The Problem of Inflation
and the
Function of the OPA

By Warren Creel

The Fourth Five-Year Plan
and the
Crisis of Soviet Economy

British Provocation in Palestine

By T. CLIFF

September 1946

25 Cents
Manager's Column

An analysis is made by Minneapolis Branch of its work during the last few months in getting subscriptions to Fourth International and the Militant, weekly newspaper of the American Trotskyists:

"We have discovered some good contacts in the course of our FI work," writes L. Lynn, "and undoubtedly out of the present Militant call-back work we will get leads on more persons to be approached for FI subs later on. One of the subscriptions enclosed in this letter came to us through a Militant Subscription Campaign.

"A number of the comrades gave very encouraging reports of talks with our Militant readers—all prospective subscribers to the FI. One, for example, passes his Militant around each week to his friends. When the comrade suggested he try to get some subs he was very receptive to the idea and took some sub cards. He subscribed to the FI.

"Another Militant reader contacted for an FI subscription seems seriously interested in the party. The comrade who made the contact is going to arrange for some informal discussions on party program and theory.

"A number of people seen, although they are subscribers to The Militant—like it, agree with its program—are still hesitant about subscribing to the FI. They either don't have the time to read more, want to get better acquainted with The Militant, or else they just don't have the money.

"We are all for the proposition of putting FI work on a campaign basis. It's a good idea periodically to place special emphasis on some phase of our work. With the last subscription campaign, we're ahead 25 new readers for Fourth International."

Chicago Branch has worked out an efficient method for handling newsstand sales. "Having completed arrangements for handling Fourth International and Militant on newsstands at this end," writes Florence Hayes, "I am submitting addresses of the seven stands and number of copies to be sent. Please bill us regularly for the specific stands and number of copies per week.

"We plan to handle this project separate and aside from regular Fourth International sales. The returns and money will be picked up once a month at which time new pamphlet sales will be solicited.

These seven stands happen to be in the Negro area and so we are selling the Jim Crow and Negro Struggle pamphlets there in addition to the Labor Party pamphlet. "You might be interested in a side-light of this project. Several of the newsstand proprietors are sympathetic and have offered to insert our leaflets advertising meetings and socials into the magazine and paper for us." Subscribers appreciate Fourth International.

E.M.G. of Madison, Ohio: Please find enclosed $2 for your kindness. But your effort will never realize how much I am in your debt with the stuff published by you.

Down here you will find a lot of people interested in this kind of material; that is a natural process especially due to the fact that Ecuador is living under a reactionary dictatorship—even the most educated people belong to the Leftist Party.

Greece: "I have received a series of your paper and magazine. I cannot find words to express my admiration for your work and my gratitude for your kindness. But your task is done, because next month I shall move to Athens where it is easy to get and read your paper and magazine.

South Africa: "Attached please find a draft for 17 annual subscriptions to Fourth International, starting with the June 1946 issue."

England: "I value the magazine greatly as a source of information regarding world events and also as a Marxist journal which gives a clear and precise analysis of current trends."

India: "For a long time we have been contemplating acquainting ourselves with the views and ideology that you stand for. Our publication, Navayoti, is a progressive anti-imperialist weekly journal. Its columns are open to workers and peasants. We always cite their cause. Your journal is also doing the same. Hence, indispensable is the need of an exchange of views. Please send us Fourth International; we will send you Navayoti."
The New Phase in the Battle Between Capital and Labor
in the United States—The Shadow of Atom Bomb
Diplomacy Over the Paris “Peace” Conference

Meaning of the Present Lull in the Class Struggle in America

THREE PHASES OF THE STRUGGLE

The titanic struggle between capital and labor which began in America with the ending of the war has now entered a new phase. The first phase, as recorded in the pages of Fourth International, started with the drive of Big Business to slash wages, lower drastically the workers’ standard of living, and housebreak the trade unions. Despite the weak, dilatory and hesitating policies of the top union leaders, the CIO unions proved able to unleash a battering counter-attack. By their extraordinary solidarity and staying power they succeeded not only in hurling back the offensive of the plutocrats, but also smashed through to a significant even if only partial victory. Thus ended the first phase of the post-war strike wave in the United States.

The money-masters of America were bewildered and fright­ened by this unexpected turn of events. They had not fully comprehended the situation nor gauged accurately the relation­ship of forces between capital and labor. Having failed to reach their objectives, they proceeded unthinkingly to goad Truman and his entourage of small-town bankers, politicians and bureaucrats to launch in the name of the government itself a second offensive against labor.

For this second test of strength they selected the two big railroad unions, led by old-line, arch-conservative officials—unions which were, moreover, isolated from, and at odds with, the other eleven railroad workers’ organizations. The plan of action was carefully drawn and launched with the fanfare of a military expedition. To the accompaniment of rolling drums Truman stepped forth before a joint session of Congress. Looking as grim-visaged and determined as it is possible for this little salesman to look, he called for draconian laws to place the working class under military rule. But the strategists of capitalism had not only miscalculated: they had miscalculated by a mile. They were compelled to beat an ignominious retreat. Not because their actions provoked a new offensive by labor, but because it now dawned on them that they could not go through with their plan without seriously upsetting the existing political balance. They sprang back in fright when they saw that they would be setting in motion a sanguinary struggle between the classes on a nation-wide scale, a struggle for which they were totally unprepared. Thus the second offensive against labor petered out, almost as soon as it had been launched.

CONTRASTS IN CLASS-CONSCIOUSNESS

From all this it is clear that the capitalist class, far from being infallible, makes serious mistakes. Its decisive superiority over labor consists in this: It has a class-conscious leadership which is devoted heart and soul to its rule. As a consequence, it is able to correct its tactical mistakes and make the necessary shifts and adjustments in the course of the struggle. The trade union leadership, by contrast, is led by capitalist-minded officials who have no over-all class program or aims and who therefore cannot and do not learn from their mistakes. This is the main reason why the American plutocracy is able to perpetrate atrocious tactical blunders, as they did in the recent struggles, and emerge from them more or less unscathed, with their class rule unimpaired. It is a patent fact that the capitalist-minded leadership of the American labor movement constitutes the most important bulwark of capitalist class rule.

With the end of the second anti-labor offensive, the working class was thrust into a new situation—what we may call the third phase of the post-war struggle. The plutocracy is now mounting a new offensive, but doing it in a far more skillful and deceptive manner. This offensive is far more difficult to repulse. Unlike the previous offensives, it is not of the bold, head-on variety, but rather an attack from the flanks, carefully camouflaged.

As a first step, the capitalist class has smashed all the remaining legislative obstacles to inflation. It has installed in the new OPA board, which is to “decontrol” prices, its own trusted agents. Given the existing market conditions, the country is heading for wild inflation. Through spiralling prices the living standards of the masses are being as surely and as drastically lowered as if the workers had taken a big cut in wages.

BECOMING ACTIVE

Secondly, the capitalist class has cautiously begun to subsidize and organize extra-legal fascist gangs. The capitalists realized in the last strike wave, to their chagrin, that the war veterans were now on the side of labor, and that they possessed no power of their own that could smash labor’s ranks in battle. They are now trying to make good this deficiency, but are moving with great caution. Thus far the fascist gangsters have made no direct attacks on the established trade union organizations. The Ku Klux Klan and the Vigilantes have made the Negroes their first target. They have been encouraged in their murderous forays by the Jim Crow attitude of many of the white workers—an
attitude which, as we have pointed out many times, constitutes the Achilles heel of labor. Another most significant incident was the recent attempt to burn down the headquarters of the Socialist Workers Party in Detroit. It is plain that the capitalists, as a beginning, are directing their fascist attacks against the most isolated sections of the labor movement—the Negro people and the revolutionists. Later they expect to pass over to assaults on the mass organizations of the workers.

In our study of the great strike wave, which appeared in the May 1946 issue of Fourth International, we wrote:

The trade union struggle is passing over into a social struggle ... the objectives demand that the trade unions now discard the old, outworn hit-and-run tactics and narrow trade union aims which were of value when the unions were weak and their objectives small and now adopt a broad social program and strategy that the times demand ... The growing number of left-wingers in the key mass production industries have the task of convincing the broad ranks that the labor movement must now become a social movement if it is to survive and prosper.

The present two-pronged attack on the labor movement puts this problem squarely before the ranks of labor. The first strike wave already demonstrated that it is impossible any longer to wage pure and simple economic strikes in America's major industries. The capitalists are united as a class, they are wealthier than ever before, and they have passed tax laws which enable them to hold out against strikes for lengthy periods. The unions, on the other hand, are so powerful and ramified that national strikes virtually halt the economic life of the country, and the government immediately intervenes in such struggles—against the workers. The present capitalist offensive reinforces the conclusion that the unions must build a political party of labor to fight for the class interests of the workers on the political arena, a party armed with a program of action and struggle, if the American labor movement is not to be wrecked and destroyed like the powerful German labor movement 13 years ago. We see how now the two major threats to labor—inflation and fascism—transcend the narrow limits of traditional trade unionism and necessitate a program of social action, the essential instrumentality of which is a political party. It is true that the historic struggle between labor and capital in America is still in its earliest stages. But that is precisely the time to organize properly and adopt a plan of action—when the fight is first beginning.

BUREAUCRATS RUNNING TRUE TO FORM

The invariable reaction of the AFL and CIO leaders, when confronted with serious problems or dangers, is to duck, or attempt to divert the workers' dissatisfaction into harmless channels. Green and Murray and their colleagues are running true to form in the present critical period. Meeting in the midst of the worst inflationary spiral since the beginning of the war, the CIO Executive Board had not a word to say about fighting for fresh wage increases to meet the skyrocketing cost of living. Shying away from the real fight, they are attempting to sidetrack the workers into futile, utopian "buyers' strikes." The top CIO officials have resurrected Roosevelt's demagogic slogan of a "roll-back of prices." The latest issue of the CIO's Economic Outlook goes so far as to adopt the infamous assertion of the capitalists that wage increases are responsible for price increases. For the present, therefore, the workers should eschew the wage struggle and concentrate on trying to control prices—by means of a buyers' strike! William Green, speaking over a nation-wide radio hook-up, even had the impudence to call upon the workers to "fight" inflation by "increasing production now."

Matching this conservatism and timidity in the economic sphere, the top union leaders have adopted no real measures and are leading no actions to combat the fascist danger, even though the present wave of Negro lynchings and Ku Klux Klan terror directly menaces the organization drives of the CIO and AFL in the south. They oppose real independent political action by the workers and are hostile to the building of a labor party. The CIO officials cling to their bankrupt policy of seeking out and electing "good" men from the two capitalist parties. The AFL leaders, for their part, are too smug and complacent even to bother about the problem. The terrible and tragic lesson of Germany is lost on them.

That the conservative and cowardly policy of the trade union bureaucracy has not aroused a storm of angry protest among the workers is due to this: the rank and file hesitate right now to embark on major strike struggles. The workers suffered heavy losses of earnings in the recent strikes. Their war-time savings are exhausted. It has become common for strikes to last four, five and six months (I. J. Case and Allis Chalmers in Wisconsin, Phelps-Dodge in Elizabeth, N. J., Fisher Body in Cleveland, Ohio, etc., etc.). The workers sense the fact that strikes are more and more becoming savage, unrelenting class battles. They hesitate to go into the streets again until they have regained some of their financial staying power, and until they can feel that the results will be worth the sacrifice.

The immediate period ahead is thus one of preparation for the next phase of struggle—a phase which will and must unfold on higher, wider ground than the last, a phase in which the goals set will justify great sacrifices and thus inspire the working class with unconquerable determination to win through to victory.

FIGHTING PROGRAM BEING ADVANCED

In the forefront of labor's struggle, educating the trade union militants and raising their political level, stand the Trotskyists. They are centering their educational work on key proposals:

1. Reopen all union contracts and demand that they include an escalator clause: the sliding scale of wages. Summon a national conference of labor, to include the AFL, CIO and Railroad Brotherhoods, to adopt a fighting program of action to combat the rising cost of living, etc.

2. For militant action against the fascist terror gangs. Proceed to form workers' defense guards and flying squads to repulse and smash the hired thugs of Big Business.

3. For independent working class political action through the formation of a labor party based on the trade unions.

The Trotskyists stand out in the mass movement today as the only political tendency which has a realistic and consistent program to meet the present crisis and overcome the dangers that threaten labor. Their message of militancy stands in the sharpest contrast to the deceptive chattering of both the Reutherites and the Stalinists, who have now joined with Murray in his utopian campaign for a "buyers' strike." Not one of the CIO unions under Stalinist control has taken the lead in pressing for the reopening of wage contracts. Even the medicine-men of the Shachtmanite Workers Party have joined the ugly chorus which seeks to drown out the demand for militant struggle for wage demands by gewgaws and noise makers in the form of "price roll-back" campaigns, buyers' strikes and postcards to Congressmen.

The present lull in the class struggle will prove to be short-
lived. The workers are girding themselves for the next round of battle. As the price squeeze becomes more unbearable, the ranks will again give the signal for action. Brushing aside all bureaucratic hindrances they will man the picket lines in the fight for wage increases. Once strikes begin, they can easily develop into a national conflagration, greater in scope and much fiercer than the last strike wave.

The more effectively the Trotskyist program becomes rooted in the union ranks, the clearer and more correct will be the aims of the next struggle, the more they will inspire the workers to miracles of militant action and sacrifice, the greater will be the promise of victory.

**Atom Bomb Diplomacy**

**ABSENT FROM THE AGENDA—BUT!**

The atom bomb is not on the agenda of the Paris “peace” conference. But it nevertheless dominates this latest conclave, just as it has all the other diplomatic gatherings of the Allied conquerors that have taken place since the first atom bomb was dropped on Hiroshima on August 6, 1945. It is the principal lever in the hands of American imperialism as the latter squeezes the Kremlin ever tighter between the jaws of the diplomatic vise.

The protests of the Moscow press and of Stalin’s diplomats against “atomic diplomacy” and American “saber-rattling” (in connection with the Bikini “experiments”) is only a pale expression of the extent to which the atom bomb—or, more accurately, the threat of unleashing it against the Soviet Union—is being employed in the current diplomatic power-play. There was one public utterance that is worth a hundred others to illustrate the Kremlin’s fear of the atom bomb, as well as the role played by this fearsome weapon in behind-the-scenes negotiations. This utterance was made by the Kremlin-licensed and Kremlin-censored Berlin Zeitung in connection with the first Bikini test. This paper rushed to proclaim the atom bomb a dud which has turned “into dust the dream that the atom weapons would make all war fleets and armies useless.” The paper added, wishfully: “The atom bomb has lost its value as an argument in diplomatic talks.”

Needless to say, the Bikini maneuvers served precisely as the strongest possible diplomatic “argument.” Timed with political precision, they have vastly increased the diplomatic potency of Wall Street’s “big stick.” This “big stick” is now being employed more and more brazenly, not only to wrest concessions from the Kremlin at the Paris conference, but, what is most important, to force the Kremlin to undertake Wall Street’s monopoly of atomic explosives.

It has been generally overlooked that the Bikini tests occurred almost simultaneously with the heated controversy in the United Nations Security Council over the control of atomic energy. On June 14, Wall Street formally introduced its Baruch Plan. Gromyko, in the name of the Kremlin, counterposed a different plan. Between the two plans, as both Washington and Moscow agree, there are “fundamental differences.” The Bikini bomb blasts punctuated the dispute in New York.

**COMMON FEATURE OF TWO PLANS**

While the two plans differ in many respects, they have this feature in common: neither provides any security whatsoever against the atomic destruction of civilization in the next war, but on the contrary lays the groundwork for it, each in its own way.

The Baruch Plan, based on the notorious Atcheson-Lilienthal Report, proposes to set up an “International Atomic Develop-

ment Authority.” This body, while attached to the Security Council, would admittedly be “semi-autonomous,” that is, in reality entirely under the domination of American imperialism and its British junior partner. It would exercise a complete monopoly over the atomic raw materials, uranium and thorium:

The first purpose of the agency will be to bring under its complete control world supplies of uranium and thorium. Wherever these materials are found in useful quantities the international agency must own them or control them under effective leasing arrangements. (A Report on the International Control of Atomic Energy, p. 34.)

In addition to owning (or “leasing”) all the raw materials, this body alone would have the right to carry on mining, processing and trading operations:

All the actual mining operations for uranium and thorium would be conducted by the Authority. It would own and operate the refineries for the reduction of the ores to the metal or salt. It would own the stockpiles of these materials and it would sell the by-products, such as vanadium and radium. It would also provide the necessary supplies of uranium and thorium for the present limited commercial uses. (Idem, p. 35.)

**WOULD BREACH TRADE MONOPOLY**

The territories of the Soviet Union are among those rich in deposits of atomic raw materials. Thus, the American imperialists propose not only to obtain “leasing arrangements” on Soviet soil, but also to effect a breach in the Soviet monopoly of foreign trade. The Kremlin has not uttered a sound on this score. The proposed monopoly over the raw materials, mining, processing and trading is nothing short of 100 per cent. This is unprecedented even for imperialist monopolies, which hitherto have been content with just the lion’s share. But nothing else can now satisfy Wall Street, because nothing short of a 100 per cent monopoly will guarantee its plans for world domination.

But this is not all. Supplementing the monopoly of raw materials, there must also be a 100 per cent monopoly of the production of atomic energy:

The second major function of the Authority would be the construction and operation of useful types of atomic reactors and separation plants. (Idem, p. 35.)

No power plants or stockpiles of fissionable materials may be built or operated by individuals or states, even for civil purposes, unless licensed by this Authority which “will be engaged in the production of [atomic] power.” Furthermore:

It will be engaged in licensing power plants of non-dangerous type for private or national operation. (Idem, p. 41.)

The Authority, moreover, would have complete police powers “to inspect” at any time and anywhere all mines, stockpiles, installations, plants, etc. (Idem, pp. 39-41.) In the Baruch Plan these police powers are to be implemented by the unrestricted right to impose, in case of violation of the foregoing provisions, penalties up to and including the use of armed force. As we see, a copper-riveted monopoly is proposed.

