe, the communist-dominated governments put across a thoroughgoing land reform, which at one stroke wiped out the big landowners, and outside of the holdings retained by the state for future model farms, parcelled out the land to the peasantry at nominal rates. This bold move earned the communists enormous popularity with the peasantry.

By 1947, all the new states were hell bent for super-industrialization. They not only copied all of the excesses of Russian industrialization planning but even aggravated them. But in agriculture, they moved more cautiously, forestalled undoubtedly by the bitter lessons of Stalin's collectivization experience. Direct use of force against the peasantry was eschewed, and the regimes relied in the main on economic and social pressures. Even so, they had to execute innumerable retreats, and offer repeated concessions. By the end of 1953, the figures stood as follows of the percentage of arable land in collective holdings: Bulgaria, 52 percent; Hungary, 20 percent; Czechoslovakia, 38 percent; Rumania, 7½ percent; Poland, 7 percent. Yugoslavia, which stood at 20 percent at the end of 1951, is now down to less than 10 percent. In addition, in contrast to Russia, state farms were of considerable importance in a number of countries. At the end of 1952, their percentage of arable land holdings amounted to: Czechoslovakia, 14 percent; Poland, 11 percent; Hungary, over 12 percent; Rumania, 6 percent.

COLLECTIVIZATION and some increased mechanization has not yet resulted in any appreciable increase in farm production. The authors, after examining the various figures, arrive at the conclusion that per capita production stands probably at pre-war figures. But the program has created labor pools for the growth of cities and the manning of expanding industry, has expedited the feeding of the cities, and the alignment of agriculture with over-all planning. Because of its more limited scope, the peasantry still retains greater economic power in its hands than its Russian counterpart.

The study concludes with a brief survey of the "New Course" promulgated in 1953: "Unlike previous pauses in the communist offensive against the peasantry—in 1930, 1935 and 1941-5—the 1953 'readjustment' was accompanied by a revaluation of the entire relationship between agrarian policy and industrial expansion. The 1930 Stalin 'Dizziness with Success' speech signified only a temporary pause in the first Five Year Plan; the 1935 decree enlarging private household plots represented only a slight reorganization of the still fluid *kolkhoz* structure; and the relaxation of 1941-45 was due largely to the special exigencies of World War II. None of the concessions made during these periods (with the possible exception of the war-time years) were as broad in scope as those of 1953; and none were offered as an integral part of a concern for mounting disproportions affecting the entire economic life."

IT MUST BE realized that the plans in Eastern Europe called for agricultural investments of only 6 to 13 percent of the grand total in countries that were primarily agricultural, and the urban investments were heavily weighted in the direction of heavy industry, and were very inadequate for consumer production. By October 1953, the retreat all along the line was announced by all the governments. The Hungarian Premier, Imre Nagy, put the matter most clearly: "We must note, and we must state frankly before the whole country, that the objectives of the augmented Five Year Plan are beyond our strength." Vulko Chervenkov, the Bulgarian Premier, announced: "We must adopt a considerably reduced tempo of industrialization which will enable us to step up output of consumer goods and ensure a still greater development of agriculture."

A number of the state budgets for 1954 reflected this shift in emphasis, and the collectivization drive was halted, for the time being, while delivery quotas were reduced, and delivery prices increased. In the opinion of the book's researchers, "the New Course represents an effort to stabilize and consolidate the system of relationships carved out by the East European regimes. The next few years are likely to witness a concentrated communist effort to make a smoothly functioning economic order out of the conquests already gained, rather than sweeping away present problems by posing future challenges, as they have done in the past."

B. C.

So Few Remain

Education of an American Liberal, by Lucille Milner. Horizon Press, New York, 1954, \$3.95.

LUCILLE MILNER was one of the initiators of the American Civil Liberties Union, and served as its secretary from its foundations in 1920 until 1945. A native of St. Louis coming from a well-to-do environment, she began her career as a social worker, and through her connection with Roger Baldwin, long-time executive secretary of the ACLU, who came also from St. Louis and was a social welfare leader in his home state, she was drawn into the foundation of the Union.

Mrs. Milner belongs to that variety of liberal which is, unfortunately, practically extinct in this country. Without being direct participants in the social struggle, they bore arms in the hundred subsidiary skirmishes that flare up around the battlefield, espousing causes of civil liberties, strike relief, pacifism and conscientious objection, social welfare legislation, bail funds for victims of the plutocracy, etc., etc. Sometimes, the more direct participants have a tendency to disparage the liberal, but it is in times like these, when the civil libertarian is so conspicuous by his absence, that the sincere and consistent liberal can be appreciated.

