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If there is any one paramount characteristic of books on American history, it is that they are not histories of the people. Histories of the generals, the diplomats, and the politicos there are plenty; histories of the people — the plain people — there are few.

This is no accident. It is part of the great conspiracy which consists in drawing an iron curtain between the people and their past. The generals, the diplomats, and the politicos learned long ago that history is more than a record of the past; it is, as well, a source of strength and direction for the future. At all costs, that sense of strength and direction and purpose must be denied to the millions of men and women who labor for their living. Hence, the record of their past achievements is deliberately obscured in order to dull their aspirations for the future."

George F. Addes and R.J. Thomas in introduction to *The Many and The Few*, Henry Kraus, 1947, as quoted in *Strike!* by Jeremy Brecher

In the six months since Ronald Reagan's November victory, the capitalists have been marshalling their reactionary forces, and readying their arsenal of governmental weapons to launch a new McCarthy era. The government has stirred up a wide range of reviews and verdicts on the intents and purposes of the McCarthy era, the breadth and depth of its attacks, its successes and the conduct of all who claimed to fight it. However, the general sentiment to McCarthyism, and it is one learned through suffering, is that the litany of McCarthyism — "That I am not, was not, and never have been . . . I swear, I do affirm . . ." — was "sweatdrenched in fear." In fact, it has been named "The Great Fear." This is a good lesson, firmly planted in the people's minds, that we will not allow another McCarthy era.

However, some have taken this even further, saying that today's Subcommittee on Security and Terrorism "has the capability and support to move this country back to the dark ages of McCarthyism." The most popular misconception of McCarthyism is that Truman's Cold War "style" was an overreaction and unnecessary; that the domestic situation did not warrant such virulent anti-communism (the CPUSA) was "a flea on a dog's back," wrote David Caute), that the liberals, Truman's domestic opposition, were the real targets of McCarthyism; and that it went too far, with Truman, coming under red-baiting attacks himself, and falling into a trap of his own making. In other words, the people are weak, and therefore we must pin our hopes on the liberal bourgeoisie.

Nothing could be further from the truth. If we only examine the government, then we are frozen into immobility, victims mesmerized by the snake. We fail to see that all the U.S. capitalists, liberal and conservative, launched McCarthyism on the U.S. people out of weakness and fear. It was a trial of strength then, between the imperialists and the socialist world. If we misassess the situation then, we cannot see that the situation today is fundamentally different in that the capitalists are even weaker and in more disarray, while the people have grown even stronger. It is a trial of strength again, and we must seize the opportunity to stop McCarthyism and government repression by overthrowing capitalism.

In 1948, when McCarthyism in the U.S. was being wound to fever pitch, Mao Zedong said, "the victory of the anti-fascist second world war has opened up still wider possibilities for the emancipation of the working class and the oppressed people of the world, and has opened up still more realistic paths to it . . . It will be a very great mistake to overestimate the enemy's strength and underestimate the strength of revolutionary forces." A 65 year old garment worker from Brooklyn said it this way: "Do you know how strong we were in 1946? We had the country in the palm of our hands. Only we didn't know it!"



1952 Czech cartoon comments on Marshall Plan, and depicts card sharks who cynically cheat their allies.

PART I: THE U.S. CAPITALISTS**A New Balance of Forces**

The aftermath of World War II ushered in a fundamental change in the balance of forces internationally in favor of the people of the world. It was a time of great revolutionary upsurge, of fluidity, which set the stage for a dynamic which continues to operate today.

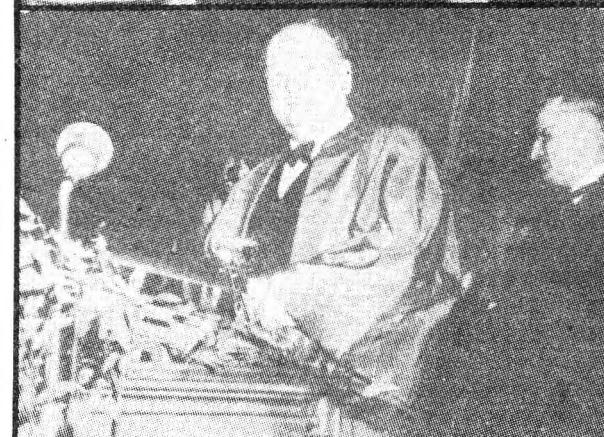
Before World War I, only one socialist country, the Soviet Union, existed. But after World War II, an entire socialist camp emerged. David M. Elias, in *The 80's*, the theoretical journal of the Communist Workers Party, wrote, "The socialist system had grown beyond the confines of one country. With the assistance of the Soviet Red Army, the people of several Eastern European countries drove out the German fascists and local reactionaries who collaborated with them. These countries broke from the path of capitalism and established people's democracies that embarked on the path to socialism. The following countries became socialist republics: Albania in 1945; Romania in December 1947; Bulgaria on December 4, 1947; Czechoslovakia in 1948; Poland in 1947; German Democratic Republic on October 7, 1949; Yugoslavia in 1949; and Hungary on August 20, 1949." Socialism emerged in the third world after the war with the establishment of the Democratic Republic of Vietnam in 1945 and the Democratic People's Republic of Korea and the People's Republic of China in 1949.