It is instructive to note, in passing, that the American scientists who cried out in alarm at the peril of atomic destruction, and who professed the noble aim of protecting civilization against the consequences of a military monopoly of atomic energy, have all ended up as supporters of the Baruch Plan on a world scale, and are backing its American version as embodied in the McMahon Bill. This is exactly what we predicted would happen. The scientists had and could have no independent position of their own. Attempting to rise above the
classes and the class struggle, they finished by supporting the plans of American imperialism.

ADMISSION BY THE KREMLIN

The so-called Gromyko Plan differs from the Baruch Plan in three important respects. First, it demands the immediate “outlawing” of atomic weapons. This is an indirect admission by the Kremlin that its own researches in this sphere have not yet yielded satisfactory results. Secondly, it opposes the right of international inspection, on the ground that this “impinges on the sovereign rights of individual nations.” Thirdly, it would invest international control, not in any special Authority, but in the Security Council. The reason for this last proposal is plain enough. In the Security Council the Kremlin exercises (for the time being) the right of veto. The Authority which would be set up under the Baruch Plan would have no such procedure. Stalin evidently hopes to parry the moves of the imperialists by procedural maneuvers. It is on such frail reeds that the Kremlin dictator seeks to lean.

The Baruch-Wall Street Plan has been presented to the Soviet Union virtually as an ultimatum. The Soviet spokesman Gromyko understood it in this sense. His diplomatic version of the stand of American imperialism reads as follows:

Either you accept our proposal as it stands, without change, or we refuse, we decline to conclude the proposed convention.

That an actual ultimatum is involved is further attested by the fact that the Moscow press has begun openly to talk about “American imperialism.” Up to now, such formulas have been reserved for Great Britain, between whom and the United States the Moscow strategists hoped to drive a wedge. In addition, Stalin’s Russian press and radio are now charging the United States—Secretary of State Byrnes in particular—with duplicity; with a plot to form an “Anglo-Saxon bloc” for the purpose of gang up on the Soviet Union, i.e., preparing war against the Soviet Union in order to conquer all the world for Wall Street.

These war plans are still being ascribed in Moscow—as in the Daily Worker—to “groups of adventurers” and reactionaries “gone mad.” As the editors of the New York Times insolently remark, the Kremlin has suddenly discovered:

... a new “military caste” in the U. S.—which decides all the most important questions in the country and tries to use the atomic bombs as a weapon for world domination. (New York Times, August 6.)

The new line of the Moscow press has been followed, after adjustments to suit the customs and conventions of diplomacy, by Gromyko in the Security Council and by Molotov at the Paris “peace” conference.

Behind the Stalinist double-talk there lurks a very grim reality, Wall Street, that is to say the leading imperialist circles and not merely their military wing, are in actuality preparing to crush the Soviet Union. They would prefer to accomplish their ends by threats, by economic and diplomatic pressure, and so on. But failing such a “peaceable” solution, they are ready at the favorable moment to pass from threats to action.

The Fourth Five-Year Plan and the Crisis in Soviet Economy

One year ago, in August 1945, the Kremlin boastfully announced the resumption of planning; the Fourth Five-Year Plan was scheduled to begin in January 1946 and to terminate on December 31, 1950. However, it was not until seven months later, on March 18, 1946, that the Fourth Five-Year Plan was legally promulgated at the first session of the Supreme Soviet. Almost simultaneously came the news of another purge sweeping through every sphere of Soviet economic, social and cultural life.

This purge is in and of itself proof that the economy continues in the throes of a deep-going crisis. Obviously this crisis has not been mitigated by the war but, on the contrary, enormously sharpened. Far from being able to guide the country’s economic and cultural progress more efficiently and easily than in the pre-war epoch, Stalin’s regime reveals itself as an ever-growing obstacle to further Soviet development.

Although one year has passed since the announcement of the latest Plan, no target figures for the current year have been made public. The Kremlin adopted this practice of secrecy in 1939, and obviously intends to continue it. But we do have the general “control figures” for the year 1950, i.e., the last year of the Plan, and they are highly revealing.

We can obtain a very graphic picture of Soviet economic conditions today by juxtaposing the 1950 “control figures” with those planned for 1942—the end of the Third Five-Year Plan, and with alleged output as reported in 1940, in other words immediately before the outbreak of the war.

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<thead>
<tr>
<th></th>
<th>Third 5-Year Plan</th>
<th>1950 Plan</th>
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<tr>
<td></td>
<td>Claimed Output</td>
<td>Control Figures</td>
</tr>
<tr>
<td></td>
<td>(in million tons)</td>
<td>Control Figures</td>
</tr>
<tr>
<td>Pig Iron</td>
<td>15.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Steel</td>
<td>18.3</td>
<td>28.0</td>
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<tr>
<td>Rolled Products</td>
<td>15.0</td>
<td>21.0</td>
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<tr>
<td>Coal</td>
<td>166.0</td>
<td>243.0</td>
</tr>
<tr>
<td>Oil</td>
<td>31.0</td>
<td>48.5</td>
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As the above table shows, only in the coal industry does the new Plan even pretend to set goals above pre-war levels. It goes without saying that the coal industry today is producing nowhere near the 1950 figure. The comparative figures for pig iron, steel and rolled steel provide decisive proof how the war devastated the key branches of Soviet industry; how despite all the pillaging and looting in the regions occupied by the Red armies, Soviet economy remains in a highly critical condition. The target figures for 1950 in these key industries, are far below the 1942 figures and not very much higher than the goals of the Second Five-Year plan—the 1937 figures.

What an annihilating commentary on Stalin’s program of
building Socialism “in one country,” not to mention the latest brazen boast of “entry into Communism.”

During the period of the Second Five-Year Plan, Soviet industry expanded at an annual average rate of 16.5 per cent. Were the Kremlin oligarchy able to carry through Soviet reconstruction at these previously attained tempos, the 1950 figures would be almost double the actual goals. But the 1937 tempos were never reached again. For the Third Five-Year Plan the annual rate of increase was drastically cut to 11 per cent. But even these much lower quotas proved impossible of attainment. The best that the Stalinist oligarchy can hope for today in the sphere of heavy industry is to pull it back by 1950 approximately to where it was in 1937, at the termination of the Second Five-Year Plan.

So far as the oil industry is concerned, the comparative figures reveal a condition of acute crisis. The 1950 goals are far below both the levels set for 1937 (46.8 mill. tons) and 1942 (48.5 mill. tons—neither of which were ever realized). It has now been officially confirmed that the rehabilitation of the Donetz coal basin will not be completed before 1949 and that the output of oil in the Baku region has dropped to about half its pre-war volume. This explains in part the Kremlin’s intrigues in Iran and its anxiety to secure some of the oil resources of the Near East.

Literally every other branch of economic life finds itself in a crisis. The bureaucracy has no further hopes than to simply restore the Soviet transportation system to levels attained years ago. The goal set for daily freight car-loadings—by 1950!—is a figure of 115,000, as against the 1941 figure of 103,000 freight cars. The total new trackage is—4,510 miles, which is below the trackage laid down during the previous plans.

There is internal evidence, however, that the Kremlin itself knows that even these extremely modest goals cannot and will not be attained. Railways cannot be operated without locomotives. Moscow’s own official figure for locomotives destroyed during the war is 15,800. Yet the 1950 production figure for locomotives is fixed at only 2,200. (The 1937 Plan called for 2,800 locomotives a year!) But even at this figure, Soviet railways would still be in 1950 almost 5,000 locomotives short. As a matter of fact, the Kremlin expects a far bigger shortage. Here is a quotation from the Law governing the Fourth Five-Year Plan:

Rolling stock shall be increased by the addition of 6,165 long-distance steam locomotives, 555 long-distance electric locomotives, 865 long-distance Diesel locomotives, 472,500 freight cars (in terms of two-axle cars) and 6,000 passenger coaches. ("Special Supplement of the Fourth Five-Year Plan," Information Bulletin, U. S. Soviet Embassy, June 1946.)

The basic additions to Soviet railways thus come down to 7,585 long-distance locomotives. The far-fung Soviet railways will at best get less than half of the locomotives destroyed during the war.

The situation is no less acute in rolling stock. The foregoing passage speaks of an envisaged "addition" of 472,500 freight cars—in the face of the officially acknowledged war-time destruction of 428,000 freight cars.

The serious crisis of Soviet industry is duplicated in far more aggravated manner in agriculture. The grain production—for 1950!—is calculated for an average harvest of only 12 hundredweights per hectare (approximately 2½ acres). Not only is this production far below that in advanced capitalist countries; it is likewise far below the levels at which machine and tractor stations are able to cover expenses. According to the best avail-
It will be observed that this total happens to be some 30 odd million meters short of the over-all "control figure." Such minor frauds are not uncommon in the generally falsified system of Stalinist statistics. It is likewise noteworthy that six out of the sixteen Federated Republics are omitted from the list (Ukrainian, Byelorussian, Georgian, Lithuanian, Moldavian and Karelo-Finnish). The production in these areas is so insignificant that the authors of the Plan, who carefully include the infinitesimal projected output for Kirghizia, do not even bother to specify it.

With regards to footwear, the Kremlin’s statisticians have been even more careless. The discrepancy between the infinitesimal projected output for Kirghizia, do not even bother to specify it.

The Kremlin’s own bookkeeping, it will take the Third Five-Year Plan-27,000,000 girls, 14 years of age and over, who are drafted for child labor. According to official figures (Pravda, July 5), these children will provide in the next period the following labor force:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Labor Force</th>
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<tbody>
<tr>
<td>Metal workers</td>
<td>1,860,000</td>
</tr>
<tr>
<td>Mining (coal and ore)</td>
<td>545,000</td>
</tr>
<tr>
<td>Metallurgists</td>
<td>150,000</td>
</tr>
<tr>
<td>Transport</td>
<td>500,000</td>
</tr>
<tr>
<td>Construction</td>
<td>1,285,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,340,000</strong></td>
</tr>
</tbody>
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This child labor is now being drafted at the rate of about 500,000 a year. By 1950 the rate is to be stepped up to 1,200,000 a year, or virtually the total additional force required. This aspect of the Plan is deemed so important that a special Ministry—the Ministry of Labor Reserves—has been permanently set up.

**Growth of Bureaucracy**

The manpower problem in the Soviet Union was rendered acute in both industry and agriculture by the declining productivity of labor, and the huge civilian and military war-casualties. It is further aggravated by another factor which is just beginning to be "discovered" by the official Russian press. It is this: Soviet economic life is staggering under the unprecedented post-war expansion of the bureaucracy. The latter has not only vastly increased its privileges and power, but has inordinately swollen in numbers. In addition to the new huge military caste, there is a greatly enlarged police apparatus, particularly the secret police, or the GPU, whose special (and most privileged) trained troops have been increased sixfold, from 250,000 to approximately 1,500,000. Alongside this bloated...
apparatus of repression, there are the hordes of "administrators" and "technicians" on the civilian staffs.

The enormous war-time growth of the bureaucracy is reflected in the increased membership of the Russian Party from 1.4 million in pre-war days to more than 5 million. It likewise finds expression in a higher proportion of functionaries to workers. Thus, a ratio of one "administrator" to every five or six workers is not at all uncommon. The pre-war ratio was reported as slightly less than one to 10. But this was considered too high at the time. In recent months Pravda has cited cases of ratios of one to three. And at a recent session of the Supreme Soviet of the RSFSR far more scandalous conditions were exposed. Deputy N. M. Vassiliev, Minister of State Control cited the case of a soap factory employing six workers, while maintaining an administrative-technical staff of fifteen; another plant of four workers had six administrators. Minister Vassiliev then went on to add:

Things are permitted to go so far that for the upkeep of an administrative apparatus certain enterprises spend sums many times above the value of their total production. For example, the Volochayevsk promkombinat had an output worth 4,000 roubles, and paid out in salaries to the administrative apparatus—10,700 roubles.

These rather revealing remarks, according to Pravda, exposed the "impermissible lavishness of certain economic leaders, which is expressed in illegally large staffs, unproductive expenditures, arrangements of all sorts of receptions, and banquetquets, payments of illegal premiums." Among the industries singled out were: timber, textiles, meat, and milk. Directors of the latter are accused of having squandered 45 million roubles in this way last year.

"Squanderers and Embezzlers"

The foregoing is part of a nationwide "exposure" campaign of "squanderers and embezzlers." To cite only a few: In the Kirghiz Republic heads of five construction firms have been charged with squandering 2,664,000 roubles (Pravda, May 30). In the Astrakhan region charges of embezzling collective-farm property were brought against "the Deputy Secretary of the Regional Committee, Korchunov; Personnel Secretary of the Regional Committee, Permyakov; Chairman of the Regional Executive Committee, Mal'yanov; and the Regional Prosecutor, Chashechnikov" (Pravda, July 4). The Volga-Caspian Fish Trust has been accused of embezzling 130,000 hundredweight of fish "last year alone" (idem). "The Provincial Committee of the Party had no cause whatever to be surprised by the facts of moral degeneration and criminal acts on the part of the leading workers in the Krasnoyarsk region who have now been removed from their posts and committed for trial. Back in 1944 there were cases of embezzlement of collective-farm wealth" (idem).

Such cases are multiplying in a geometric proportion. The language of Pravda is becoming more and more savage. By this latest purge, the Kremlin hopes to successfully repeat its past performances in providing convenient scape-goats for the inescapable consequences of its own misrule, in particular the intolerable scarcities and the abysmal living and working conditions.

Grave as the situation is in industry and transportation, it is verging on catastrophic in two other spheres: finance and agriculture. Inflationary processes set in even before the war; but the war has completely shattered the country's fiscal structure. It is not for nothing that the authors of the Fourth Five-Year Plan speak in terms of "1926-1927 prices." The rouble today is a purely imaginary quantity. It will take several years and many convulsions before the country's currency is stabilized again.

The chaotic condition of Soviet industry in general and its fiscal system in particular are most crassly revealed in the overall figures for the budget of the new Plan. Here the discrepancies and falsifications assume truly nightmarish proportions.

The text of the Plan Law asserts that the "total volume of production of the industry of the USSR as a whole in 1950" shall amount to "205 billion roubles (in 1926-27 prices)." This allegedly represents "an increase in industrial output of 48 per cent as compared with the pre-war year of 1940."

The authors of the Plan further project a national income of "177 billion roubles," which allegedly represents an increase of "30 per cent above the pre-war level."

On the basis of these "estimates," people unacquainted with Stalinist statistical methods have jumped to the conclusion that the Soviet Union stands on the verge of not only re-establishing pre-war levels but rapidly surpassing them. How is the national income to be increased by 51.5 billion roubles as against 1940 when the national income was reported at 125.5 billion roubles, on the basis of lower levels of production?

The Kremlin jugglers attempt to get around this difficulty by performing breath-taking feats in the domain of wages. They are very explicit in demanding of the workers a 36 per cent increase in productivity in industry and 40 per cent in construction "as compared with pre-war levels." In return, while carefully evading the question of working hours, conditions, rates of pay, etc., they promise average annual earnings of "6,000 roubles, which is considerably above the 1940 level."

The total pay roll in 1950 they estimate at the stupendous sum of 252.3 billion roubles. Here we come to the first discrepancy—a slight matter of 51.3 billion roubles (a total working force of 33.5 million averaging 6,000 roubles equals a payroll of 201 billion roubles).

But this unexplained 25 per cent hike in payroll figures does not exhaust the Kremlin's generosity. The Kremlin planners promise that Soviet industry and the state institutions will in addition contribute "in the period 1946-50 a total of 61.6 billion roubles," or roughly 12 billion a year, for social insurance, etc. Thus a total of 264.3 billion roubles will be paid out to the workers in 1950. The question literally forces itself upon the reader: How can an industry whose gross output will be 205 billion roubles in 1950 pay out, in wages and social insurance alone, over 264 billion roubles? On this basis, how can industry pay any profits to the state, which depends on these profits as its major source of income. And where will the capital come from for necessary reinvestments in industry and for expansion?

The projected annual payroll jibes neither with the projected gross output nor with the estimated national income. It jibes only with the Kremlin's urgent need to throw sand into the eyes of its own deeply discontented masses, and to throw a statistical veil over the grave crisis which is shaking Soviet economy.

The Agricultural Situation

. The situation in agriculture is briefly as follows. In 1940 the collective farms disposed of 523,000 tractors, 182,000 combine harvesters, and a vast quantity of other equipment. The official war-losses are listed at 137,000 tractors, 49,000 combine harvesters and more than 5 million plows, harrows and other
agricultural implements. In addition, "machines working in the
rear regions were worn out sooner because of the shortage of
trained cadres and spare parts" (Information Bulletin, U.S.
Soviet Embassy, May 16).

The scope of the shortage of "trained cadres" may be gauged
by the fact that the Fourth-Plan Law proposes (in the face of
the existing acute manpower shortage) to provide agriculture
with 2,300,000 tractor and combine-harvester operators and
"other qualified workers."

The current harvest began early in July. The crops had
previously suffered from drought. But the available machines
and implements are still in a state of disrepair, or idle for lack
of fuel. Thus in Poltava province, although the harvesting had
already begun, 40 per cent of the combines remained unre­
paired. In the Krasnodarsk and Stravropol regions many of
the machines "are still in repair shops although the collectives
began harvesting several days ago." In the Saratov and Kuuby­
shev provinces "half of the combines have still to undergo re­
pairs." The July 6 Pravda, which reports all of this, warns:

Further delay with the repairing of combines can lead to grave
results.

In other words, the already drastically reduced crops may be
lost through harvest failures.

But Pravda itself has few illusions about any timely improve­
ments in the situation, for the leading editorial in the same
issue, demands the utilization of "all the ordinary harvesting
machines and hand equipment."

It ought not to be forgotten (continues the editorial) that in many
regions the bulk of the bread-grains is harvested with reaping hooks,
scythes and sickles. For this reason the preparation of simple harvest
machines is a task of no lesser importance than the repair of combines.

There happens also to be a grave shortage of these "simple
machines."

Rural Neo-Bourgeoisie

But there is even a direr threat to the collective-farm system
and therefore to the grain supply of the urban population. De-
mecbanization, manpower shortage, the scarcity of manu­
factured goods have greatly reinforced the centrifugal tendencies
within the collectives. The authorities are alarmed lest the peasants, especially the neo-bourgeois agrarian elements (the
"millionaire collective-farmers"), withhold the grain. The col­
umns of the Moscow press are filled with warning upon warning
that strictest accounting must be kept and "strictest guard
established over the collective-farm grain through every single
stage of the harvest, all along the road—from the fields to the
state granaries, to the collective-farm bins (Pravda, July 6).