Certainly it is better for people to have

a socialist understanding than a merely liberalistic one—Mrs. Milner proves that unwittingly on almost every page of her book by the thinness of her appreciation of the great events in which she participated. But even so, the liberal—the real kind and not that counterfeit variety which graces the Democratic Party today and shouts for imprisonment of all the "reds" and for war with Russia—the genuine liberal who fights for free speech in the tradition of an Altgeld or a Darrow still has much work for him in today's America. It is too bad that so very few remain.

THE ACLU was an outgrowth of the American Union Against Militarism set up during World War I by social worker Lillian Wald. An organization of pacifists and dissenters on the war issue, it was not strong enough to withstand the pressures of wartime and disbanded. But, for the period of its existence, it had found itself heavily occupied with defense of the rights of pacifists, and for that purpose had set up a civil liberties committee under Roger Baldwin's direction. After the dissolution of the pacifist group, this committee reorganized as an independent National Civil Liberties Bureau, and from this the ACLU was born.

Much of the Bureau's time and attention in the early days continued to be occupied with the defense of pacifists and conscientious objectors. This soon was supplemented by work on behalf of the IWW, which was under persecution in the "conspiracy" trials, and other political prisoners. Americans found it hard to accept the idea that there could be such a thing as a political prisoner in this country. But during World War I there were a thousand convictions under the Espionage Act, but not a single one of these cases involved a charge of spying, which is what the naive person might think would be the only crime under an "espionage" law. Instead there were hundreds of political dissenters, pacifists and radicals jailed for their views.

Hundreds had been convicted, to quote Mrs. Milner, "for trivial expressions, sometimes in private conversation, sometimes in personal correspondence." Rose Pastor Stokes, a socialist, wrote in a letter to a newspaper: "I am for the people and the government is for the profiteers." She was sentenced to ten years. D. H. Wallace got 20 years for saying: "When a soldier goes away he is a hero; when he comes back flirting with a hand-organ, he is a bum." Twenty-seven South Dakota farmers were imprisoned for sending the Governor a petition objecting to their county draft quota and calling the war a "capitalists' war." Yet the U.S. government recognizes no category of political prisoner, and treated these convicts as common felons, denying their right even to amnesty when the war was ended. In this respect, American justice was and is harsher than that of the Czar, who at least had the decency to admit it honestly when he imprisoned people for political opinion. The ACLU had its hands full with such cases for many years after the war ended.

MRS. MILNER continues her narrative through the Palmer raids, the Debs case, the easing of government attitudes during the later Twenties, the civil liberties struggles that grew out of the Depression during which people struggling to improve their economic plight were met by a hard political fist. Significantly, Mrs. Milner reports that the files of the ACLU demonstrate that civil liberty was at its highest point in the U.S. at precisely the same time that the power of the organized labor movement reached its apogee of strength and militancy: during the later Thirties.

Mrs. Milner's book thus forms a certain contribution, from her individual vantage point, to the reminiscences of the liberal, radical and labor movements during the inter-war period. Despite the fact that her observations and judgments never cut very deep, the book can nevertheless be read with interest and profit. And in discussing the ACLU after the outbreak of the Second World War, Mrs. Milner adds significantly to our stock of knowledge about the reasons that led to the decline of the ACLU as a civil liberties center.

After the Hitler-Stalin pact of 1939, Norman Thomas and his associate Morris L. Ernst began a campaign for a purge in the ACLU on political grounds. How this could be squared with the traditional ACLU stand against the application of political tests to people, and how the ACLU could retain its old vigor and integrity if it began to apply the very witch-hunting methods in its own ranks that it was formed to fight in the country at large, Thomas could never make clear. But, aided by the rabid atmosphere of the day, Thomas and Ernst swung the majority of the board.

The first victim was Dr. Harry F. Ward, professor of Christian ethics at the Union Theological Seminary, who had been the ACLU national chairman from the beginning. Dr. Ward was head of the American League for Peace and Democracy. His guilt by association was thus evident; he was a "red" and would have to go. His resignation was forced.