Europe was in a wave of revolutionary upheaval. The communist parties of France and Italy were on the brink of taking state power and had won tremendous prestige in the war of resistance against fascism. Their membership rose dramatically. They were rooted among the industrial proletariat and led the largest trade unions. In the 1936 election, the French Communist Party won 72 seats in parliament. By 1956, they had won 166 seats out of 584, while the Italians won 131 out of 574.

Most of all, out of any country to rise to eminence in the fight against fascism was the Soviet Union. So strong was the people's respect for the Soviet Union, it forced the most rabid anti-communist bourgeoisie to applaud them. On February 23, 1942, General Douglas MacArthur said, "The world situation at the present time indicates that the hopes of civilization rest on the worthy banners of the courageous Russian Army. During my lifetime I have participated in a number of wars and have witnessed others, as well as study-

ing in great detail the campaigns of outstanding leaders of the past. In none have I observed such effective resistance to the heaviest blows of a hitherto undefeated army, followed by a smashing counter-attack which is driving the enemy back to his own land. The scale and grandeur of this effort marks it as the greatest military achievement of all time."

Even though the Nazis wrought immeasurable destruction on the Soviet Union, the Soviet Union did not suffer the same economic chaos as Europe after the war. Immediately after the war, the Soviet Union began to rebuild, investing in heavy industry, moving on a mass scale to produce consumer goods. By December 1947, they reformed their currency. Workers received a new incentive, production rose



The smiling Big Three — Churchill, Truman and Stalin, July 31, 1945, while less than a year later, March 5, 1946, Truman invites Churchill to his hometown, Fulton, Mo. Churchill delivers his "Iron Curtain" speech and speaks of "Communist fifth columns" "in a great number of countries."

swiftly, partly because rationing was abolished in the same decree and prices of consumer goods were reduced. Inflation that plagued the post World War II world, was effectively countered in the Soviet Union.

On the other hand, economic chaos reigned in Europe in the 1946-47 years. The capitalist parties were very discredited for creating the conditions that had led to war. In the 1945 election, the British people had not forgotten the Tories' treacherous policy at Munich in 1938; they ousted Churchill and voted Labor in the hopes of an improved life.

But in 1947, in a snowstorm which froze Britain's economy for weeks, it became clear to the entire imperialist world that Britain's great power role was broken.

The superiority and the moral authority of the socialist system stood in stark challenge to the capitalist system, which had predicted that due to its "inherent weakness," the Soviet Union would fall to the Nazis in one to three months. People of the world, seeking to rebuild their countries and their world after the devastation of war, looked to new socialist ideas — to the Soviet Union — to provide them with a model.

Much to the dismay of the imperialists, they were the losers in the war. The loss of Eastern Europe alone, formerly the economic hinterland of Western Europe as a place for investment, for providing cheap food and resources, was now socialist, independent and beyond their manipulation. This exacerbated Europe's post war crisis. The imperialist world had shrunk and lost much moral authority. The socialist world had grown in prestige and size, and revolutions were imminent in France, Italy, and Greece.

The Hollow Shell of the "American Century"

For the U.S. imperialists the world was a threatening, unpredictable, and terrifying place. Yet U.S. imperialism emerged as the strongest imperialist power. They alone were virtually untouched by the war. They controlled three-quarters of the world's invested capital, and one-half its industry. Yet they were also mired in internal post-war contradictions.

It was World War II which brought the U.S. capitalists out of the Great Depression. In 1939, U.S. industrial output dropped to 80% of the 1929 level. Workers' living standards dropped even lower as unemployment rose to 11.5 million, or one-third of the workers. By the end of the war, corporate profits however, had zoomed to an all-time high, 250% higher than pre-war levels, because the government had pumped them with \$117 billion worth of war



depicts Truman and Acheson as

THE ORIGINS OF THE MCCARTHY ERA

**STALIN
NUCLEI ROSII**



liberal, came to realize their desperate situation. Both united that an attack upon the world's people, and on the Soviet Union was a necessity for U.S. imperialism to survive. Therefore Truman initiated a counter-revolutionary offensive to prepare for another war, and a massive re-armament program to pull the U.S. out of economic crisis. He embarked on a program to hold off revolutions abroad in order to secure markets and sources of raw materials to stabilize the world for capital investment and secure their imperialist hegemony.