The same issue reports that in two regions (Dnepropetrovsk
and Krasnodarsk), deliveries of grain were refused at state
granaries, and warns ominously:

These facts cannot be regarded otherwise than as anti-Soviet prac­
tices whose aim is to ruin the grain deliveries.

Similar critical conditions prevail in cattle-breeding. Soviet
stock-raising never recovered from the excesses of Stalin's
original "100 per cent collectivization" (which led to a whole­
sale slaughter of cattle by the peasants), and it was further
deprecated by the war. A comparison of figures for 1929, the
year 1945 and the projected 1950 goals of the Fourth Five­
Year Plan discloses the grave situation in this sector:

<table>
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<th>Cattle and Goats</th>
<th>Sheep</th>
<th>Pigs</th>
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<td>1945</td>
<td>10.5</td>
<td>47.0</td>
<td>69.4</td>
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<td>15.3</td>
<td>65.3</td>
<td>121.5</td>
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</table>

While the Kremlin is painting its none-too alluring picture
of the future, cattle are dying from lack of fodder, or are
being slaughtered for meat. This is the situation reported by
Pravda on June 15 in Buryat-Mongolia, one of the important
cattle-raising regions. In addition, numerous cases are cited of
large discrepancies between the official figures and the actual
number of animals on the collective farms. "Where is the guar­
tantee that similar conditions do not prevail in other regions?"
asks Pravda.

The same forces that are undermining the grain deliveries
are likewise manifesting themselves in cattle-breeding. This is
evidenced by the following report from the Altai region, one of
the largest stock-breeding areas in the country:

Cattle-breeding here is "farmed-out" to various agricultural bodies.
Other facts confirm this, too. The production of milk is proceeding
poorly in the region; a number of collectives permit a big decline
of cattle and the alienation of calves. (Pravda July 5.)

The peasants refuse to harvest hay. A common practice
among the collective farms is to sell the hay crop, which is then
harvested by outsiders, in most cases, the local bigwigs. What
are the collective farmers doing meanwhile? The answer is
supplied by a report from the Voroshilovsk region:

Many of them are busy on their own [private] land strips. They
have long ago prepared the hay for their own cattle. Other collective
farmers are whiling away their time in the market places of Stavropol.
(Pravda, July 6.)

This report concludes with the revealing comment:

Sad to say, similar things are to be observed not only in the
Voroshilovsk region but elsewhere, too.

To remedy this, the Kremlin passed a special decree offering
special inducements for harvesting hay. Each peasant, in addition
to regular pay, is to receive 10 per cent of what he harvests.
For every hectare over 40, he receives in addition 20 kilos of
hay, or, if preferable, equivalent amounts of potatoes and
vegetables. But there has been no noticeable improvement thus
far. It still is much more profitable for the peasant to tend his
own land or cattle, or to "while his time away" in the market
places.

The greatest difficulties lie ahead and not behind. Pravda
acknowledges quite frankly in its leading editorial of July 5
that the crisis will reach its peak by the latter part of this year.
It says:

The decisive months of the struggle for the Plan are here. Upon
this struggle depends the success of the whole year, and consequently
the success of the whole Five-Year Plan.

Thus the Kremlin oligarchy, despite its policy of looting and
ravaging in Europe and Asia, finds itself beset again by a great
crisis in every sphere of Soviet economy. The launching of a
mass purge coincident with the launching of the new Plan is
an ominous reminder that Soviet economy, under Stalin's rule, is
condemned to a permanent state of convulsions and crisis. Try
as they may, the Kremlin clique cannot achieve stability. Its
regime remains as shaky, its leading circles as jittery as in the
most critical days of 1929.
The Problem of Inflation and the Function of the OPA

By WARREN CREEL

The money of the United States was inflated on a tremendous scale during the war. The rise in prices, which is a delayed result of the inflation, began during the war, but has been speeding up since. Prices are rising at the sharpest rate now, a year after the war, although the inflation which pushes them up was accomplished through the war years. The inflation already carried out will push prices much higher before it reaches its full effect.

Government price control, through the Office of Price Administration (the OPA), along with wage control or wage-freezing, played an important part in the war program of the capitalists. But, as the evidence will show, it was not the function of these government programs to prevent inflation. They could only steer the bulk of the inflation profits to certain big capitalists, and away from the small fry among the capitalist class.

The amount of inflation, as compared with the money situation before the war, appears in the following report from the Christian Science Monitor of October 31, 1945, based on Federal Reserve Board figures:

Inflation comes when there are “more dollars than goods,” and prices are bid up. Here is the inflationary situation today:

The Federal Reserve Board estimates liquid assets in the hands of the public at 300 billion dollars. This is 8 to 10 times greater than the inflationary forces that caused difficulties 25 years ago.

Savings equal 145 billion dollars. This is twice as much money as American consumers spent in 1939.

Since August, 1939, balances in checking accounts have increased from 27 billion dollars to 72 billion dollars. This ready cash alone equals more than the entire amount spent by consumers in 1939.

A comparison with the situation after the first World War appears in another Monitor story of December 26, 1945:

The economic pressures that caused the decline in the value of the dollar after World War I were feeble compared with the gigantic pressures now threatening postwar stability.

After World War I, public savings were only 27 billion dollars, today they are 145 billion dollars.

After World War I, currency in circulation was only 7 billion, 200 million dollars, today it is 26 billion, 700 million dollars.

Checking accounts showed balances of only 27 billion 300 million dollars after World War I, contrasted to 69 billion 300 million dollars today.

Nothing quite like the present inflationary prospects were known after the previous war. It is like the steel of a trap, just waiting to be released.

Who Holds the Excess Money?

The economic system of the United States is loaded with this mass of money-in-the-wallet and money-in-the-bank, without enough goods for the money to buy. This is more than an “inflationary prospect,” as the newspaper writer describes it. This is a matured inflation, already accomplished.

A glance at the amount of excess money is enough to show that it came from profits and not from wages, because workers do not get a chance to save such sums. However, there are plenty of official figures to prove the point. According to the Bureau of Agricultural Economics, 40 per cent of American families have only one per cent of the savings, amounting to $40 per family. The next 30 per cent of the families have 11½ per cent of the savings. The top ten per cent of the families have 60 per cent of the savings. They did not save out of wages. Beside these billions in personal funds stands the immense total of corporation savings, which also came from profits, not wages.

To manage the flood of wartime money, and keep it in their own hands, the capitalists used government price control.

Government price control under capitalism is not new, although in the United States it was never used before on such a large scale. Marx pointed out that the power of a monopoly brings on the interference of the state. Naturally, since the state represents the capitalists, it interferes for the benefit of the capitalists, and not to protect the mass of consumers. A classic example of capitalist price control is the regulation of railroad rates. They say this is done to protect the public. Yet the real history of railroad regulation shows that when the railroads got a monopoly of transportation, they were able to raise freight rates so as to drain all the profits of industry to the railroads. Railroad rate control was set up by the capitalist government to protect the rest of the capitalists from the railroads.

OPA and the Small Capitalists

Wartime price control followed a similar pattern. It was created by the capitalists for their own protection. Only in this case they needed it to protect the big monopolies from the small capitalists and from the workers. The big monopolies needed government control over war-time prices of civilian consumers’ goods in order to keep wages from rising. True, wages were frozen by government order. But wage-freezing would have broken down if living costs had gone so high that the workers could not buy the necessities of life.

A war-time price limit on the civilian market did not hurt the giant corporations at this particular time because they were selling very little to civilians. They did not sell at controlled prices under OPA. They sold war supplies to the government, at uncontrolled prices, which they raised to high levels by cost-plus contracts.

In the main, the monopolies left food, clothing, and the rent of homes to the little capitalists. Without government price control, the little capitalists would have raised prices and rents. The corporations would have been compelled to pay out some of the war surplus in higher wages, so that the workers could meet the higher cost of living. In this way, through higher wages and prices, the little capitalists would have been able to get a large part of the war profits.

The chart in Figure 1 shows how big industry moved out of the civilian market, leaving the OPA behind to control it. It compares war production and civilian production from the middle of 1939 to the middle of 1946.

War production, the light grey section at the top of the chart, quickly grew to more than half of the total output of
The recent report of the Senate Small Business Committee (entitled Economic Concentration and World War II), revealed that the top 100 corporations got two-thirds of the total business under government war contracts. These few corporations, in turn, are owned and controlled by eight financial groups such as the Morgans, the Rockefellers, the du Ponts, the Mellons, etc.

**FIGURE 1**

![Industrial Production - War and Civilian](chart)

Chart from "Monthly Report on Civilian Production" (Civilian Production Administration) prepared by the OPA from data furnished by the Board of Governors of the Federal Reserve System.

Those financial groups wanted price control over civilian prices while they were selling elsewhere. Today these monopolists are moving back into the civilian market, and they take a different attitude toward the OPA, although they still have a certain use for it, for a few months.

The war function of the OPA was to hold down prices, in order to protect the wage freeze. In the main it did that, although it played favorites, allowed violations in many fields, and so on. The OPA held rents down, and it kept a firm control over prices received by farmers. The rent control afforded a contrast to conditions in World War I, when rents soared. Prices to farmers were controlled by the government during the last war, although not as tightly as under the OPA. Both these strongly-controlled fields, rent and farming, are in the hands of small owners. On the other hand, in the fields of food and clothing the OPA allowed prices to rise 100 per cent or more, which was the same rise as during World War I. Yet even in these lines the OPA actually held prices below the level they would have reached without control; for we have seen that the amount of excess money was "8 or 10 times" as much as in World War I.

When the war ended, big business started selling again in the civilian market. That finished their need for the price-limiting function of the OPA, finished it completely. From then on they could use the OPA only to raise prices. The OPA gives them official sanction for price increases. Through the OPA they put the responsibility for higher prices on the government. That is how they are using it now. The OPA hands out price increases, saying they are given "because of increased costs," or some other excuse. Meanwhile the OPA enforces wage limitation. Employers are held to the government wage formula because the OPA will refuse to give them "price-relief" if they pay higher wages.

Wage-freezing ended when the OPA expired on June 30, 1946. A month later, when the OPA was restored, its first act was to announce that it would "roll back wages" to take away any wage gains that workers had won during the month. From now on the OPA can only furnish official cover for price raises, while it gives an excuse for, and enforces, wage-freezing.

**The Real Cause of Inflation**

Additional light is thrown on the character of government price control when we turn to another aspect of the question, the reason for inflation. What was the real cause of the war inflation, which the government claimed to be preventing through price control and wage-freezing?

In a recent editorial the Wall Street Journal gave a correct and compact statement of the cause of inflation: "The source of inflation is a government deficit, financed by means which amount to printing money."

Wartime inflation by government deficit spending was the reason for the OPA. Senator Taft, the Republican floor leader, said as much on June 27, in his tirade against the OPA:

> I feel very strongly that OPA during the war was essential. . . . I think that anyone who calmly examines the question must conclude, no matter what the faults of price control, if we are going to incur annually a 50 billion dollar deficit to conduct a war, it is necessary to have price control.

We can find testimony on one more point from official sources before we start to trace the inflation process for ourselves. The deficit did something else: it produced the war profits; and that's the real reason behind inflation and the OPA. The government deficit was the source of the war surplus which gave war profits to the capitalists. The government created the deficit to provide the war profits.

The Treasury Department gave figures on this when it issued a summary of the total spending, government and private, during the six years of the war and pre-war period, 1941 through 1945. An Associated Press report of this summary on July 22, 1946 states that during these six years:

- The federal government, while spending 365 billion dollars, took in but 156 billion dollars in taxes. So it had a deficit of 209 billion dollars.
- State and local governments took in 58 billion dollars in taxes, but spent only 50 billion dollars. So they wound up about 8 billion dollars ahead.
- Individuals and corporations came out 201 billion dollars better off, because their income was 773 billion dollars after their taxes were paid, and their other expenditures were 572 billion dollars.
- In fact, the 8 billion dollar surplus piled up by state and local governments and the 201 billion dollar surplus accumulated by individuals and corporations exactly equaled the federal deficit of 209 billion dollars. (Italics supplied.)

That, say the treasury men, was no accident, since "total spending and total income are really the same figures—they are the head and tail of a coin."

We can visualize this process in terms of the diagram, Figure 2, which is a simplified portrayal of the flow of commodities and money in a capitalist system. The section of the diagram labeled "New Money" represents inflation, and in the first discussion that part will be left out. Cover it with your hand or imagine it isn't there.

**Flow of Commodities and Money**

The commodity pictured is a coat. A mill makes the cloth and sells it to a factory. The factory makes it up into a coat and sells it to a store. The store then sells the coat at retail
to the consumer. The final price is eight dollars. The eight lines leading back from the coat show what happens to this money.

For the sake of simplicity we start with the mill, although in reality the mill would have to buy cotton or wool for raw material before it could start. But going back further in the stages of production would not change the point which the diagram shows.

**FIGURE II**

The mill sells the cloth to the factory for two dollars. The mill gets the two dollars, which it then pays out. We can suppose half the money goes to the workers, as wages, and the other half to the owners, as profit, interest and rent. The lines show one dollar going as profit to the owners, and the other paid as wages to the workers.

The factory makes the coat and sells it for four dollars. Of this, two dollars goes back to the mill for the cloth. That leaves two dollars for the factory which can be paid as shown, one dollar to the owners and one to the workers.

The store gets the coat for four dollars and in keeping with the usual retail mark-up, sells it for twice as much, i.e., eight dollars. After paying four dollars for the coat, the store has four dollars left, which can be paid out as the lines show, two dollars to the workers, for advertising and selling, and two dollars to the owners.

Then the coat is sold for a price of eight dollars. The important point is that during the flow exactly eight dollars of net income was paid out in the economic system to owners and workers. That is just enough income to buy the coat.

We can consider the coat as standing for the total output of all commodities. The owners and workers can take their money to the market, and in total, they will have just enough money to buy the commodities that are there for sale. Under normal conditions there always is that balance between commodities and income.

The eight-dollar price of the coat is equal to the eight dollars of income paid out, for the very good reason that the income came from the coat. As the economists say, income equals output. It must, because the income comes from the output, just as this eight dollars of income comes from the sale of the eight-dollar coat.

We can trace the effect of a wage increase in this economic system. Suppose wages increased in the factory in this diagram, so that the workers got a dollar and a half, instead of a dollar. That would leave only fifty cents for the owners out of the two dollars the factory gets. The workers would be getting more, but there would not be more total buying power in the economic system. The income of the owners would go down by as much as the workers' income went up.

Would there be a surplus of buying power because of this wage increase? No, for the total buying power would not be changed. There would still be exactly enough income to buy the output. Could the factory raise prices because goods were scarce, and thus pass the wage raise on to the consumer? No, because there would be no scarcity; there would be no excess of buying power to cause a shortage of goods or a change in the price level. In such a case, as Karl Marx summed it up in *Value, Price and Profit*, since the increase of the purchasing power of the workers comes from an advance of wages:

... that increase of their purchasing power must exactly correspond to the decrease of the purchasing power of the capitalists. The aggregate demand for commodities would, therefore, not increase, but the constituent parts of that demand would change. The increasing demand on the one side would be counter-balanced by the decreasing demand on the other side. (Page 15.)

The typical result, Marx showed, would only be an increased demand for things the workers buy, for necessities such as food and clothing, while there would be a lowered demand for things the capitalists buy, for luxuries. This could bring only a temporary rise in prices of necessities, and a temporary fall in prices of luxuries, until production shifted to turn out more goods for workers. Then prices would be equalized again, but there would be more production of goods for workers, and less luxuries.

**Emphasis on High-priced Goods**

If the capitalist newspapers were right in saying that inflation has been caused by increased wages, we would see just such an increased demand from the workers' side of the market, with a lowered demand from the luxury side. But the opposite is the case. Industries are stopping production of low-priced articles and changing over to high-priced goods. They rebelled against the OPA's "maximum average price" regulation which made them keep part of their production in low-priced lines, and Congress has now killed the regulation. The stock market is booming because the owners have a mass of extra money to invest, more than they know what to do with.

Besides the extra money in the market, there is more money in the banks that doesn't come to the market. The balance between income and output has been destroyed. It was destroyed by the methods which the government used to pay war profits.

To follow the path of war profits, look back to the diagram, Figure 2, still leaving out the section "New Money." Suppose the government needs part of the goods produced for any purpose, including war. It can levy taxes to buy the goods. Suppose it taxes 25 cents of each dollar of income from all owners and workers in the diagram. The government would get a total of two dollars to buy goods. The buying power of the owners and workers would go down by that amount, two dollars. The balance between money and goods would not be changed; there would still be no surplus of money, and no excess of money over goods.

During war a country must produce more than usual. Would there be enough income to tax to pay for this war production? Yes, just exactly enough. As the diagram shows, production creates an equal amount of income. The increased war production would be accompanied by exactly enough income to buy itself. The government could tax this income to pay for the materials it was burning up in the war.

How much taxes? The government spent roughly 66 billions a year during the war. They could not tax that from the workers, who were not getting that much. Moreover, they had to leave the workers enough to live on or they could not produce, and most of the workers were getting just enough to live on at the start. Even with the severe tax that the government put on payrolls, it could not get enough out of wages to pay for the war.

The only other kind of income to tax is profits. There were
enough profits to pay for the war production. There had to be, and there were—just enough and no more. The government could have taxed away those profits to pay for the war. As the Treasury reported, exactly the amount the government did not tax was left as surplus. But taxing it would have left no war profits for the capitalists.

There are just two ways to finance government spending: by taxing or by inflation. The government did not want to tax away the war profits of the capitalists. So it chose to buy without taxing income from production. That meant it had to create fictitious income, without production. Such fictitious income, or false money, is inflation.

It is sometimes said that there is a third method of government financing—borrowing. This can be done in two ways: (1) from individuals and corporations, or (2) from banks.