Elizabeth Gurley Flynn had been another of the founders of the ACLU. Mrs. Flynn had been a prominent IWW fighter, and a leader in the ACLU for many years. In 1937 she announced her adherence to the Communist Party, and was told by the ACLU board that nothing in her political affiliations could affect her place in the ACLU, which included people of all political persuasions. But in the 1939-40 hysteria, things looked different to the weak-kneed among the liberals, and Elizabeth Flynn was brought up on charges, subjected to a McCarthyite inquisition ("Is there freedom in Russia?"), and thrown out. Mrs. Milner, who staunchly opposed this course by the ACLU, tells the story in full and with indignation.

IN RECENT YEARS, the ACLU has moved further along this path. It proudly displays on its literature a guarantee that it accepts no communists for membership. At the start of this year, the ACLU Board of Directors, again under the lead of Nor-

man Thomas, the Uncle Tom of American socialism, attempted to completely join the witch-hunt parade by abandoning the protection of the Fifth Amendment, endorsing the UN employee witch-hunt, and underwriting the McCarran "internal security" law. The ACLU affiliates, fortunately, meeting in biennial convention, overwhelmingly repudiated the Board, but in the process, Corliss Lamont who had spearheaded the fight against the Thomas crowd was forced to resign his 21-year membership in the Board of Directors. And the new Board has a very unpromising composition.

Because of retreats such as this, Mrs. Milner can look back on the organization which she left in 1945 and see it fading from the scene as a significant civil liberties force. And that is why new committees, such as the Emergency Civil Liberties Committee, are being formed as attempts are made to fill the gap.

H. B.



Well, Is There?

Is There A Republican Majority? Political Trends, 1952-1956, by Louis Harris. Harper and Brothers, New York, 1954, \$3.50.

LOUIS HARRIS is the Research Executive in the Elmo Roper organization and his study is based largely on the Elmo Roper 1952 election surveys. Opinion survey techniques have been developed and refined over recent years and can serve as valuable aids in analyzing the positions of various segments of the population and establishing more securely the broad political trends. But, as this book only too well shows, they are no substitute for an all-sided analysis.

Harris's book contains highly informative data, but there is an awful thinness about the study, which reflects the trend in

American university and political circles to reduce all problems and thinking to the level of an advertising campaign designed to capture the soap market. Very likely, in the course of mapping out such a campaign, everything from calculus to psychoanalysis is brought into play. But every discipline is also inevitably debased in the process, because the purpose at hand is narrow, and not disinterested.

HARRIS has a good chapter on Roosevelt's "twenty-year revolution." It provides telling evidence how Roosevelt held together his diverse support after 1940 based on his previous reform achievements, even though a majority of the population was hostile to his foreign policy.

The book goes on to confirm the general conclusions of most serious analyses concerning Eisenhower's victory in 1952: "The mood of a majority of Americans in 1952 was one of impatience and frustration. In the end, Eisenhower became the recipient of a large and significant protest vote. If one were to find a single, basic root cause out of which the impatience and the protest of 1952 grew, it would have to be the failure of the Administration to bring the Korean fighting to a successful close."

It would be a mistake to imagine this was a clear-cut anti-war mood. The contradictory answers given to the question of what to do illustrate that the American people were very confused under the propaganda barrage, and baffled by the new and little understood problem of Korea. Harris, after examining a number of these contradictory and mutually exclusive answers, exclaims, in exasperation "The fact is that, just as on the question of Korea itself, we were not in favor of any of the real alternatives open to us." It was, as Harris correctly states, a "protest vote."

The other two major issues which were agitating the American public were "communists in government," and "high prices," but Harris provides considerable statistical evidence to demonstrate that they were both trailers to the Korean issue. As for the issue of corruption, Harris states that it was "an early starter, but almost failed to finish in the money."

Harris' views coincide with our own that Stevenson would have made a far better showing if he had put on a more radical campaign. As Harris phrases it in his huckster jargon: "The combination of no unemployment to speak of and the uncertainty of what the Republicans would do once they returned to power, was a potent weapon. Had Stevenson made an all-out campaign against Herbert Hoover and the Republican depression, he might have conjured up more fears among more people, and might have come closer to winning."

The changing income and class status of the nationalities, Irish, German, Polish, Italian, and the shift in their voting in 1952 are traced. The Negroes, who vote in far heavier percentages than any other part of the population, voted overwhelmingly for Stevenson. Furthermore, in this last election, "for the first time this century over one out of every four eligible Negro workers came out to vote" in the South.