Containment

The U.S. imperialists began on March 13, 1947 with the Truman Doctrine and a call for \$400 million to subvert and hold off impending revolution in Greece. During World War II the Greek Communist mobilized and led the Resistance — which had had a membership of 2 million out of 7 million — to fight the fascists. Now, to carry out their demand for democracy, to stop the inflation, and the massacres, they had to fight U.S. imperialism.

With this hammer blow from the Greek people, U.S. imperialists were forced to prop up the Greek royalist government which turned death squads loose on the Greek people. It exposed the reactionary nature of the U.S. "democratic" system.

This policy became more systematic with the Marshall Plan, laid out by Secretary of State George C. Marshall at Harvard University on June 5, 1947. This was a \$17 billion plan to stop the communists from seizing power in France and Italy, and to bring all the European countries under its own control, instead of doing it "piecemeal" or crisis by crisis. Far from the humanitarian aid to wartorn Europe painted by Marshall, it meant giving free merchant ships to Italy to subvert their elections to stop the communists from winning.

By July 1947, George Kennan published his famous "containment" article in Foreign Affairs which laid out that antagonism between capitalism and socialism was innate, that the Soviet people were "physically and spiritually tired," and which called for the "adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points." First the U.S. would aim to bring Greece under control, then anywhere in Europe, Latin America, Asia or Africa, to stop revolution and install their imperialist hegemony. The U.S. aimed to be the policeman of the world.

Conclusion

Right after the people of the world defeated the Nazis' drive for world domination, U.S. imperialism launched its own crusade to dominate the world through war.

Their call for war, for a "showdown," reflected their fear of their own doom, and the decay of their system. On the other hand, the Soviet Union, the socialist countries and the independent third world countries provided a bright path for others to throw off the darkness of imperialism and colonialism.

In order for the U.S. capitalists to get out of crisis and to prepare for war, they first had to attack the U.S. people. They had to destroy all internal opposition to their war plans. From this fragile and weakened position, the U.S. imperialists launched the McCarthy era.

Part II will discuss the state of the U.S. working class after the second World War. Part III will discuss the role of the Communist Party, U.S.A., its capitulation in the 1950's and the political situation and political tasks in the 80's. Look for Part II in two weeks.

contracts. The war, which bled the taxpayers white, brought a blood transfusion to U.S. monopoly capital.

There were more government handouts to the corporations. In June 1949, the Reconstruction Finance Corporation underwrote the construction of new factories which were then rented on favorable terms to private enterprises. 62% of all new capitalist investment during the war years in industry and transportation were made at the expense of the taxpayers. Whole branches of industry — nuclear energy, aluminum, synthetic rubber — were funded gratis by the government for the monopolies to take over. In total, the U.S. government poured \$306 billion into the coffers of American business.

The government expenditures exploded. In 1932, government expenditures were 7% of the Gross National Product. By 1944, it was 50% of the GNP. Inflation ran rampant. The main indication of this was the rise in the cost of living, which according to the American Federation of Labor, was 45% by the end of the war. And as price controls weakened after the war, prices rose still higher, while the workers were systematically impoverished.

An indication of how far the economy had broken down was that barter was common. An apartment was exchanged for a car. Soap and sugar were as good as money. The black market, instead of disappearing after the war, expanded. Up to 75% of all passenger cars were sold off the books.

Anticipating the loss of war production and a recession, the U.S. ruling circles greeted the end of the war in Europe without marked enthusiasm. They were clearly troubled by the future. For these reasons the government feared to lift the wartime control mechanisms for a full two years after the war had ended.

Right after the war's end, monopolies began agitating for an end to controls, and for an attack on the New Deal and the workers in order to give themselves room to maneuver in the impending economic situation. Redbaiting attacks on the workers stepped up while in-fighting among the bourgeoisie sharpened, blaming each other for the failure of their policies. This became clear in the 1945 Congressional elections. This Congressional election, declared Republican National Chairman B. Carroll Reece, would offer a choice between "Communism and Republicanism," while House Republican leader, Joseph W. Martin said, "The people will vote tomorrow between chaos, confusion, bankruptcy, state socialism or communism and the preservation of the American way of life."

The entire bourgeoisie, both conservative and