Government borrowing from individuals and corporations is not really a third way; it merely delays the choice between taxing and inflation. At the time of paying back the loan the government must choose between one or the other. The other way, government borrowing from banks, is inflation without delay, as we shall see.

Inflation brings into the diagram the right hand portion, "New Money." The building with the dome represents the government. The eight lines flowing out represent eight dollars of newly-created buying power from the government. No goods are flowing from the government to match the money. That's why inflation money is false purchasing power. It is not matched by goods.

**Supply and Demand**

Inflation is an act of government; it comes from new money which the government creates. It comes from a deficit because that is why the government needs the new money, so that it can spend more than it receives in taxes.

As the diagram shows, inflation puts eight extra dollars of income in the market to buy the coat, besides the eight dollars that the owners and workers already have. That's 16 dollars to buy eight dollars' worth of goods. This produces the condition that we see in the United States: more money than goods, with a general rise in the level of all prices, instead of a rise in one type of prices and a fall in other prices.

Inflation money causes a temporary artificial demand for goods, producing a typical short boom, which also is the condition we see in the United States. Such an inflationary boom always is followed by a crash.

Money from inflation buys goods just like money from production. The result of 16 dollars in the market with only eight dollars of goods to buy, creates a high demand, and prices go up to meet it. They go up until the price of the coat is 16 dollars. Another way of saying this is that every dollar in the economic system becomes worth only fifty cents. The fictitious income from inflation takes over part of the income from production. It does it by sucking away part of the value of every dollar.

That is what the accumulated war profits are doing. When the capitalists spend their fictitious income they buy real goods. Or perhaps they pay out the fictitious money as wages and the workers then spend it for real goods. The inflation money sucks away the value of real money. Prices go up. Every dollar becomes cheaper. There is no way to stop this by limiting future government spending. The extra money is already in the bank accounts of the capitalists and their corporations. The water is out of the faucet.

The government did not issue the extra money by printing, but by borrowing from banks. It is a widespread idea that inflation comes from printing money, but this is not correct. Bank financing, not the printing press, is the normal method of inflation in modern nations. The fact is that the laws are so drawn that when a bank lends money to the government it merely "creates" the money. That is what the *Wall Street Journal* spoke of as financing a government deficit "by means which amount to printing money."

The magazine *Newsweek* on March 18, 1946 summarized the amount of such operations during the war:

The government borrowed about one hundred billion dollars from banks, giving government bonds as security. A bank, on receipt of a $1,000 bond, set up a $1,000 credit for the government. That money was created, just as if it had been printed. . . . Because of the bank's heavy investment in government bonds, about half of all banking income now comes from interest on them. (Italics supplied.)

It would be more accurate to speak of the heavy "holdings" of the banks in government bonds, rather than calling them "investments." They did not invest a penny, as the magazine itself makes clear. The bank loans to the government came from nothing. The banks hold a hundred billion dollars in government bonds as a clear gift.

The banks got the bonds, and paid by creating an equal amount of new money, in the form of a checking account for the government. The government wrote checks, to pay for guns, ships, planes, and other war purchases. The corporations got the government payment, and either banked it themselves, or paid it out as wages or for materials. That sent the income circulating in the economic system, and furnished the growth in bank deposits and liquid funds reported at the start of this article.

Those funds came from nothing, but are spent for goods. And when the government pays the interest and principal on the bonds, the banks will demand that the government pay them in money that will buy 100 billion dollars worth of goods.

How much goods for 100 billion dollars? Well, the capital equipment of all American industry at the start of the war was worth about 40 billion dollars (according to the Senate report already cited). So in war profits the banks alone acquired a paper empire equal to twice the industrial equipment of America. The only trouble is that as this paper is spent, it finds no corresponding goods to buy. So the paper feeds as a parasite on real income from production. It feeds by raising prices, drawing value from all money.

The government borrowing from banks is about half the war deficit, and it has produced the inflation we are now beginning to feel. The other half, borrowed from individuals and corporations, is an equally large fictitious paper empire. It does not inflate the money system yet, but it surely will as the holders of the paper collect from the government (because the government will not want to tax them any more than now).

**$200 Billions in Paper**

It is clear that the capitalists, through their war policy, escaped on paper from all normal limits to accumulation. They were able to soar far beyond the possibilities of accumulation of real wealth. Now they have paper certificates for 200 billion dollars, which is four times the total of real industrial wealth in the country, the actual buildings, machinery, and goods in industry. The trouble is, when they cash this paper for real goods, the real wealth must spread out to cover their inflated mass of fictitious dollar values. That means prices go up, the
cost of living goes up. Nothing can prevent the rise as long as the capitalists are spending these fictitious values.

Although the present inflation is tightly linked with war financing, the use of inflation in general should not be considered as merely a war measure. As a matter of fact, in this era of capitalist decline, the capitalist system has a chronic need for expansion, which leads to fictitious expansion of capital. The war financing was a special case. Fictitious expansion, in turn, brings on monetary inflation. So a tendency toward inflation, in war or peace, is chronic in the era of capitalist decline.

From this survey of the cause of inflation we can see how much the monopolies had at stake, and how much they needed price control during the war. Their profits were pumping colossal quantities of money, unmatched by goods, into the economic system. Large sums of money were bound to get to the market, in payments to war workers and in purchases by the capitalists. This excess demand would have supported soaring prices in the civilian market with an inevitable rise in wages. The monopolies were in a most vulnerable position. They would have lost uncounted billions without the OPA. The OPA served the monopolies well during the war by holding prices down, and now serves them well again by raising prices.

The history of past inflations shows that after money has been cheapened it stays cheapened. Sooner or later all prices go up to new levels, to match the lowered value of money. Eventually wages go up also; usually it has taken a longer time for wages to rise, because the workers have had less bargaining power. A sliding scale of wages, rising automatically with the cost of living, would eliminate the time lag which has delayed the rise of wages in previous inflationary periods. The slogan of a sliding scale of wages mobilizes the bargaining power of the labor movement in the most effective way by directing it toward the key problem.

The capitalists profit from the time lag. The more they can cripple the bargaining power of the workers, the longer they can hold down wages while prices rise, the more they increase their profits. Their present method of holding back the workers is to continue wartime wage-freezing, on a promise of price-control, backed up by a shell of the old OPA as bait. The OPA is helped in this job by the prestige it holds because it really limited prices during another period. The workers recognize that it did a poor job, but they know it did do something.

The capitalist politicians are using public trust in government price control to support wage-freezing during the new period of government price-raising. It is important for the workers' movement to make the facts clear, to show the reason for what the OPA did during the war; to show that it was not functioning for the workers at that time any more than now.

### Problems of the European Revolution

**By ERNEST GERMAIN**

When the German repressive apparatus crumbled and the masses of the different European countries plunged violently onto the political arena, the bourgeoisie found itself in a very perilous situation. Its old coercive apparatus no longer existed. Only the embryonic parts remained. The Fascist organizations had been swept away. Those elements who in one way or another, were compromised with Fascism—the generals, the police, high functionaries, industrialists, bankers, politicians—remained not only for their social position, but for their lives. The old, traditional bourgeois parties had disappeared or were in a state of complete decomposition. Clearly, under these conditions, the initial position of the bourgeoisie had to be a defensive one.

The bourgeoisie held two important trumps in its drive, first to canalize, then to halt and smash the initiative of the masses: The Anglo-American military forces and the opportunist leaders of the proletariat, the Stalinists and Reformists. By employing now one, now the other, the bourgeoisie attempted to win, and temporarily reestablish "order" on the political scene.

The first immediate goal of the bourgeoisie was to "return to tranquillity." To achieve this it was necessary that the masses leave the streets and return to their homes. The proclamation of a state of siege does not suffice by itself. It was also necessary that the leaders of the movement, primarily the Stalinist leaders, more and more call on the masses to establish "order." The proofs of this have been complete. Without the leaders of the FTP in France, without the Front de L'Indépendence in Belgium, without the Force de L'Interieur in Holland, without the leaders of the Comité de Libération Nationale in Italy, the bourgeoisie could not possibly have achieved a temporary stability but would have had to face civil war everywhere.

Once this ephemeral stabilization was achieved, the bourgeoisie attempted before all else to reconstruct its own apparatus of repression. Clearly inadequate at first, this apparatus had to be supported at all critical moments by the imperialist armies. Two months after the "liberation," the troops of General Erskine "protected" Pierlot against the "Resistance" in Belgium. Three months after the "liberation," the troops of Scobie tried to crush the ELAS in Greece. Almost six months after the "liberation" of Italy, the Anglo-American military administration built an impassable cordon sanitaire between the revolutionary centers of Lombardy and the rest of the country, going so far as to arrest the Vice-President of the Council, Nenni, who was "guilty" of having made a political speech. But while the bourgeoisie actively worked to reconstruct its own State apparatus, the country had to be "governed." The working-class offensive had brought to the forefront the leaders of the old workers' parties. These leaders were ready to do everything possible to keep the movement within "reasonable" limits. As for the bourgeoisie, it could impose its will, at the moment, only through the opportunist leaders. The relationship of forces was still too unfavorable for them to govern directly. Moreover they first had to find the men and suitable political organizations to whom they could entrust the power. In order to successfully replace them at a later stage, it was necessary to first discredit the leaders of the left by giving them the responsibility of power at a time when the most unpopular measures had to be taken. That is why, over the heads of the masses, the day after the "liberation," coalition governments were formed everywhere, except in Greece, resting primarily on the representatives of the opportunist parties and the "Resistance," and solidly surrounded by direct representatives of the bourgeoisie.

 Were these government "democratic"? They certainly were in this sense, that their existence depended upon the support of the mass organizations, primarily the worker's organizations. But they were not democratic in the "classical" sense of the word, that is to say, they governed neither through "constitut-
tional" rules nor through the machinery of universal sufrage. In fact, at the time that the governmental coalitions were constituted on the morrow of the "liberation," the bourgeoisie accorded the masses extraordinarily few "democratic concessions." Elections were delayed for many months in all countries. They took place only after the first revolutionary phase had been "liquidated": In France after 13 months, in Czechoslovakia after 14 months, in Belgium and Holland after 17, in Italy 24 months after the "liberation" of the Capitol. Nor is it accidental that the only "liberated" countries which had quick elections, Hungary, Austria, and Denmark were those in which the independent activity of the masses was least evident. Insofar as representative organs existed at the beginning, they were either completely (France, Italy, Czechoslovakia, Poland and the Balkan countries) or partially (Holland, Denmark, Norway) appointed administratively from above. Only Belgium retained its old elected parliament "purged" of Fascists and minus the members who were deported to Germany; a real "rump" parliament, which was not dissolved until the beginning of 1946. In all countries, the bourgeoisie energetically and successfully opposed the feeble attempts to "democratize" and "purge" the police and army. It must of course also be acknowledged that the opportunist representatives of the masses never demanded any radical measures to carry out the purge. Generally, they limited themselves to demanding more "severity" from the bourgeois tribunals and investigators, and the introduction of "new" Resistance elements into the personnel of the State apparatus. It was just a plain quarrel concerning methods, with both partners having as their aim the strengthening of the bourgeois apparatus. The bourgeoisie preferred, however, to install men of whom it was sure, and from its point of view, it was right.

The paltriness of the "democratic" concessions was especially evident, on the morrow of the "liberation," in the domain of Justice. In almost all the countries, the new governments retained most of the laws and ordinances promulgated under the German occupation. The state of siege implies a severe repression, often of a two-fold character, military and civilian as in Italy, Belgium, Poland and the Balkan countries. The machinery of Justice, which alone had remained intact in the hands of the ruling classes of most countries retained more than ever its "sacrosanct" character. The device of bourgeois justice Noli me tangere (Touch me not), was applied almost everywhere with success. The overwhelming majority of the judges who served under the German occupation, remained in office. This accounted for the scandal in Belgium such as the acquittal of many "economic collaborators," and in France such as the Patain trial. The Fascist leaders were treated with circumspection and brought to trial only after many months. In Norway, Quisling was tried 6 months after "Liberation." In Holland, Mussert after 10 months, In Belgium, Robert Poulet and in France, Pierre Laval, after 12 months. Only the action of the Italian partisans and the pressure of the Soviet bureaucracy in the Balkan countries, produced a slightly more "expeditious" justice; but this was of a fundamentally different social character.

Do we have to conclude from this that we have witnessed the formation of Bonapartist governments in the majority of European countries? This would be an erroneous conclusion at this stage, with regards to all countries, even Greece. The essential factor which shows that we are not confronted with Bonapartist governments, is the absence of a stable element of power. For it is precisely on such institutions, the army, the police, the State apparatus, that a Bonapartist figure can rest in order to elevate himself above the classes which balance one another. The absence of a stable coercive apparatus, and above all the workers' offensive, are the factors which forced the bourgeoisie to permit the temporary existence of coalition governments with the opportunist leaders.

The nature of the political regimes, which issued from the "liberation" was thus a compromise, a result of two forces: the offensive of the masses canalized and broken by the opportunist leaders, and the authoritarian will of the bourgeoisie. The desire of the bourgeoisie for unshared power was determined by the whole economic, political and social situation: The extreme instability of the regime, the necessity for a restoration of capital through super-exploitation of the workers. This has been clearly demonstrated everywhere—in North Africa, in Southern Italy, in Rumania and Hungary, before the entry of the Red Army, to be exact. It will become evident again when the bourgeoisie attempts to impose its own policies, after the liquidation of the first revolutionary stage.

As we described above, the masses who pushed to the fore the opportunist leaders—Reformists and Stalinists—had no clear consciousness or socialist perspective. They enthusiastically accepted the formulations of their demands in the new strange jargon, semi-democratic, semi-Jacobin, which constituted, as Etienne Fajou elegantly stated, "the humble contribution of the French Communist Party to Marxist-Leninist doctrine."(1) At the basis of this acceptance was a mistake. It was this mistake which is merely the expression of the desertion of the opportunist leaders from the camp of the working class to that of the bourgeoisie, that permitted the Stalinist leaders, in the last analysis, to liquidate the first stage of the revolutionary wave.

### Meaning of Anti-Nazi Struggle

When the masses pursued the Nazi regime and its representatives in the occupied countries with an implacable hatred, they expressed thereby their hatred of their super-exploiters who had destroyed their organizations, deported them, and persecuted them with their Gestapo. But the Stalinists and reformists tried to convert this hatred into a hatred for the Boche. If they opposed some capitalists, it was not as capitalists but as "collaborators." On the morrow of the "Liberation" they did their utmost to divert the working class from its real tasks. This meant saddling the majority of the workers with the tasks formulated by the "Resistance" movements, that is... supporting the imperialist war of their own bourgeoisie against Germany. It was on this pretext that they urged the working class in France and Belgium to permit the "integration" of the partisans into the bourgeois army. This "integration" led to their dissolution, pure and simple, and the replacement of "Resistance officers" by reactionary officers, many of whom were compromised with Fascism. The internal logic of this betrayal led the Stalinist leaders, as partners in the struggle against the "anti-patriotic attitude" of the bourgeoisie, not only to subordinate themselves to the State of this same bourgeoisie, and their integration into the imperialist war, but also to submit to actual "collaborationist" Generals.

When the masses spoke of "political democracy," they had in mind a regime opposed entirely to the bourgeois regime, a regime in which an election would designate not only the parliamentary figures, but also the officers, judges, functionaries, and even those in charge of food control. But in the name of this same "democracy," the Stalinists and Reformists imposed on the masses "consultative assemblies" appointed by the bourgeois state, "irremovable" judges who had served under the
Nazis, corrupt functionaries completely devoted to the bourgeoisie. Thus, far from countering to the "dictatorship of the proletariat" the classical bourgeois democracy, as did the Social Democracy after the First World War, the opportunist leaders counterposed to the democracy as understood by the masses, (a democracy closely resembling proletarian democracy) an authoritarian and thoroughly rotten "democracy" which surrounded itself with Fascist police, which refused to prepare elections, and which suppressed newspapers, meetings and even workers' organizations.

When the masses spoke of "economic democracy," which in their opinion would complement "political democracy," they gave expression, in a confused but nonetheless real manner, to the fundamental tendencies of the proletariat to fight for the expropriation of the expropriators. For the masses' "economic democracy" signified the expropriation of the capitalist who had worked for the Nazi war machine (in other words, the overwhelming majority of the big bourgeoisie), the nationalization of the banks and trusts without payment of generous indemnities to the capitalists, the setting up of equitable rationing under popular organization. For the opportunist leaders, "economic democracy" meant replacing a "bourgeois" minister with a "Communist" minister or a "Socialist" minister at the head of a department of rotten functionaries, the continuation of the black market, the payment of fat indemnities to the "poor" expropriated capitalists, and the formation of travesties of "management committees," whose aim was to increase production by means of super-exploitation of the workers. In accepting the responsibilities of bourgeoisie power, these specialists in the struggle against "the monied interests" were led logically to appoint bankers as directors of "nationalized" banks, to have the cost prices of the big industries controlled by agents of the industrialists, and to "fight" the trusts while embracing their most direct representatives.

The "democratic illusions" of the masses which are a very tangible reality—a product of Fascist domination and the weakness of the revolutionary parties—thus, by their nature, do not clash, but on the contrary, fundamentally conform, to the Socialist aspirations of the workers which arise from their social position and experience and to which they can only give a confused expression. To invoke these illusions in order to excuse the abandonment of the revolutionary transitional slogans demonstrates an inability to grasp the complexity of the state of mind of the masses. Furthermore, it means excusing in practice the treacherous policies of the opportunist parties and strengthening their hold on the masses. We must repeat emphatically: The "democratic illusions" of the masses do not constitute in any way a brake on revolutionary action nor do they furnish an explanation for the setback of the first stage. The factors responsible were: The voluntary and conscious abandonment of the whole anti-capitalist program by the opportunist leaders; the cynical manner in which they deceived the masses, counting on the confusion of the workers and their meagre education.

Once the opportunist leaders were included in the top spheres of the governmental apparatus, once the masses left the streets, and the basis was laid for the reconstitution of a new coercive apparatus, the bourgeoisie attempted to realize its next goals: The liquidation of the centers of dual power, and of the independent armed forces of the masses. The rhythm and degree of success of this liquidation varied greatly from country to country. They were, in the last analysis, in inverse proportion to the pressure exerted by the workers.