THE MOST important new development in the political balance of power, the author believes, is the emergence of the white collar group, and it is the basic shift of this group to Eisenhower that accounted in the main for the Republican victory. Not only are the white collar workers the fastest growing sector of the population, but they have moved in tremendous numbers into the suburbs, which further buttressed their middle class outlook and ambitions. In the ten years 1940-1950, the population of New York City increased 6 percent, but Nassau County increased 65 percent, Suffolk County 40 percent, Bergen County 32 percent. Chicago increased 6½ percent, but Du Page County increased 49 percent, Lake County 50 percent. The same tendency holds for almost every sizeable city. Jake Arvey, Stevenson's political sire in Illinois, said on election night, "The suburbs beat us."

But, while great numbers of white collar workers are undoubtedly middle class in their outlook (as are many factory workers today), the overwhelming majority are working class in their economic position. If labor wakes up and gets busy on this problem, it can effectively alter the political balance of power in its favor.

The concluding sections of the book, where the author attempts to analyze the elections of 1954 and 1956 and the coming political trends, are of little value. With no polls to guide him, the author flounders around cancelling out every possibility with its counter-possibility. While every opinion is hedged with countless reservations, he apparently implies that the Republicans can keep their majority. The present trends seem to contradict that idea.

Survey of Wealth

Billionaire Corporations, by Labor Research Association. International Publishers, New York, 1954, \$.35.

THIS 64-page fact-crammed booklet surveys "the tremendous power and influence of the biggest aggregations of monopoly capital in the United States." With a good deal of documentation, it shows how the "Billion Dollar Club," consisting of 66 corporations with assets of a billion dollars or more, dominates the government, controls education, pursues anti-labor and Jim Crow policies, and wages a continuous battle against the people.

During the period between World War II and U.S. intervention in Korea, the number of these corporations more than doubled. Although they constitute only one one-hundredth of one percent of all U.S. corporations, they control 75 percent of all corporate assets through interlocking connections. They are in turn controlled by eight financial groups, of which the two largest, Morgan-First National and Rockefeller, control more assets than the other six combined. It is interesting to note that this concentration has finally drawn in the Ford Company, which has long acted as an independent entity. With the recent appoint-

ment as a Ford director of a director of two Morgan companies and General Electric, and with the formation of the Ford Foundation, the Ford interests have definitely moved from their previous isolation.

The "Billion Dollar Club" is dominated by 127 men who constitute the central core of the ruling class. They occupy strategic positions as corporation directors, government officials, university trustees, and maintain their power regardless of which major party is in office. The Eisenhower cabinet, however, represents an even more open rule of the oligarchy than the Truman cabinet, which drew its Wall Street representatives chiefly from intermediate financial groups such as banking and insurance firms. Eisenhower appointments have drawn more heavily upon the top personnel of the largest corporations.

THE TREND of open merger between Big Business and government, combined with the war policies of U.S. capitalism, has led to a growing together of the military and business. Generals and admirals occupy top positions in many corporations, and big businessmen have become increasingly prominent in the Defense Department.

The authors present convincing evidence of powerful corporation influence on publishing firms, newspaper chains, news services and in radio and television. The ramifications of U.S. capital exports and international cartels are considered in some detail. Other sections deal with corporation manipulation of utilities and atomic energy, the futility of government "anti-trust" action, and Big Business attacks against the unions.

This is a very valuable and readable handbook and reference guide of U.S. capitalism today.

F. G.

Origins of FEPC

Race, Jobs and Politics, The Story of FEPC, By Louis Ruchames. Columbia University Press, New York, 1953, \$.375.

LOUIS RUCHAMES, director of the B'nai B'rith Hillel Foundations for Smith College, Amherst College and the University of Massachusetts, has written the best book there is on the war-time FEPC.

This scrupulously careful study marshals the facts so impressively that the origins of the FEPC are established with finality. There can be no further dispute over the matter that it was the pressure of an aroused Negro people and the March-On-Washington movement of 1941 that forced a reluctant Roosevelt to issue executive order 8802.

Another hoary myth that is laid to rest is the widespread notion that race discrimination can only be eliminated by education, but will not respond to any legal restrictions. The experiences of the FEPC literally demolish this piece of camouflaged white supremacist propaganda. Ruchames writes: "Some time ago, a well known

newspaper stressed the importance of the FEPC's use of negotiation and education as a means of enforcing its policy, and minimized the need of force and sanctions. 'A federal FEPC with power to investigate, recommend and conciliate but no power to enforce might get further than one with a policeman's club.' To draw this conclusion from FEPC's achievements is to distort the meaning of the committee's experience. It achieved success not only because its officers know how to influence people. . . . They were convincing, most often, because behind their activities certain sanctions and force were implied."