In general, the bourgeoisie attempted to drive the "opportunist leaders" to complete capitulation. As spokesmen for the bourgeoisie before the masses, these leaders, in turn, attempted, to persuade the masses to voluntarily abandon what they had won. Moreover, the degree of the masses' docility before the opportunist leaders, determined exactly their degree of docility before the bourgeoisie. Other factors, of course, played a role. The interests of the Soviet bureaucracy produced "more leftist" attitudes on the part of the Stalinist leaders in some countries than in others. Direct provocations on the part of the bourgeoisie or the imperialists also influenced events, as in Greece. But in a general way, the liquidation of the centers of dual power was accomplished smoothly, without armed clashes, wherever the will to struggle had been decisively broken by the opportunist leaders. It was thus that Thorez succeeded in having the patriotic militias dissolved in France and that Togliatti achieved the dissolution of the partisans in Italy. In Belgium, the dissolution of the partisans, prepared and made possible by the combined action of the S.P. and C.P., provoked at the last moment, the "November days" of 1944. In Greece the attempt to disarm the ELAS provoked civil war, despite the capitulation of the Stalinist leaders, who were forced by the masses to momentarily halt their retreat, Thus, the Stalinists hoped to preserve their control of the mass movement.

Even more characteristic is the way in which the opportunist leaders helped the bourgeoisie liquidate workers' attempts at expropriation. Admitting at first the fait accompli of the expropriations, the Stalinist and Reformist leaders tried to undermine the workers' committees who controlled and, in fact, managed these factories. This they accomplished by sending in government commissars, who under their disguises, were really "Trojan horses" of the capitalist State introduced into the bastions of a new workers' order. Soon the Stalinists and Reformists discovered that these factories ought to be "given to the nation," that is to say "nationalized." Employing all types of economic, political and military pressure, the Stalinist leaders eliminated workers' control; then wiped out workers' management; finally complete control and management of the enterprises was vested again in the bourgeois state. All this was finally consummated by the payment of handsome "compensation" to the former proprietors. In this way the opportunist leaders transformed real expropriations by the workers into financial operations profitable to certain capitalist groups. That is what happened in France, Italy, Czechoslovakia, and in several regions of Germany. We must observe, however, that this process has not yet been completed everywhere. Thus, workers' control still exists, from many points of view, in Czechoslovakia, and even, in a certain sense, in Italy.

The other independent actions of the masses, principally in the domain of justice and the organization of rationing, were liquidated even more rapidly by the combined forces of imperialism, the native bourgeoisie, and the opportunist leaders. Only in isolated localities did the popular committees and revolutionary tribunals survive for a certain period. On the other hand, it is interesting to observe, that subsequent actions of the masses have often seen a reappearance of these types of organizations.

With the liquidation of the centers of dual power the Reformist and Stalinist leaders accomplished their principal tasks for the bourgeoisie. While they exhorted the workers to remain within the limits of "constitutional legality," the bourgeoisie speeded the reconstitution of its state apparatus and the regroupment of its political forces. Its economic objectives, however, still remained to be achieved. The Reformist leaders ostentatiously offered their good services in this field as well.

They, and only they, were capable of imposing on the workers
the slogan “Produce first,” which when translated into more precise language read: “Work more and earn less.” But the bourgeoisie preferred to have its avowed agents impose its policies and remained full of distrust of the Stalinist leaders, who are agents of the Soviet bureaucracy. The bourgeoisie was forced by the objective situation to move rapidly to completely subjugate the workers’ movement; it could no longer tolerate even the meagre vestiges of workers’ democracy which existed because of the mass organizations. It understood moreover that it could not impose an outright reactionary government until the relationship of class forces changed decisively in its favor. It therefore began, by feeling the ground, in order to determine to what extent it was still in need of its “working class” agents.

Six months after the “liberation” the situation drastically changed in the majority of the countries. In France, the extraordinary growth of the military budget, together with the formation of a secret police in the personal service of de Gaulle, provided a rather stable axis in opposition to the masses. The latter returned to “order” and only rare outbursts of struggle occurred on a purely economic plane. While the bourgeoisie regrouped its forces around de Gaulle, the working class was paralyzed by the policy of “Production first.” In Belgium a similar regroupment took place around King Leopold III. We must note, however, that a powerful strike wave brought about a prolongation of the September events, and it was through this that the will of the proletariat to struggle, blocked by the capitulatory policies of the political and trade union leadership, expressed itself. In Italy, the bourgeoisie succeeded in breaking the backbone of the independent organs of the masses. It carried through a rapid political regroupment and concentrated on preserving the monarchy and postponing the election of the Constituent Assembly. In Greece the bourgeoisie once again held the reins of power in its hands, and, in organized fashion, launched the white terror. It profited from the temporary effects of the workers’ defeat of January 1945, and the presence of imperialist troops, in order to prepare fraudulent elections and a plebiscite to reestablish the monarchy.

Coincident with the return “to order” and the temporary check of the mass offensive came an attempt on the part of the bourgeoisie to “feel the pulse of the potential resistance of the workers,” to determine to what degree the relationship of forces had been changed in the capitalists’ favor. Generally, these attempts of the bourgeois counter-offensive were checked. Almost everywhere, the resistance of the workers still proved too powerful. The bourgeoisie was forced to continue to govern through its “working class” agents.

In France, General de Gaulle, after having succeeded in combining the “democratic” elections with a personal plebiscite, appeared as the most clearly defined Bonapartist figure on the European political scene. He systematically snubbed the Constituent Assembly, imposed his will on the Parliament, the parties and the country, and attempted to completely check all independent legislative action with his executive power— an essential characteristic of Bonapartism. But the opposition proved too powerful an obstacle to his authoritarian purposes, and he retreated for the time being.

In Belgium, the bourgeoisie seriously attempted, through the Royal Crisis provocation, to impose an authoritarian regime on the working class. Here too, it was forced to retreat for the moment. The Reformists and Stalinists remained in power; the Royal question was postponed. In Italy, the liberal party succeeded in provoking a governmental crisis by opposing Nenni’s purge measures, feeble though they were. At the same time a veritable neo-fascist terror was started against the workers’ parties. However, the Gasperi government was only slightly to the right of the Parri government. The municipal elections gave more than 50 per cent of the votes to the workers’ parties and the question of the monarchy was postponed. The counter-offensive had not realized its principal objectives.

In Austria and Hungary, the bourgeoisie profited by the demoralization which resulted from the pillaging of the Soviet bureaucracy, and won electoral successes. But the pressure of the Kremlin bureaucracy as well as the economic difficulties, forced it to proceed prudently and to tolerate the presence of the opportunist leaders in the government. In Rumania, the bourgeoisie grouped about King Michael, addressed a direct appeal to American imperialism for help against the pressure of the Kremlin bureaucracy. In Poland, Mikolajczak took the offensive all along the line and demanded full power. Finally in Czechoslovakia, the bourgeoisie succeeded in imposing State control over industry and reestablishing the authority of the central government. But it had to continue to tolerate both the factory committees, which still exercise an actual control over production, and “committees of liberation” which disputed the authority of the “official” organs. Only in Greece, the bourgeoisie appeared to have won a political victory, even though a temporary one.

If we seek to establish the course of events from the “liberation” until the present time, we get the following picture: First a brief revolutionary outburst, sporadic and uncoordinated, creating centers of dual power, and prolonged in general by a series of economic actions. Then a progressive checking of the workers’ offensive coinciding with the establishment of coalitions resting on the opportunist workers’ parties. The attempt of the bourgeoisie to further this setback of the workers’ offensive by excluding the opportunist leaders from power and imposing authoritarian governments fails in its turn. The first stage ends, so to speak, in a stalemate.

This stalemate is only apparent, because potentially, the working class remains stronger, and capable of again rising in actions of a much wider scope than those of the first stage. Still we must not forget that the bourgeoisie has not only regained its confidence, hope and initiative, but that we have witnessed in a period of months, a complete reversal of relationships, from many points of view. The Stalinists, who appeared as veritable saviors to the bourgeoisie the day after the “liberation,” are today violently attacked in the rightist press. One sees a reappearance not only of the outworn formulas: “communist danger” and “the Russian menace.” But precisely to the degree that the “communist menace” actually decreases—in other words the pressure and initiative of the masses—out­rages, violence, and neo-fascist bands reorganized by the bourgeois camp reappear. In France, during the governmental crisis following the resignation of de Gaulle, officers of the Leclerc army broke into a socialist meeting and wounded the old leader Bracke. In Belgium, during the Royal crisis, several attempts were made to bomb the Communist Party’s headquarters. In Italy a systematic terror was organized against the working class, culminating in March, when a mob, described by the bourgeois press as “veterans” set fire, in Naples, to the headquarters of the C.P., S.P. and to the hiring halls.

Once again we have proof of the shallowness of those who claim that the “violence of the bourgeoisie” is “provoked” by the “violence of the proletariat.” It is precisely the absence of any immediate and decisive action by the proletariat, at a time when it has all the possibilities for such action, which permits the bourgeoisie to recover and to reply to the hesitation and cowardice of the opportunist leaders with its own organized terror.
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What are the causes of the temporary halt of the workers' offensive? Can we really speak of a "temporary halt," or is it actually a question of an entire "new epoch" during which the political and social life of different European countries will remain more or less "stabilized." This is what we have to examine to determine our perspectives for the next period. Let us compare the present check of the workers' offensive with the analogous setbacks which were experienced after 1918. After the First World War, the revolutionary movement, with the exception of Germany and Bulgaria, passed its high point in 1921, ebbed with some episodic flows, and reached final stability in 1923. In The New Stage, Trotsky described the causes as follows: (1) The workers' defeats which marked the apogee of the revolutionary wave, reenforced the state apparatus and the confidence of the bourgeoisie, and exhausted the revolutionary energies of the proletariat. (2) Above all, the relative economic prosperity following the war, halted by a brief crisis in 1920-21 at a moment when the revolutionary wave had already begun to ebb, intensified the ebb and culminated in economic stabilization from 1923 on.

The Economic Picture

We do not have to make a profound study of the present economic situation in Europe to note that, with the exception of Belgium, in no country can the temporary halt of the mass movement be explained by a temporary economic stabilization. Nor can it be explained by a prolonged war prosperity, which existed nowhere on the continent. On the contrary, in every country, the complete stagnation of the economy, constitutes the principal source of the bourgeoisie's difficulties, just as the disparity between the rise of prices and freezing of wages constitutes everywhere, at this moment, the most important stimulant to workers' action. If one takes into account that the economic index of production in January 1946 compared to 1938 stands 60 per cent for Holland, 50 per cent for France, 35 per cent for Greece, 30 per cent for Yugoslavia; that heavy industry in Czechoslovakia is actually working 15 per cent of capacity, and that in Italy there are nearly 4 million unemployed, then one realizes how superficial are the explanations that a slight economic improvement led the workers to abstain temporarily from struggle.

On the other hand, there is no question of a defeat having broken the revolutionary spirit and will of the working class to struggle. It is highly significant, in this connection, that in Greece, the only country where the working class suffered defeat by arms, and where the bourgeoisie won a complete political victory, we see a new wave of powerful economic struggles which seem to be a prelude to a new stage of revolutionary struggle. And this is entirely logical if we consider: (1) that the proletariat this time employed its full strength anywhere in general battle; (2) that the relation of forces between the proletariat and the bourgeoisie remains fundamentally in the former's favor; (3) that the bourgeoisie is not yet able to reestablish the country's economy even to a limited degree.

Under these circumstances, any analogy with 1923 can only create confusion. The setback of the mass movement cannot be considered definitive. We have witnessed only the arrest of the first stage, which will be followed by a second. The working class is impelled toward this second stage by the whole objective situation, economic as well as political. Its outbreak will be determined by the workers' capacity to consciously push aside its opportunist leadership, above all the Stalinists.

In the first wave of workers' struggles, the masses entered the conflict full of confidence in the Stalinist leaders, who appeared at their head on the political as well as the trade union field. It was precisely this confidence of the masses in their opportunist leaders which constituted the principal brake on the struggles during the first stage, and the principal reason for their setback. Sent home on the orders of their leaders, the masses must soon have realized that the whole "liberation" signified for them only a stabilization of their misery. The reaction was very complex: First a profound disillusionment with Stalinism; but also a demoralization which expressed itself in a growing distrust of all workers' parties, a strengthening of syndicalist tendencies, often however outside of the official unions; and a growing skepticism in the possibilities of struggle. And yet, as always in the history of the workers' movement, when such moods appear in the workers' ranks in the low point of a disastrous economic situation, with an impotent, politically feeble bourgeoisie and the rising pressure of the world working class and colonial peoples—such moods appear not as precursors of prostration, but on the contrary, as precursors of a new and powerful wave of spontaneous struggles.

Here other historical analogies offer themselves: The German situation in 1920-21 (before the March days) and the Spanish situation in 1933-34 (before the February days). In both cases we had a revolutionary wave broken by the opportunist politics of the traditional workers' parties. We had a bourgeois counter-offensive which ran up against the unexpected resistance of the workers, and was unable to achieve its purposes. In both cases the disastrous economic situation constituted the most powerful stimulant, and impelled the working class to action. The conjunctural defeats in no way incapacitated the workers but rather steed their spirit for struggle. In both cases we see a new stage of revolutionary struggle of a special type: A stage which begins as a defensive in order to go over to the offensive. The offensive then fails because of the weakness of the revolutionary party, but becomes in its turn a transitional stage to the general revolutionary wave (1923 in Germany, 1936 in Spain). Historical analogies are always more or less limited. But we prefer these two to the one of "relative stabilization" to explain the present European situation.

In the moment of "liberation," the petty bourgeoisie followed in the wake of the proletariat which led the offensive. The Fascist spirit seemed dead. The Soviet Union and the Stalinist parties exercised a powerful attraction. The painful experience of the subjugation of the middle classes to the will of the trusts, a subjugation which in many cases signified their social death, caused most of the petty-bourgeois elements to incline towards acceptance of the socialist transformation of the economy. The "democratic" spirit triumphed in the middle classes in a new and constructive form. In fact, it was from them that the professional confusionists of the workers' movement got their "idea" of "complementing political democracy with economic democracy."

In drawing up the balance sheet of various electoral results spread over a period of a year to a year and a half since the "liberation," we notice fundamental changes in the attitude of the petty bourgeoisie. The petty-bourgeois organizations "of the left," which came out of the Resistance movements and bore vague imprints of a "socialist" character, seem very dead. This is the case particularly for the UDE in Belgium, the VDSR and the MURF in France, the Netherland Peoples Movement in Holland. The remains of the Action Party in Italy are rejoining the ranks of the traditional workers' parties. Coinciding with the regroupment of the bourgeoisie into a political party, is the passage of the middle classes en masse to those parties which suddenly appear as the most powerful parties in their respective
countries, (although the process is by no means an even one). Thus, the PSC in Belgium, the MRP in France, the Christian Democratic Party in Italy, the Peasant Party in Poland, the populist party in Bavaria and Austria, the party of small proprietors in Hungary, the populist party in Greece.

What in general characterizes these hybrid political formations, which we may call the "parties of the right-center"? These parties constitute the half-way stations of the petty bourgeoisie. They reflect admirably the transitory stage of European political life. In certain of their ideological traits and through their "left" representatives, these parties attempt to continue the "Resistance," "progressive," and "democratic" spirit. But in other ideological traits (anti-communism, clerical conservatism etc.) and through their right wing, they find their natural continuity in genuine neo-fascist organizations: The extreme Leopoldists in Belgium, the extreme right wing of the PRL in France, the *Uomo Qualunque* movement in Italy; the "Chi" movement in Greece, the *Armiya Krajova* in Poland.

The turn of the petty bourgeoisie to the right has been influenced, of course, by many conjunctural factors. In the countries occupied by the Red Army, Stalinism has discredited itself by its support of the pillaging of the Kremlin bureaucracy. In Italy, the same factors are reunited which gave birth to fascism 27 years ago. In Belgium the Royal question and the freezing of bank holdings played a big role. But in general, the shift of the petty bourgeoisie from the left-center to the right-center reflected the transference of the political initiative from the proletariat to the bourgeoisie.

On the other hand, by their repudiation, at least officially, of authoritative methods of government; by their ideological ties, which are not yet broken, with the Resistance movements, by their stress on "democracy" often counterposed to the "anti-democratic" measures of the workers' leaders—by all this, these parties demonstrate, at the same time, that the shift of the petty bourgeoisie to the camp of the bourgeoisie is not yet definitive.

A new proletarian offensive will create a new regroupment of the middle classes. The parties of the right-center will disintegrate. From their left, numerous layers will again approach the working class. On their right, fascist organizations will be reconstituted and strengthened. From the moment that it acquires its own repressive apparatus again, and the economic and social conditions threaten the existence of its system, the big bourgeoisie will answer every action of the proletarian masses with merely larger and larger financial contributions to the neo-fascist "leaders." Their sole difficulty here will be one of choice; for if we study attentively the political situation in the various European countries, we find already, on the political scene, not one, but several figures who are the potential Doriots, Mussolinis and Degrelles of tomorrow. In this sense the fascist danger already exists on the entire continent.

The calm before the storm—that is what characterizes the present moment in most European countries. The proletariat silently keeps an account of all the affronts and provocations of the class enemy. It takes note of the way it was cheated out of all it thought it gained by the "liberation." It understands that the policy of "Production first!" has served, only, to produce additional profits for the trusts, while, its standard of living is "frozen" at the lowest level. It keeps an account of all the humiliations of its Stalinist "leaders" and does not consider itself under obligation to the trade union leaders who have done nothing but flee from the struggle. It is exhausted from the years of war and privation. It desires peace and tranquility and hesitates long before rising. However, explosive material accumulates everywhere. And the frail barriers which the enfeebled State power of the bourgeoisie and the diminished powers of persuasion of the opportunist leaders raise up against it will blow up like rotten kegs, once the fire flares up anywhere. In every country, the proletariat awaits a signal of hope and attack. It awaits proof that taking up the battle again will be worth the effort. A new revolutionary wave, in any country, will have immeasurable repercussions on the whole continent.