It is true, of course, that prejudices can only be eradicated by education. But often there is nothing so educational as laws which carry punitive powers for their violation. The ruling classes understand this truth of human psychology only too well when their own affairs and interests are concerned.

The author ends his story with the killing on May 19, 1950, of the measure for a permanent FEPC, when northern Democratic so-called friends of the Negro people joined with Republicans and Dixiecrats to block all moves for cloture. His conclusion: "The only answer to past defeats and future betrayals is a new outpouring of effort that will weld into a powerful and effective force the currently diffuse and unorganized sympathy of the American people for FEPC and provide the momentum that will carry FEPC to victory in Congress."

M. B.

Broadway Vignette

The Late Risers, by Bernard Wolfe. Random House, New York, 1954, \$.350.

"THE LATE RISERS" is a story of guys and dolls on Broadway: a sobbing cowboy from Hollywood out on the town, a gossip columnist and his ghost writer, press agents, pimps, strippers, call girls, an internal revenue shakedown artist, a reefer salesman, a TV bits player who is supposed to be a virgin but is really a call girl, and a top-priced call girl who is really a virgin. Bernard Wolfe, who spent a year in Mexico as one of Leon Trotsky's bodyguards, works a bit of labor background into the book, but it is strictly for tourists.

The pace at Times Square is frenzied, and our characters tear along giddily from the bright lights to the hotel bedrooms and back again. Every now and then, the author attempts to probe more deeply into the meaning of it all, with brief obeisances in the direction of Herman Melville, Karl Marx, Max Weber, and, I believe, Erich Fromm. This reviewer prefers his Damon Runyan straight, without the highbrow affectations. However, Wolfe is certainly the possessor of a remarkable flow of language, he writes snappy dialogue, and his book manages to hold one's interest right to the end.

C. B.

LETTERS TO THE EDITOR

Donates 30 Subscriptions

Enclosed please find money orders for \$30.00. I want to take advantage of your special introductory offer of a six-month subscription for one dollar to introduce the magazine to my friends. I enclose 24 names, and the balance can be used for the names of those I sent to you in my last letter, to whom you sent sample copies, if they have not yet subscribed. . . .

You have my approval on advising the recipients of the subscriptions that I am the sponsor. Furthermore, I am enclosing another money order for \$10 as a contribution towards your expansion fund. May we have more progress, more freedom, and more security in these United States.

C. J. Niles, Mich.

ALP and the Ross Report

I received your introductory copy of the *American Socialist*. (I already had read some copies, although I'm not a subscriber.) I am happy to see a socialist magazine based on the working class, rather than on the intellectuals. Your devotion to the building of a labor party is the heart of your value.

Now that the ALP's "Ross report" holds forth the perspective of eventual coalition with the Democratic and Liberal parties, it is crucial that the only way to progress be re-emphasized—a labor party. How can the ALP hope to reform the Democratic Party, with its proposals for concentration camps and "little wars"?

If the ALP and Progressive Party care to contribute to the education of the working class (and what other class can bring progress to America?), it should reconstitute itself in the form of an independent labor party—and show the way for labor to form its own party. Let the left-wing unions support it—the new "soft line" toward the Democrats does not maintain the militancy necessary for the survival of the left unions in the face of the government's attacks.

I am sure that many in the left unions, the PP, etc., feel the need of a new militancy. Your magazine—frankly socialist and clearly for a labor party—helps to fill the void in the working class movement.

An ex-ALPer New York

Your magazine is well gotten up, and interesting, with timely articles. I hope you will be successful. . . .

It does seem to me there is a great need for some way to be found for presenting socialist principles to the ordinary American man and women. Everybody knows that war production is wearing out; they can see that corporation earnings hold up while unemployment mounts.

There must be some basic principle that should be kept before the public all the time. I respectfully suggest that there is

just one reason why socialized production must be brought about: Science and technology must be planned for the good of all. This cannot be accomplished in a "free enterprise" economy. All this will sound elementary to socialist writers, but it is the elementary principles that must be accepted by the mass mind.

G. B. C. Villisca, Iowa

Not Middle-of-the-Roaders

I would like a year's subscription to the *American Socialist*. I had previously thought that all socialists in this country were dreaming middle-of-the-roaders, until I found your magazine in the library a while ago. At least you folks know where you stand, and are not the fake type of socialist opportunists who cash in on leftist ideals.

Another boy and I were going to subscribe to the *Nation* until we read your paper. I am sorry to say that he just subscribed to the *National Guardian* instead, which is a good paper also, real good. So then kindly put me on your subscription list. . . .

T. A. Westfield, Mass.

I cannot praise the *American Socialist* enough. I have found its articles O.K. from every viewpoint; the very best, you get to the bottom of every problem and give the *real truth!*

C. M. E. Spencer, Ind.

Trip to Dallas Convention

I went to the NAACP convention this summer. It was an interesting and profitable trip.

I drove down in my car of ancient vintage, after stocking up on food and a portable cooler and charcoal grill to avoid any clashes with Jim Crow in the eating department. Between Springfield, Mo., and Muskogee, Okla., I came upon a couple of Oklahomans (white) who were having tire trouble. I picked them up and rode them to the next town. One of them remarked: "A man has to come all the way from the East and pick up a damn Okie when his own people wouldn't help him." The other proceeded to recite the preamble to the Constitution about all men being created equal. I didn't let them know how amused I was.

I had never been in that part of the South before, but because I am a native Southerner, I made no mistakes and arrived in Dallas without having offended the dignity of the master race.

There were about 700 delegates and visitors. Fraternal delegates from labor made their contribution. In workshops and in convention sessions, the delegates enthusiastically hammered out a fighting program. There was no gloom nor any thought of failure. Delegates from Clarendon County

in Byrnes' South Carolina, where one of the five cases which resulted in the recent Supreme Court decision was initiated, showed a grim determination to be stopped by nothing in their march toward complete integration in education.

I began my trip home with a new feeling of exaltation, and a determination to resist with every fiber of my being any effort to keep me and mine in a status of second-class citizenship.

The *American Socialist* is great. . . .

L. B. Ohio

A Beer For Every Cop . . .

. . . I have just finished giving Germany a look. In Salzburg, I read about the big metal workers' strike in Munich, and when I got there I found it was no joke. On Aug. 18 there was a big fracas in front of one of the larger shops. The cops came from all over the city to "escort" about 200 strikebreakers through the line. They did. But the papers said it was the worst labor fight in Bavaria since the war.

I got a look at the scene of the battle the next day, and talked a little with one striker. He had hauled a crate of rocks up to the shop, and he said he wished he had a beer for very cop he beamed. As far as I can make out, the cops seriously injured about 15 or 20 strikers. Anyway, the whole town was buzzing and there were a lot of haggard-looking pickets telling their tales in the beer halls.

One thing I wasn't prepared for was the Yanks. They're everywhere; Germany is really occupied. And they are universally hated. Those who have been here for any length of time are really pitiful. They sit around in bars on their leave time, and look as though their best friend just died.

G. S. Paris

Readers are asked to remember the AMERICAN SOCIALIST Expansion Fund. Since the appeal in the September issue, contributions have come in, but slowly.

Attention is again called to the fact, as explained by the September appeal, that this magazine is on a stable financial basis, and does not need contributions to keep going. It is therefore in the fortunate position of being able to devote the entire proceeds of the present fund appeal to a drive for expanded circulation, through advertising, mailings, etc.

Make all checks and money orders payable to The American Socialist, 863 Broadway, New York 3, N. Y.

An Important Message

To Our Readers

A few issues back, we appealed to our readers to send trial subscriptions to their friends. We received a number of responses to this request. These initial returns, and especially the reply from a reader in Niles, Michigan, who sent us 30 introductory subscriptions for his friends and paid for them, encourage us to try once more. We are taking into account the fact that our first suggestion along this line was made in August, and that the summer schedules most people were on reduced the returns we otherwise would have gotten.

Some time ago, when we asked readers for the names of friends to whom we could send a sample copy, we got an excellent response, with many readers sending in names, in some cases very long lists. But the percentage of our responses from these sample copy mailings in the way of new subscriptions was small. We attribute that to two reasons: The samples went out during the summer months, and a single sample copy may not be enough to make permanent AMERICAN SOCIALIST readers in some cases.

We are therefore again asking our readers to send in a subscription or two for a friend or two. Those who have sent us sample copy lists could select the best name or two off those lists and send in a dollar apiece for them. In any cases where your friend has already subscribed, we will so notify you and you can send us a different name. Let us hear from you.

The Editors

CHICAGO READERS

DEBATE:

"Is Mao's China The Road to Freedom In Asia?"

YES!

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American Socialist
Editor

Former CIO Official

Chairman: Kermit Eby

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