But more than that. When the first revolutionary wave began in Europe, in 1943-44, only the old world seemed once again to be in the advance of the world working class. The Far and Middle East appeared to be firmly under the domination of Japanese and British imperialism. American and British imperialism, resting in their own countries on an apparently firm "National Unity," were the principal mainstays of the tottering capitals of the "liberated" countries of Europe.

Now the situation has fundamentally changed. The Far East is the scene of uprisings of several colonial peoples; and the collapse of the British Indian Empire is in visible preparation. Even in England, the radicalization of the masses, expressed at the present time, in the attempt to form a workers' government, will be powerfully stimulated by the acute economic and political crisis resulting from the Indian revolution. In the U.S., the workers offensive has reached unprecedented proportions, and the progressive lowering of the morale of the armed forces renders their use as a large-scale counter-revolutionary force improbable, if not impossible. Instead of constituting the sole seat of the world revolution, the old world is only one among others, and not even one where the flames have leaped highest.

But the exhilarating influence upon Europe's workers of the revolutionary struggles of other continents is not the only factor which makes the present situation more favorable to a general overturn than was the first stage. We can note much progress also from the subjective point of view. While it has not broken with Stalinism, the European proletariat has become much more suspicious of it, and more prepared to bypass it in action. While the revolutionary organizations are still exceedingly small, they have nevertheless the opportunity to strengthen themselves, increase their ties with the masses, and accumulate a precious experience. The disparity between their forces and their mission remains enormous. However, a new wave of mass struggles, a progressive disintegration of the large workers' parties, will radically transform the rate of growth of the revolutionary groups and change their arithmetical progression to one of geometric progression. Their international coherence will prove a factor of historic importance in the light of the perspective of a new revolutionary wave on a continental scale. Those who have crossed the European revolution off the calendar, because it did not conform to their own agenda, will learn, once again, the superiority of the Marxist method of analysis over petty-bourgeois impressionism.

Of course, no one can predict quick victories for the proletariat. Taking into account the weakness of the revolutionary parties, it is more than probable that the second stage of the revolutionary wave in Europe, while surpassing the first wave in scope and results, will also stop half-way. New conflicts, new retreats and new attacks will result. This sequence will prove even more favorable for the growth of the sections of the Fourth International. It is impossible to believe that this growth will be insufficient at the moment when all the most favorable conditions are again united for the overthrow of the decadent bourgeoisie, as in Germany in 1923. On this growth of the Fourth International hangs the future of humanity.
In this new feature of the magazine, we plan to acquaint our readers with the writings of the great rebels of the past; the men and women who played outstanding roles in the revolutionary struggles of mankind.

We are reprinting here several speeches of Frederick Douglass, the renowned Negro anti-slavery leader.

The career of Douglass was, in every way, a remarkable one. He was born into slavery in Talbot County, Maryland, approximately in 1817. He never knew his father and saw little of his mother, since she worked as a slave on a plantation twelve miles away. When 10 years old, Douglass was sent by his master, Captain Aaron Anthony, to work for a relative of the latter, in Baltimore. Here Douglass worked, first as a household servant, later as an unskilled slave laborer, in his new master's shipyard. By the most painstaking effort and through the most ingenious devices, Douglass managed to learn how to read and write.

Upon the death of his master, the 16-year old boy became the slave of Thomas Auld, a cruel and tight-fisted man. Determined to crush young Douglass' spirit, Auld turned him over to Edward Corey, a professional “Negro-breaker.” From January to August 1834, Douglass was overworked, flogged daily and almost starved to death.

On September 2, 1838, at the age of 21, Douglass, after much preparation, managed to escape from slavery. He arrived in New York City, and then with the help of local Negroes went on to New Bedford, Massachusetts. Unable to work at his trade as a ship's caulker, because of the opposition of white workingmen, Douglass was forced to saw wood, shovel coal, dig cellars, cart rubbish, load and unload ships. Douglass did not have much opportunity to continue his education.

Shortly after his arrival in New Bedford, Douglass took out a subscription to the Liberator, the great anti-slavery paper edited by William Lloyd Garrison. He began attending meetings of the Abolitionist movement. In 1841, at an anti-slavery Convention held in Nantucket, Douglass electrified the audience with his speech, narrating his experiences as a slave.

After the Convention, John A. Collins, general agent of the Massachusetts Anti-Slavery Society, urged Douglass to become a full-time lecturer for the organization. Douglass accepted and soon became one of the prominent orators and leaders of the Abolitionist Movement. It was no easy matter to be an active Abolitionist in those days; and it was especially dangerous for a Negro. In many cities, hoodlums were hired to attack anti-slavery speakers and disrupt their meetings. On a number of occasions, Douglass narrowly escaped death.

In 1843, the New England Anti-Slavery Society selected him as one of the speakers to appear at “one hundred anti-slavery conventions” from New England to Indiana. In 1844, a similar number of conventions were sponsored within Massachusetts and again Douglass went on tour, stirring audiences with his magnificent oratory.

During the winter months of 1844-45, Douglass worked on his Narrative of the Life of Frederick Douglass. The book, prefaced by letters from Garrison and Wendell Phillips, made its appearance in May 1845, priced at fifty cents, and ran through a large edition.

In order to escape possible recapture, Douglass decided to go abroad. With a purse of $250 raised by anti-slavery friends in Boston, Douglass sailed for England and for two years he lectured in England, Scotland and Ireland.

In December 1846, Douglass legally became a free person, when several English friends raised $750, purchased his emancipation and placed the bill of sale in his hands. When Douglass left the United States in 1845 he was known only to local audiences in this country. He returned two years later, an international figure, a man who had become to the world a symbol of the Negro masses and their plight.

In December 1847, Douglass launched his own anti-slavery journal, The North Star, in Rochester, New York, which soon became one of the outstanding anti-slavery papers, changing its name to Frederick Douglass' Paper in 1855 and to Douglass' Monthly in 1859.

In the period 1841-47, Douglass accepted all the political tenets of the Garrison-Phillips Abolitionists: Northern secession under the slogan of “no union with the slave-holders”; Against political action; Advocacy of the doctrine of moral suasion. It was the great John Brown who first cast doubts in Douglass’ mind as to the efficacy of moral suasion. Douglass had his first talk with Brown in 1847. Brown not only condemned the institution of slavery, but added that the slaveholders “had forfeited their right to live, that the slaves had the right to gain their liberty in any way they could.” Douglass later wrote: “My utterances became tinged by the color of this man’s strong impressions.” Two years later after his visit with Brown, Douglass stated in a speech at Faneuil Hall in Boston: “I should welcome the intelligence tomorrow, should it come, that the slaves have risen in the South, and that the sable arms which had been engaged in beautifying and adorning the South, were engaged in spreading death and devastation.”

In 1856, Douglass wrote in his paper that while it was still necessary to use “persuasion and argument” and every means that promised “peacefully” to destroy slavery:

“We feel yet that its peaceful abolition is almost hopeless... and contend that the slave’s right to revolt is perfect, and only wants the occurrence of favorable circumstances to become a duty. Shall the millions forever submit to robbery, to murder, to ignorance, and every unnamed evil which an irresponsible tyranny can devise, because the overthrow of that tyranny would be productive of horrors? We say not. The recoil, when it comes, will be in exact proportion to the wrongs inflicted; terrible as it will be, we accept and hope for it...”

After Lincoln’s election to the Presidency, and the start of the Civil War, Douglass threw himself into the struggle with every fibre of his being: He actively campaigned against Lincoln’s ultra-cautious, dilatory, narrowly legalistic policy; he fought for a revolutionary conduct of the war; he was active in the struggle for the emancipation of the Negro slaves, and for the inclusion of Negro soldiers in the Union forces.

After the Civil War, Douglass was again in the forefront
of the fight, this time for Negro suffrage, and succeeded in having the proposal adopted by the Republican convention of 1866. It was this that turned the tide and was partly responsible for the later adoption of the Fifteenth Amendment to the Constitution.

Douglass also understood that it was necessary to assure economic security to the Negroes of the South. He attempted to solve this problem through reformist means, by proposing the establishment of a National Land and Labor Company, capitalized at one million dollars, which would sell land on easy terms to the Negroes of the South. But the industrial and financial leaders who dominated the Republican Party, were already in an orgy of land speculation and profiteering and opposed all such proposals. Even the Radical Republican Plan of Reconstruction pushed through by Congress at this time carried no provisions to enable the freed Negroes to secure land. The foremost bourgeois revolutionist of the Civil War era, the leader of the Radical Republicans, Thaddeus Stevens, introduced a revolutionary bill into the House of Representatives in March 1867, which contained provisions to confiscate the great landed estates of the South and divide them among the tillers of the soil, with each freed man to receive forty acres and $50 for a homestead. But it failed of passage. And because the Stevens plan was defeated, the plantation system lived on after the Civil War and the black man was condemned to the semi-slavery of share-cropping and peonage.

In an address delivered twenty years later Douglass declared:

"They gave the freed man the machinery of liberty but denied him the steam with which to put it into motion. They gave him the uniform of soldiers, but no arms; they called them citizens and left them subjects . . . They did not deprive the old master class of the power of life and death which was the soul of the relation of master and slave. They could not of course sell them, but they retained the power to starve them to death, and whenever this power is held, there is the power of slavery."

Frederick Douglass was one of the great orators of the Nineteenth Century. But more than that, he stands forth as one of the greatest, probably the greatest, leader of the Negro people in their still unfinished struggle for equality and freedom.

The first excerpt printed here, "How to Win the War," is from his well-known autobiography, The Life and Times of Frederick Douglass. The speech, "Should the Negro Enlist in the Union Army?," was delivered at National Hall, Philadelphia, on July 6, 1863. The last, "Why Reconstruction Failed," is an excerpt from his lecture on West Indian Emancipation, delivered on August 1, 1880 in Elmira, New York.—Ed.

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**How to Win the War**

From the first, I, for one, saw in this war the end of slavery; and truth requires me to say that my interest in the success of the North was largely due to this belief. True it is that this faith was many times shaken by passing events, but never destroyed.

When Secretary Seward instructed our ministers to say to the governments to which they were accredited that, "terminate however it might, the status of no class of the people of the United States would be changed by the rebellion—that the slaves would be slaves still, and that the masters would be masters still"—when General McClellan and General Butler warned the slaves in advance that "if any attempt was made by them to gain their freedom it would be suppressed with an iron hand"—when the government persistently refused to employ Negro troops—when the Emancipation Proclamation of General John C. Fremont, in Missouri, was withdrawn—when slaves were being returned from our lines to their masters—when Union soldiers were stationed about the farmhouses of Virginia to guard and protect the master in holding his slaves—when Union soldiers made themselves more active in kicking Negro men out of their camps than in shooting rebels—when even Mr. Lincoln could tell the poor Negro that "he was the cause of the war," I still believed, and spoke as I believed, all over the North, that the mission of the war was the liberation of the slave, as well as the salvation of the Union.

Hence from the first I reproached the North that they fought the rebels with only one hand, when they might strike effectually with two—that they fought with their soft white hand, while they kept their black iron hand chained and helpless behind them—that they fought the effect, while they protected the cause, and that the Union cause would never prosper till the war assumed an Anti-Slavery attitude, and the Negro was enlisted on the loyal side.

In every way possible in the columns of my paper and on the platform, by letters to friends, at home and abroad, I did all that I could to impress this conviction upon this country. But nations seldom listen to advice from individuals, however reasonable. They are taught less by theories than by facts and events.

There was much that could be said against making the war an Abolition war—much that seemed wise and patriotic. "Make the war an Abolition war," we were told, "and you drive the border States into the rebellion, and thus add power to the enemy and increase the number you will have to meet on the battlefield. You will exasperate and intensify Southern feeling, making it more desperate, and put far away the day of peace between the two sections." "Employ the arm of the Negro, and the loyal men of the North will throw down their arms and go home." "This is the white man's country and the white man's war." "It would inflict an intolerable wound upon the pride and spirit of white soldiers of the Union to see the Negro in the United States uniform. Besides, if you make the Negro a soldier, you cannot depend on his courage; a crack of his old master's whip will send him scampering in terror from the field."

And so it was that custom, pride, prejudice, and the old-time respect for Southern feeling, held back the government from an Anti-Slavery policy and from arming the Negro.

Meanwhile the rebellion availed itself of the Negro most effectively. He was not only the stomach of the rebellion, by supplying its commissary department, but he built its forts, dug its entrenchments and performed other duties of the camp which left the rebel soldier more free to fight the loyal army than he could otherwise have been. It was the cotton and corn of the Negro that made the rebellion sack stand on end and caused a continuance of the war. "Destroy these," was the burden of all my utterances during this part of the struggle, "and you cripple and destroy the rebellion."

**Should the Negro Enlist in the Union Army?**

Mr. President and Fellow Citizens:

I shall not attempt to follow Judge Kelly and Miss Dickinson in their eloquent and thrilling appeals to colored men to enlist in the service of the United States. They have left nothing to be desired on that point. I propose to look at the subject in a plain and common-sense light. There are obviously two views...
to be taken of such enlistments—a broad view and a narrow view. The narrow view of the subject is that which respects the matter of dollars and cents. There are among us those who say they are in favor of taking a hand in this tremendous war, but they add they wish to do so on terms of equality with white men. They say if they enter the service, endure all the hardships, perils and suffering—if they make bare their breasts, and with strong arms and courageous hearts confront rebel cannons, and wring victory from the jaws of death they should have the same pay, the same rations, the same bounty and the same favorable conditions in every way afforded to other men.

I shall not oppose this view. There is something deep down in the soul of every man which assents to the justice of the claim made, and honors the manhood and self-respect which insists upon it (applause). I say at once, in peace and in war, I am content with nothing for the black man short of equal and exact justice. The only question I have, and the point at which I differ from those who refuse to enlist, is whether the colored man is more likely to attain justice and equality while refusing to assist in putting down this tremendous rebellion than he would be if he should promptly, generously and earnestly give his hand and heart to the salvation of the country in this its day of calamity and peril. Nothing could be more plain, nothing more certain than that the speediest and best possible way open to us to manhood, equal rights and elevation, is that we enter this service. For my own part I hold that if the Government of the United States offered nothing more as an inducement to colored men to enlist, than bare subsistence and arms, considering the moral effect of compliance ourselves, it would be the wisest and best thing for us to enlist (applause). There is something ennobling in the possession of arms, and we of all other people in the world stand in need of their ennobling influence.

The case presented in the present war, and the light in which every colored man is bound to view it, may be stated thus. There are two governments struggling now for possession of and endeavoring to bear rule over the United States—one has its capitol in Richmond, and is represented by Mr. Jefferson Davis, and the other has its capitol at Washington and is represented by "Honest Old Abe" (cheers and continuous applause). These two governments are today face to face, confronting each other with vast armies and grappling each other upon many a bloody field, north and south, on the banks of the Mississippi, and under the shadows of the Alleghenies. Now the question for every colored man is, or ought to be, what attitude is assumed by these respective governments and armies towards the rights and liberties of the colored race in this country; which is for us and which is against us! (Cries of That's the question).

Now, I think there can be no doubt as to what is the attitude of the Richmond or Confederate Government. Wherever else there has been concealment, here all is frank, open, and diabolically straightforward. Jefferson Davis and his government make no secret as to the cause of this war, and they do not conceal the purpose of this war. That purpose is nothing more nor less than to make the slavery of the African race universal and perpetual on this continent. It is not only evident from the history and logic of events, but the declared purpose of the atrocious war now being waged against the country. Some, indeed, have denied that slavery has anything to do with the war, but the very same men who do this, affirm it in the same breath in which they deny it; for they tell you that the Abolitionists are the cause of the war. Now, if the Abolitionists are the cause of the war, they are the cause of it only because they sought the abolition of slavery. View it in any way you please, therefore, the rebels are fighting for the existence of slavery; they are fighting for the privilege, the horrid privilege of suffering the dearest ties of human nature; of trafficking in slaves and the souls of men; for the ghastly privilege of scourging women and selling innocent children (cries of That's true).

I say this is not the concealed object of the war, but the openly professed and shamelessly proclaimed object of the war. Vice-President Stephens has stated, with the utmost clearness and precision, the difference between the fundamental ideas of the Confederate Government and those of the Federal Government. One is based on the idea that colored men are an inferior race who may be enslaved and plundered forever and to the hearts content of any men of different complexion, while the Federal government recognizes the natural and fundamental equality of all men (applause). I say again we all know that this Jefferson Davis government holds out to us nothing but fetters, chains, auction blocks, bludgeons, branding irons and eternal slavery and degradation. If it triumphs in this contest, woe, woe, ten thousand woes, to the black man! Such of us who are free, in all the likelihoods of the case, would be given over to the most excruciating tortures, while the last hope of the long crushed bondman would be extinguished forever (Sensation).

Now what is the attitude of the Washington Government toward the colored race? What reason do we have to desire its triumph in the present contest? Mind, I do not ask what was its attitude towards us before this bloody rebellion broke out. I do not ask what was its disposition when it was controlled by the very men who are now fighting to destroy it, when they could no longer control it. I do not even ask what it was two years ago when McClellan shamelessly gave out that in a war between loyal slaves and disloyal masters, he would take the side of the masters against the slaves; when he openly proclaimed his purpose to put down slave insurrections with an iron hand; when glorious Ben Butler (Cheers and applause), now stunned into a conversion to anti-slavery principles (which I have every reason to believe sincere), proffered his services to the Governor of Maryland to suppress a slave insurrection, while treason ran riot in that State, and the warm, red blood of Massachusetts soldiers still stained the pavements of Baltimore.

I do not ask what was the attitude of this Government when many of the officers and men who had undertaken to defend it, openly threatened to throw down their arms and leave the service, if men of color should step forward to defend it, and be invested with the dignity of soldiers. Moreover, I do not ask what was the position of this government when our loyal camps were made slave-hunting grounds, and United States officers performed the disgusting duty of slave dogs to hunt down slaves for rebel masters. These were all dark and terrible days for the Republic. I do not ask you about the dead past. I bring you to the living present. Events more mighty than men, eternal Providence, all-wise and all-controlling, have placed us in new relations to the government and the government to us. What that government is to us today, and what it will be tomorrow, is made evident by a very few facts. Look at them, colored men. Slavery in the district of Columbia is abolished forever; slavery in all the territories of the United States is abolished forever; the foreign slave trade, with its ten thousand revolting abominations, is rendered impossible; slavery in ten States of the Union is abolished forever; slavery in the five remaining States is as certain to follow the same fate as the night is to follow the day. The independence of Haiti is recognized; her Minister sits beside our Prime Minister, Mr. Seward,
and dines at his table in Washington, while colored men are excluded from the cars in Philadelphia; showing that a black man's complexion in Washington, in the presence of the Federal Government, is less offensive than in the city of brotherly love. Citizenship is no longer denied us under this government.

Under the interpretation of our rights by Attorney General Bates, we are American citizens. We can import goods, own and sail ships, and travel in foreign countries with American passports in our pockets; and now, so far from there being any opposition, so far from excluding us from the army as soldiers, the President at Washington, the Cabinet and the Congress, the General commanding and the whole army of the nation unite in giving us one thunderous welcome to share with them in the honor and glory of suppressing treason and upholding the Star Spangled banner. The revolution is tremendous, and it becomes us as wise men to recognize the change and to shape our action accordingly (Cheers and cries of "We will!").

I hold that the Federal Government was never, in its essence, anything but an anti-slavery government. Abolish slavery tomorrow, and not a sentence or syllable of the Constitution need be altered. It was purposely so framed as to give no claim, no sanction to the claim of property in man. If in its origin slavery had any relation to the government, it was only as the scaffolding to the magnificent structure, to be removed as soon as the building was completed. There is in the Constitution no East, no West, no North, no South, no black, no white, no slave, no slaveholder, but all are citizens who are of American birth.

This Is the Opportunity

Such is the government, fellow citizens, you are now called upon to uphold with your arms. Such is the government you are now called upon to co-operate with in burying rebellion and slavery in a common grave (applause). Never since the world began was a better chance offered to a long enslaved and oppressed people. The opportunity is given to us to be men. With one courageous resolution we may blot out the hand-writing of ages against us. Once let the black man get upon his person the brass letters U. S., let him get an eagle on his button, and a musket on his shoulder, and bullets in his pocket, and there is no power on earth or under the earth which can deny that he has earned the right of citizenship in the United States (Laughter and applause). I say again, this is our chance, and woe betide us if we fail to embrace it. The immortal bard hath told us:

There is a tide in the affairs of men,
Which taken at the flood, leads on to fortune.
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
We must take the current when it serves,
Or lose our ventures.

Do not flatter yourselves, my friends, that you are more important to the government than the government is to you. You stand but as the plank to the ship. This rebellion can be put down without your help. Slavery can be abolished by white men, but liberty so won by the black man, while it may leave him an object of pity, can never make him an object of respect.

Depend upon it. This is no time for hesitation. Do you say you want the same pay that white men get? I believe that the justice and magnanimity of your country will speedily grant it. But will you be overnice about this manner? Do you get as good wages as white men get by being out of the service? Don't you work for less every day than white men get? You know you do. Do I hear you say you want black officers? Very well, and I have not the slightest doubt that in the progress of this war we shall see black officers, black colonels and black generals even. But is it not ridiculous in us in all at once refusing to be commanded by white men in times of war, when we are everywhere commanded by white men in times of peace? Do I hear you say still that you are a son, and want your mother provided for in your absence?—a husband, and want your wife cared for?—a brother, and want your sister secured against want? I honor you for your solicitude. Your mothers, your wives, and your sisters all got to be cared for and an association of gentlemen, composed of responsible white and colored men, is now being organized in this city for this very purpose.

Do I hear you say you offered your services to Pennsylvania and you were refused? I know it, but what of that? The State is not more than the nation. The greater includes the lesser. Because the State refuses, you should all the more readily turn to the United States (applause). When the children fall out, they should refer their quarrel to the parent. "You came unto your own and your own received you not." But the broad gates of the United States stand open night and day. Citizenship in the United States will, in the end, secure your citizenship in the State.

Young men of Philadelphia, you are without excuse. The hour has arrived, and your place is in the Union army. Remember that the musket—the United States musket with its bayonet of steel—is better than all mere parchment guarantees of liberty. In your hands that musket means liberty; and should your constitutional rights at the close of this war be denied, which in the nature of things, it cannot be, your brethren are safe while you have a Constitution which proclaims your right to keep and bear arms (Immense cheering).

Why Reconstruction Failed

How stands the case with the recently emancipated millions of Negro people in our own country? What is their condition today? What is their relation to the people who formerly held them as slaves? These are important questions, and they are such as trouble the minds of thoughtful men of all colors, at home and abroad. By law, by the Constitution of the United States, slavery has no existence in our country. The legal form has been abolished. By the law and the Constitution, the Negro is a man and a citizen, and has all the rights and liberties guaranteed to any other variety of the human family, residing in the United States.

He has a country, a flag, and a government, and may legally claim full and complete protection under the laws. It was the ruling wish, intention, and purpose of the loyal people, after rebellion was suppressed, to have an end to the entire cause of that calamity, by forever putting away the system of slavery and its incidents. In pursuance of this idea, the Negro was made free, made a citizen, made eligible to hold office, to be a juryman, a legislator, and a magistrate. To this end, several amendments to the Constitution were proposed, recommended, and adopted. They are now a part of the supreme law of the land, binding alike on every State and Territory of the United States, North and South. Briefly, this is our legal and theoretical condition. This is our condition on paper and parchment. If only from the national statute book we were left to learn the true condition of the Negro race, the result would be altogether creditable to the American people. It would give them a clear title to a place among the most enlightened and liberal nations of the world. We would say of our country, as Curran once said of England, "The spirit of British laws makes liberty commensurate with and inseparable from British soil." Now I say that this eloquent tribute to England, if only we looked into
our Constitution, might apply to us. In that instrument we have laid down the law, now and forever, that there shall be no slavery or involuntary servitude in this republic, except for crime.

We have gone still further. We have laid the heavy hand of the Constitution upon the matchless meanness of caste, as well as upon the hell-black crime of slavery. We have declared before all the world that there shall be no denial of rights on account of race, color, or previous condition of servitude. The advantage gained in this respect is immense.

It is a great thing to have the supreme law of the land on the side of justice and liberty. It is the line up to which the nation is destined to march—the law to which the nation's life must ultimately conform. It is a great principle, up to which we may educate the people, and to this extent its value exceeds all speech.

But today, in most of the Southern States, the Fourteenth and Fifteenth amendments are virtually nullified. The rights which they were intended to guarantee are denied and held in contempt. The citizenship granted in the Fourteenth Amendment is practically a mockery, and the right to vote, provided in the Fifteenth Amendment, is literally stamped out in face of government. The old master class is today triumphant, and the newly enfranchised class in a condition but little above that in which they were found before the rebellion.

Do you ask me how, after all that has been done, this state of things has been made possible? I will tell you. Our Reconstruction measures were radically defective. They left the former slave completely in the power of the old master, the loyal soldier's, and the newly enfranchised class in a condition but little above that in which they were found before the rebellion.

In the hurry and confusion of the hour, and the eager desire to have the Union restored, there was more care for the sublime superstructure of the Republic than for the solid foundation upon which it could alone be upheld. To the freedmen was given the machinery of liberty, but there was denied to them the steam to put it in motion. They were given the uniform of soldiers, but no arms; they were called citizens, but left subjects; they were called free but left almost slaves. The old master class was not deprived of the power of life and death, which was the soul of the relation of master and slave. They could not, of course, sell their former slaves, but they retained the power to starve them to death, and wherever this power is held there is the power of slavery. He who can say to his fellow man, "You shall serve me or starve," is a master and his subject is a slave. This was seen and felt by Thaddeus Stevens, Charles Sumner, and leading stalwart Republicans; and had their councils prevailed the terrible evils from which we now suffer would have been averted. The Negro today would not be on his knees, as he is, abjectly supplicating the old master to give him leave to toil. Nor would he now be leaving the South as from a doomed city, and seeking a home in the ungenial North, but tilling his native soil in comparative independence. Though no longer a slave, he is in a thralldom grievous and intolerable, compelled to work for whatever his employer is pleased to pay him, swindled out of his hard earnings by money orders redeemed in stores, compelled to pay the price of an acre of ground for its use during a single year, to pay four times more than a fair price for a pound of bacon, and to be kept upon the narrowest margin between life and starvation. Much complaint has been made that the freedmen have shown so little ability to take care of themselves since their Emancipation. Men have marvelled that they have made so little progress. I question the justice of this complaint. It is neither reasonable, nor in any sense just. To me the wonder is, not that the freedmen have made so little progress, but, rather, that they have made so much; not that they have been standing still, but that they have been able to stand at all.

We have only to reflect for a moment upon the situation in which these people found themselves when liberated. Consider their ignorance, their poverty, their destitution, and their absolute dependence upon the very class by which they had been held in bondage for centuries, a class whose very sentiment was averse to their freedom; and we shall be prepared to marvel that they have, under the circumstances, done so well.

History does not furnish an example of Emancipation under conditions less friendly to the emancipated class than this American example. Liberty came to the freedmen of the United States not in mercy, but in wrath, not by moral choice, but by military necessity, not by the generous action of the people among whom they were to live, and whose good-will was essential to the success of the measure, but by strangers, foreigners, invaders, trespassers, aliens, and enemies. The very manner of their Emancipation invited to the heads of the freedmen the bitterest hostility of race and class. They were hated because they had been slaves, hated because they were now free, and hated because of those who had freed them. Nothing was to have been expected other than what has happened, and he is a poor student of the human heart who does not see that the old master class would naturally employ every power and means in their reach to make the great measure of Emancipation unsuccessful and utterly odious. It was born in the tempest and whirlwind of war, and has lived in a storm of violence and blood. When the Hebrews were emancipated, they were told to take spoil from the Egyptians. When the serfs of Russia were emancipated, they were given three acres of ground upon which they could live and make a living. But not so when our slaves were emancipated. . . . They were sent away empty-handed, without money, without friends and without a foot of land upon which to stand. Old and young, sick and well, were turned loose to the open sky, naked to their enemies. The old slave quarter that had before sheltered them and the fields that had yielded them corn were now denied them. The old master class, in its wrath, said, "Clear out! The Yankees have freed you, now let them feed and shelter you!"

**MANIFESTO of the FOURTH INTERNATIONAL**

**TO THE WORKERS AND PEASANTS OF INDIA**

This pamphlet contains an analysis of the role in India of British domination, of American "mediation," and of Stalinism. It counterposes revolutionary methods of struggle to the impotent Congress methods that have dominated India and presents the basis for a revolutionar­
y program of Emancipation of the colonial peoples through the agrarian revolution, democratic committees of struggle, and a Workers' and Peasants' Government.

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A New British Provocation in Palestine

By T. CLIFT

The last few months have borne witness to the beginning of a new chapter in the development of imperialist policy in Palestine—an old policy in new clothing. For many years British imperialism pursued a policy of oppression in Palestine. During the 1936-39 upheavals thousands of Arabs were murdered and tens of thousands imprisoned, so that every fifth or sixth adult spent some time behind bars in those days. Whole villages were wiped out entirely in bombardments. One complete quarter of Jaffa was evacuated and then bombed without the inhabitants being given a chance to remove their furniture. The army, upon entering a village charged with participation in military actions, was in the habit of putting a few of the young men of the village to death as an example to the others. Collective fines were daily events, as were also curfews, inspection of identity cards and administrative arrests of thousands without trial. The conditions in prison may be imagined from the fact that the official price of the food provided was 17 mils per capita (4d = 8 1/2 cents); the sanitary conditions were unfit for human beings. Special hard labor camps were erected (the quarries of Nur es-Shams gained particular notoriety), in which the conditions were so atrocious that accidents and sickness at work were of the most frequent occurrence. A British police expert from India was specially brought to Palestine to direct operations. The heritage of 1936-39 is 15,000 Arab orphans and 57 police stations built in all corners of the country, each of which can hold thousands of people.

At the moment these same repressive actions are being directed, even if less brutally, against the Jewish population of the country. Over 2,000 Jewish agricultural workers have been imprisoned without trial, and looting and other provocative acts have become common phenomena. British imperialism, for years on end, has attempted to direct the ire of the Arab masses against the Jewish population of the country. For this purpose the policy of Zionist expansion has been supported, a policy which results in the eviction of Arab tenants from the land, drives Arab workers from jobs, and strengthens the Zionist fortress which is determined to establish a Jewish State in Palestine. Imperialist support for Zionism is calculated to achieve two results; One, to establish a power which directly supports it, which will constitute a faithful ally against the Arabs in every instance of an anti-imperialist uprising of the Arabs of the Middle East; the other, to have Zionism serve as a means of diverting the ire of the oppressed Arab masses away from imperialism onto a side issue—clashes with Jews. But in order that Zionism be a buffer between the Arab masses and imperialism it is essential, first, that the weight of this population remain relatively small so that it should feel dependent on imperialist good-will and not become an independent factor; and secondly, that the Arab masses should be deceived into believing that it is only because of imperialist patronage that this factor does not become stronger and dislodge them still further from their positions. In other words: Between the imperialist master and his Zionist servant there are both common and antagonistic interests. Zionism wants the establishment of a strong Jewish capitalist state. Imperialism, it is true, wants a Jewish capitalist society shut up in itself and surrounded by the hatred of the colonial masses, but it is not at all interested to have Zionism become too strong a power.

The situation in Palestine and the Arab East at the moment is such that imperialism is not at all sure that the granting of 100,000 certificates will be sufficient to divert the ire of the Arab masses away from imperialism onto the Jews. The central slogan of the Arab masses in Egypt, Syria, Lebanon, Iraq and Palestine has become the evacuation of imperialist armies. In these circumstances the granting of 100,000 certificates and the concentration of the British army in Palestine on the grounds of defending the Jews would be to open a game to turn the Arabs from their demand for the evacuation of the imperialist armies. British imperialism therefore intends to achieve the same aim by an opposite tactic: Concentrating its army in Palestine on the grounds of defending the Arabs from Zionism, in order to disarm the Jews, etc. The British, after thus weakening the Jews, hope to succeed in stirring up clashes between Arabs and Jews in all corners of the Arab East. (We should not be surprised therefore if this attack against the Jews were but a prelude to the granting of 100,000 certificates.) In the incitement of national hatred imperialism is fully assisted by the Zionist movement, despite the friction between them. Thus, for instance, in these very days, a packet of some scores of Zionists is posted at the entrance to the Arab market beside Tel Aviv to prevent Jews from buying Arab products. The beating of Arabs, throwing of petrol on the products of fellahin (peasants) who dare to offer their wares to Jewish customers and similar acts are everyday occurrences. The demand of the Zionists for a Jewish State is but fuel on the fire of imperialist provocation. The Zionist terror is not at all intended to expel imperialism, but only to form a new partnership with it which will provide the junior partner with easier terms. This is apparent to anyone who follows Zionist policy in Palestine. M. Sheh, member of the Jewish Agency Executive, whom the British army came to arrest a few days ago, but did not find at home, declared: “One of the bad principles of the traditional system [of British policy] is that the British authorities compromise only with the one who knows how to disturb and to break their peace, but are accustomed to treat lightly and betray a faithful, peaceful and patient ally. If this is the way to win the alliance of Britain, we cannot avoid trying to follow this path, as we are very interested in Britain’s alliance with us. We cannot long maintain the present one-sided alliance in place of a mutual alliance. The Jewish population in Palestine does not intend to expel the British from the country and be their heirs. We do not see any contradiction whatsoever between mass immigration, a Jewish state, and wide and strong British bases in this country. On the contrary, we shall look upon it very favorably.” (“The Essence of the Crisis,” Ha’aretz, October 26, 1945, Hebrew.)

Even after the latest arrests the Zionist leaders continue in the same vein. On July 4, 1946, a declaration was issued by the Jewish Agency Information Bureau in Jerusalem: “The Jews in Palestine are ready to defend themselves, but this does not mean that they are against the maintenance of a British army in Palestine to guard the just interests (!) of the British Empire.”
Thus in the very hour that the whole Arab East is in ferment and its central slogan is “Evacuation of the British army from all the countries of the East,” the Zionists are prepared to assist in its maintenance. In 1936-39 the Zionist leaders did not protest against the cruelty of the British army towards the Arab masses, and demanded, on the contrary, a “strong arm”; now they protest against this very same policy which is directed towards them, but continue supporting the “strong arm” for the Arab East as a whole. At the very moment that British imperialism is intent on stirring up communal hatred, the Zionists, by the struggle for Jewish products, Jewish labor and a Jewish State, aid and abet the imperialist provocation whose victims may well be the Arab and Jewish masses.

Besides the Zionists who help imperialism wear the mask of defender of the Arabs from the Jews, there is another important force which buttresses this same imperialist policy—the feudal, semi-bourgeois Arab leadership. While British imperialism is carrying through its oppression of the Jewish population, it nurtures chauvinistic clerical forces among the Arabs. For this purpose the Mufti of Jerusalem was permitted to escape from prison in France, reaching Egypt on June 19, 1946 by plane (was it an RAF plane?) and settling himself in the palace of the Egyptian king. Who is the Mufti? He is one of the biggest landowners in Palestine, his family possessing 50,000 dunams—a land area equal to that owned by about a thousand average fellah families. He was the organizer of attacks on Jews in 1920, 1921, 1929 and 1936-39, and has declared on countless occasions that he is not antagonistic to British imperialism at all, but wishes to work with it; but that he, and not Zionism, is its really faithful ally. Thus, for instance, in his testimony before the Royal Commission of 1937 he said: “I have always known and believed that the British Government and British people have great statesmen and I am always convinced of the wise judgment of the British Government and the justice of the British Government... but when I see such action taken I always attribute it to Jewish pressure because we cannot see how such a great nation, such a great country with the great statesmen they have, could adopt such a course unless there was outside influence bearing in that direction.” (Royal Commission of Palestine, Minutes, No. 4614, p. 296.)

During the height of the 1936-39 upheaval the Mufti together with his fellow-leaders wrote in a proclamation issued on September 4, 1936: “It is regrettable that Britain suffers this number of casualties in a holy part of the Arab countries, their allies of yesterday and today (!), in order to serve Zionism and erect a national home for it in Arab Palestine... The government could not stamp out the revolt and restore order by force, as the Arab people were behind the rebels... and the English soldiers did not fight willingly, but were forced to enter the struggle. They knew that they were not fighting for British interests, as the Arabs do not fight Britain, and do not wish to damage her interests, but fight against the Jewish settlement and Zionist policy alone. If not for these two, the Arabs would live in friendship and peace with the English.”

Zionism is not in harmony with the interests of British imperialism! Long live the British Empire! down with Jewish influence! The Arab leaders are ready heart and soul to serve the Empire!—Such is the stand of the feudal semi-bourgeois Arab leadership.

This position found its most extreme expression when the Mufti's nephew and right-hand man, Jemal el-Husseini, declared that the Arabs of Palestine would agree that Palestine remain a crown colony forever, on condition that Zionist expansion was halted.

After despairing that Britain would permit him to destroy the Jewish population in Palestine, the Mufti moved over to Germany. From here he was sent to Yugoslavia to organize Moslem troops against the Partisans (for which the Yugoslav government is now demanding that he be handed over to them for trial!). He was also active in the organization of Jewish death camps. Now that Germany has fallen, he is ready to place his services once more at the disposal of British imperialism.

The Moslem Brotherhood

The British are at the same time doing all in their power to foster the Moslem Brotherhood, a clerical-fascist organization in Egypt, which is at present organizing branches in Palestine. It was this organization which succeeded to a certain extent in diverting the demonstrations against the Balfour Declaration which took place on November 2, 1945 in Cairo and Alexandria into attacks on the communal minorities, Christian and Jewish. Their success was only partial, as the Egyptian workers' movement understood that the communal attacks constituted an assault upon it. The workers' paper _Ed-Damir_ stated at that time: “It is very heartening that the workers were not dragged into the plots hatched against them to involve them in the attacks of November 2, the day of the cursed Balfour Declaration. ... The Egyptian workers' movement struggles against racial fanaticism and deprecates every movement fostered around it.” The Moslem Brotherhood tried to erect separate committees of Moslem workers in various enterprises, but this failed owing to the unity, irrespective of community, displayed by the Egyptian workers. While the Moslem Brotherhood showed great activity on November 2, it refused to participate on February 21, 1946, “Evacuation Day,” as this was a real anti-imperialist movement and not a communal one. Slogans of solidarity among Moslem, Christian and Jewish workers were shouted throughout the demonstrations, and the fascist leader Ahmed Hussein, who tried to warn his way into the demonstration, was howled down and not allowed to speak. When the Workers' and Students' Committee called an anti-imperialist strike on May 10 of this year the Moslem Brother-
The Fake Hunt for War Criminals

Today when Europe is covered with debris and smoking ruins, the worst pyromaniacs in history are busy seeking out the criminals responsible for the war. In their wake follow their servants—professors, members of parliament, journalists, social-patriots and other political pimps of the bourgeoisie.

For many years the Socialist movements predicted the inevitability of the imperialist war, seeing its causes in the insatiable greed of the property-owning classes of the two chief camps and, generally, of all capitalist countries. At the Basle Congress, two years before the war exploded, the responsible Socialist leaders of all countries branded imperialism as bearing the guilt for the impending war, and threatened the bourgeoisie with the socialist revolution which would descend upon the bourgeoisie's head as the proletarian retribution for the crimes of militarism. Today after the experience of the last five years, after history, having laid bare the predatory appetites of Germany, is unmasking the so-called criminal acts of the Allies, the state Socialists of the Entente countries continue in the wake of their respective governments to discover the war criminal in the person of the overthrown German Kaiser. On top of this, the German Social-patriots who in August 1914 proclaimed Hohenzollern's diplomatic "White Book" to be the holiest evangel of the peoples are nowadays following in the footsteps of the Entente Socialists and are with vile subservience indicting the overthrown German monarchy, which they had so slavishly served, as the chief war criminal. They thus hope to obscure their own role and at the same time to worm their way into the good graces of the conquerors. But in the light of unfolding events and diplomatic revelations, side by side with the role of the toppled dynasties—the Romanovs, the Hohensol-lerns, and the Hapsburgs—and of the capitalist cliques of these countries, the role of the ruling classes of France, England, Italy and the United States stands out in all its boundless criminality. (From the "Manifesto" of the 1st Congress of the Communist International, March 1919; L. Trotsky, The First Five Years of the Communist International.)
From the Arsenal of Marxism
A Documentary History of the Fourth International
By LEON TROTSKY

One of the main obstacles in France to the crystallization of the Trotskyist movement was the absence of a central and regular publication. The letter appearing below is a second document written by Trotsky in this connection (a previous one, "A Letter to Souvarine," appeared last month).

With the exception of Brandler, head of the right wing tendency in Germany, the references in the text of the letter are to figures in the French movement at the time.

Souvarine, upon his expulsion from the French Communist movement, flirted with the Left Opposition and then became one of the advocates of unity with the Brandlerites.

Rosmer, one of the most influential figures in the French trade union movement and in French Communism, closely collaborated with Trotsky at the time.

Trent was at one time General Secretary of the French C.P. He was by profession a teacher. After his expulsion from the C.P., he also flirted with the Left Opposition, only to become one of its bitterest opponents when the programmatic issues were posed point-blank by Trotsky.

Naville and Gerard were French intellectuals who remained on the periphery of the revolutionary Communist movement prior to the inception of the Trotskyist organization.

Naville was a literary man who became attracted to the Left Opposition. He took an active, and later a leading part in the French Trotskyist organization. He severed his connections with the organization after the outbreak of World War II.

Gerard, a lawyer by profession, was likewise attracted to the Trotskyist movement in 1929. He collaborated closely with Naville throughout the latter's stay in the French section of the International Left Opposition.

For previous documentation the reader is referred to the May and August 1946 issues of our magazine.

A Letter to the Editorial Board of "Lutte de Classes"
August 11, 1929

Dear Comrades,

I reply quite willingly to the letter of Comrade Naville which touches the most important issues for the French Opposition.

I shall not dwell on the past of the French Opposition. This would require too much time. Inasmuch as the past interests us first and foremost from the standpoint of current and future practical tasks, I shall limit myself in connection with Comrade Naville's letter to the most general conclusions on this score.

The French Opposition has not up to the present time engaged in political work in the true sense of the word. As a consequence it has virtually remained in an embryonic condition. But it is impossible to long remain in such a condition with impunity. Right and left wings have crystallized within it almost without any connection with the struggle of the French proletariat, and therefore, not infrequently, along accidental lines. The fact that the French Opposition remained too long on the first stage of development has led to its segmentation into conservative groups, each primarily concerned with its self-preservation.

All this is true. But all this can in no case serve as an argument—against the need to appraise each and every group from the standpoint of the three basic tendencies inside the Comintern and on its periphery, namely: the Left (Marxist or Leninist), the Centrist (Stalinist) and the Right (Bukharin, Brandler, etc.).

These basic criteria flow not from the peculiarities of the development of individual groups and grouplets of the French Opposition, but from the objective conditions—from the correlation of classes, the character of the epoch, the character of the given stage of the epoch, etc. Precisely for this reason the basic tendencies are international in character. If we wish to avoid becoming entangled in appraising isolated oppositional groups that became ossified before they were able to fully unfold, then we ought to proceed from the objective to the subjective, from the international to the national, from classes to parties and factions.

"But is it worth while to pay so much attention to Brandler or Souvarine when such gigantic tasks confront Communism?" This is a rather favorite argument which appears to be profound but which in reality reflects only superficiality and indifference. People who reason in this manner thereby only show that they are not at all preparing to solve "gigantic tasks" in practice. To hide behind great perspectives in order to do nothing is a favorite ruse of skeptics and dilettantes. It is impossible to influence historical events with bare hands. An instrument is necessary. The basic instrument is the party, and at the given stage it is the faction. The faction is unified on the basis of specific ideas and methods of action. Today's ideological sloppiness implies political bankruptcy in the morrow. When an aviator prepares to fly across an ocean, he must with tenfold care check nuts, screws, bolts and tie-rods. For him nothing is too trifling. And we are after all only beginning to build the mechanism for future flight. Sloppiness here is especially criminal.

Souvarine became so hopelessly lost precisely because he broke with the Marxist method, seeking to replace it by subjective and capricious observations, speculations and "studies."
Every group that attempts in these conditions to tie its fate with the fate of this method is condemned to destruction.

But in addition to the Right tendency there is another danger, very acute at the given stage of the movement. I would call it the danger of petty bourgeois dilettantism. In Russia the Opposition is fighting under conditions which permit only genuine revolutionists to remain in its ranks. This cannot be said without reservations about Western Europe, particularly France. Not only among the intellectuals but even among the upper layer of the workers there are not a few elements willing to bear the title of the most extreme revolutionists so long as this does not impose upon them any serious obligations, i.e., so long as they are not obliged to sacrifice their time and finances, submit to discipline, endanger their habits and their comforts. The post-war upheaval created not a few such revolutionists-by-misunderstanding, essentially discontented philistines masquerading as Communists. Some of them also fell into the Opposition, because membership in the Opposition under the present circumstances imposes even less obligations than does membership in the official [Communist] party. Needless to say such elements are ballast, and very dangerous ballast at that. They are 100 percent prepared to adopt the most revolutionary program but rabilly resist when it is necessary to take the first step toward its realization. Under difficult conditions they will of course leave our ranks at the first convenient pretext. A serious testing and a strict selection is needed on the basis of revolutionary work among the masses.

The task of the French Opposition consists in finding avenues to such work. As a beginning it is necessary to have, at least, a weekly paper, and, moreover, without delay. It is no secret to you that certain groups and individuals launched a struggle against the weekly even before its appearance. In the interests of this struggle the most unexpected alliances are now being hastily consummated. Only yesterday X wrote and said, "It is impermissible to draw Y into common work because he is capable only of ruining it." Y in his turn wrote, "X does not deserve either political or moral confidence." Today both of them write: "The best solution is X plus Y." Others add that any other decision would be "bureaucratic." As everyone knows, especially expert and profuse in charges of bureaucratism are unsuccessful bureaucrats of the Zinoviev school.

Comrades Naville and Gerard had the opportunity to discuss with Rosmer and they know from his own lips that neither he nor his friends consider the present grouping as final. All that is involved is to make a beginning. It will be possible and necessary to correct, supplement and improve in the course of action, attracting ever newer forces and, of course, casting aside those elements which prove worthless in the course of testing. This is the only way in which a living enterprise can be built.

What is the origin of the Verite group? It took shape in a relatively short period, but not at all accidentally. Under the Verite's banner have gathered active comrades from various groups only because nothing came of attempts to lean upon one of the existing groups for the creation of a weekly. We invariably heard one and the same reply: "We haven't the forces, we haven't the resources." As if by sitting in a room it is possible to expect forces and resources from no one knows where. As if forces and resources fall from the sky and are not created by energetic work. People remained completely satisfied with issuing from time to time compilations of oppositional documents and failed to notice the glaring and annihilating incongruity between the ideas which they accepted in words and the methods they used in action.

Comrade Naville writes that the Russian Opposition is itself responsible because it supported the "obedient ones" who do not always happen to be the most active and revolutionary. I will not speak here of external conditions which rendered extremely difficult our connections with foreign countries and frequently made our ties with the foreign opposition dependent upon isolated, accidental and not always suitable comrades. There were of course not a few mistakes committed in this field. Nevertheless the gist of the matter does not lie here. Individual representatives of the Russian Opposition abroad exercised disproportionately great influence only because the groups of the French Opposition were themselves too weak, too flimsily connected with the movement in their own country. There is only one way out: strengthen the Opposition on French soil. To say, like Souvarine, that we incur the danger of transferring the methods of the Comintern into our ranks is to say something that bears no resemblance whatever to reality. The present methods of the Comintern presuppose first of all the existence of state power and state treasury. Failing this, such methods are unthinkable. I can only repeat here the words of G. Gurov on this theme: "Revolutionary cadres in each country must take shape on the basis of their own experiences and they must stand on their own feet. The Russian Opposition has at its disposal—today one might almost say that this is fortunate—neither instruments of state repression, nor governmental financial resources. It is solely and exclusively a question of ideological influences, interchange of experiences. Each national section must seek for the sources of its influence and strength not above but below, among its own workers, by rallying the youth to its side, by tireless, energetic and truly self-sacrificing work."

You might say that I, too, bear responsibility for delaying matters, to the extent that I supported publications which reflected yesterday and which did not prepare for tomorrow. It is possible that during recent months I kept waiting too patiently for initiative from people who are incapable of initiative, that I restricted myself far too long to trying to convince people by letters, etc. But in the final analysis, involved here are two or three additional months, and nothing more.

But I am completely in agreement that it is high time to call things and people by their name and to do so out loud. Discussion-circle diplomacy will not move us forward. What can democracy consist of today within the Opposition? In the whole Opposition's knowing everything that is being done and the reasons for it. The old circle methods have been exhausted and have completely discredited themselves. At the moment of sharp breaking-points it is important to observe and verify the activity of individual groups and persons. Today it is not a question of repeating ready-made formulas but of showing in action what each given group or its individual representatives are capable of. A brief history of how the weekly was prepared is most instructive. Every active Oppositionist should be acquainted with this history, through documents and letters. That is the only way cadres take shape. That is the only way to eliminate fictitious magnitudes and to destroy fictitious reputations. That is the only way those who deserve confidence are able to conquer it. That is the only way in which we can pass from the shut-in diplomacy and circle squabbles to genuine democracy within the Opposition.

Having passed through a number of crises, each of which faintly resembles a storm in a cup of water, the Opposition—through the weekly—will not only find itself armed from head to toe but will also feel itself more fused, strengthened and mature.

The editorial board of Against the Stream now advances a
new argument in favor of continued passivity: it is first necessary to adopt a “platform.” It is hard to imagine a more moribund demonstration of doctrinairism. I am surprised that the Against the Stream group, which includes workers, does not understand how silly it is to demand that the proletariat, or its vanguard, or the Opposition which desires to be the vanguard of the vanguard, should mark time until someone writes for them, during hours of leisure, a salvation platform. In the course of two months we were given two fragments which did not move us a step forward, we are promised a continuation in a month and, within another month a conclusion, and only then will the discussion begin. Will the other groups agree to accept as a basis for discussion the draft which has leaped ready-made from its author’s head? As for me, on the basis of the first two installments I would vote against. This is not a platform but a piece of literature, and besides, not of the best sort. I hope to demonstrate this in the columns of our future international periodical The Opposition.

**How a Platform Is Formed**

In order to begin political work, the Opposition has a perfectly adequate programmatic base, assured by its entire preceding struggle. This base must be taken as the point of departure. And only active participation in political life can prepare the conditions for creating a platform, and not solely a platform but also the Marxist program for the Communist International. Nothing will come of Paz’s attempt to create a platform in a laboratory manner. Let us hope that after this experiment has been performed and after it has revealed its inadequacy, the majority of the group will support the initiative of action, i.e., will take its place under the banner of Verite. They will be accorded a friendly welcome, despite their blunders of today.

In connection it is necessary to say a few words about Comrade Treint. Here it is necessary to dot all the “i’s.” No matter how much the various groups of the Opposition may have differed among themselves, they all agreed on one thing: no one considered it possible to work with Treint. All of them pointed to his past. I considered and still consider that despite this past, the door must remain open for Treint, too. It was in this sense that I wrote to him. Therewith I tried to explain to him that after this experiment has been performed and after it has revealed its inadequacy, the majority of the group will support the initiative of action, i.e., will take its place under the banner of Verite. They will be accorded a friendly welcome, despite their blunders of today.

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Facts of this sort enter as major signposts into a political biography and by these signposts it is possible to determine the road of a revolutionist.

In the biography of Comrade Treint there are no such facts as yet. He became a revolutionist after the war. His new world outlook has not as yet been submitted even once to the test of major events. In 1923 Treint became the instrument of a false policy and a fatal regime from which the French party as well as the entire Comintern have not freed themselves to this day. Almost up to the middle of 1927 Treint supported the official line of the Comintern and the struggle against the Opposition. In May 1927 at the enlarged plenum of the ECCI, Treint, although he did introduce isolated critical statements, nevertheless voted for the resolutions of Stalin-Bukharin on the Chinese question, on the Anglo-Russian Committee and on the question of the Opposition. Yet Treint had previously spent a year and a half in Moscow and had full opportunity to follow and study the struggle of the Opposition against Stalin. Joining the Opposition in the autumn of 1927, Treint remained a Zinovievist, which signifies a combination of centrism and ultra-leftism. Finally, even now the ease with which Treint changes his appraisals and his readiness to take part in any combination, in order to obstruct our cause whenever he, Treint, is not in the leadership, testify to this, that Treint intends to apply Zinovievist methods within the framework of the Opposition. This is inadmissible. If Treint wants to take his place in our common ranks and prove in action that he is interested in the successes of the Opposition and not only in the post occupied by Treint inside the Opposition, then all of us will rejoice equally. Only along this road is it possible to win moral confidence, without which it is absolutely inconceivable to pretend to any sort of leading role in the revolutionary struggle.

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But it is necessary to bring this letter to a close.

It seems to me that a platform for the French Opposition in the next period can be formulated very briefly, and approximately as follows:

1. To understand well and explain to others that the most important and unpostponable task today is the creation of a weekly of the Left Communist Opposition.

2. To understand and explain to others that the Verite group, given our common support, provides maximum guarantees that the weekly will be free from personal prejudices and intrigues and will be a genuine organ of the Communist Left as a whole.

3. To support openly, loudly, firmly and energetically the initiative of Verite—by literary collaboration, by creating a network of workers’ correspondents, by collecting funds, etc. etc.

4. To openly and firmly condemn attempts to establish a competing organ as an act dictated by circle machinations and not by the interests of the Opposition.

This “platform” fails to include many questions. But it does touch the most vital and acute question, failing whose solution all big plans, projects and “platforms” will remain in the realm of phrases.

As I gather from Comrade Naville’s letter, from my discussion with Comrade Gerard, you are likewise agreed that the group now fused around Verite has in the given conditions the best chances of establishing the needed weekly. This is a second step which is of no less importance than the first. I should like to hope that you will soon also take the third step, namely: declare the cause of Verite to be your own cause.

With Communist greetings,

L. Trotsky.
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