Has Stalin Revived the Comintern?
—An Editorial—

Two Pages from American History
By Arne Swabeck

The Limits of French Economic Revival
By Patrick O'Daniel

The Class Struggle in Argentina
By Louis T. Gordon

Open Letter to Workers and Peasants of Japan
Taft-Hartley Law—Neo-Fascism—Hickman Case

September-October 1947

25 Cents
Manager's Column

Alfred Lynn, FOURTH INTERNATIONAL agent in Los Angeles, writes us about a new promotion idea he is trying out. "I asked the Socialist Workers Party branches of the Los Angeles Local," he says, "to submit the names and addresses of their 10 best MILITANT readers. Then we picked 11 names and sent each one the following letter and a copy of FOURTH INTERNATIONAL.

"Dear MILITANT Reader,

"Since you have been a MILITANT reader for a good while, we are sure that you will enjoy reading our other publication—our magazine, FOURTH INTERNATIONAL. This magazine contains excellent articles by leading socialist writers and workers on all current labor and international events, as well as reprints of the best writings of Leon Trotsky.

"We have sent you a sample copy of our magazine and we are enclosing a subscription blank in this letter for your use.

"Note the reduction in subscription rates to $1 for a whole year. The magazine now appears every two months.

"In the Detroit area they are going after increased newsstand sales. For this purpose Howard Mason, FOURTH INTERNATIONAL agent, ordered additional copies of the July-August issue.

"Agents in other localities have probably tried various and different methods of increasing FOURTH INTERNATIONAL circulation. We would welcome these promotion ideas for this column.

"Friends of FOURTH INTERNATIONAL in other countries are making sure that our magazine is read by as wide an audience as possible.

A. M. of New Zealand writes: "I write with difficulty. I am nearly 70, almost blind. Your publications are read by me sometimes, but always passed on to some of the wage workers . . . You may continue sending the publications and what is dear to the heart of a Scotchman, they are cheap. You will write to me again and tell me just how the account stands and I shall send remittance, not forgetting the fighting Fund Appeal, which I neglected over the years—just through procrastination."

A reader in Palestine tells us that he is doing everything possible to see that our "publications will be read by many friends isolated in all parts of this country."

J. P. of France sent the following letter: "I want to thank you once more for the paper I receive every week and also for the FOURTH INTERNATIONAL. I enjoy very much reading both the magazine and the paper, which publications I appreciate for their high theoretical level and fight against capitalism as well as against Stalinism. I am a militant Trotskyist in the Fourth International since 1939, but I have never seen in our movement a paper like yours. I think your paper, ELS MILITANT, teaches us how to make a good workers' paper. I have followed with a great interest the nine articles of Comrade Cannon on Stalinism and Anti-Stalinism. I agree that he shows the only way to fight Stalinism and to denounce the professional anti-Stalinists. I translated into Spanish the best passages of those nine articles."

Managers Column

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CONTENTS

World in Review

Struggle Against Taft-Hartley Law ........................................ 227

Fascists Active Again .................................................. 228

Case of James Hickman .................................................. 229

Has Stalin Revived the Comintern? ....................................... 231

The Class Struggle in Argentina By Louis T. Gordon .............. 233

Two Pages from American Labor History

By Arne Svabek .......................... 237

Open Letter to Workers & Peasants of Japan

By the IEC of 4th Intl' ........................................ 242

Evolution of a Repugnance By Joseph Hansen ........................ 246

The Limits of French Economic Revival

By Patrick O'Daniel ............................................... 250

From the Arsenal of Marxism

Letter to Editorial Board of Prometeo

By Leon Trotsky ......................... 254

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FOURTH INTERNATIONAL


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(Subscription expires March 30, 1948.)
WORLD IN REVIEW

The Struggle Around the Taft-Hartley Law—Revival of Fascism in Europe—A Social Symbol of the Jim Crow System—Stalin’s New “Information Bureau”

The NLRB—Focal Point Today of the Struggle Against Taft-Hartley Law

DESIGN OF SLAVE LABOR LAW

On August 26, the Taft-Hartley Slave Labor Law—the most savage legislation ever aimed against organized labor in the United States—became the law of the land. Since that date the union movement has been grappling with the problem of averting this threat to its life. This law is designed to facilitate the real aim pursued by the capitalist rulers—the complete destruction of the trade unions, or more accurately, their reduction to bodies completely subservient to the employers and the capitalist state machine.

It deprives the unions of rights, gains and protection won by decades of bitter struggle and sacrifice. It provides the employers with a whole arsenal of weapons for undermining the unions, intimidating their members and victimizing their leaders. At the same time, the federal administration, the courts and newly-appointed Labor Czar, Denham, are given powers to outlaw strikes, smashing them by injunction and penalizing workers by fines and prison sentences. On top of this, it restricts the rights of free speech and free press as well as the right of unions to participate in political activities. A strict interpretation would prohibit union publications from even publishing the records of the Republican-Democratic representatives of Big Business who pushed through this law.

The “dangerous thought” clauses of this Slave Labor Law refuse representation to any union officials whose political views are frowned upon as “communist” by the government. This legal supplement to the red-baiting campaign along with the other provisions of the law opens the way for the destruction of union security and the restoration of the open-shop. No wonder it has been nicknamed “The Tough-Heartless Act!”

Last spring the union ranks, instinctively grasping the dangers of this frontal assault upon their organizations, showed determination to prevent passage of this law by combatting it with every means at their command. But the AFL and CIO official leadership discouraged any united mobilization of labor’s power, sabotaged any nationwide mass actions. Some among these bureaucrats foolishly and feebly hoped that their prayers and petitions would keep Congress from carrying out Wall Street’s orders. But above all, the whole crew of these cringing “labor statesmen” feared to cut loose from the apron strings of the political representatives of Big Business, even when the Republican-Democratic combination was delivering such deadly blows to the foundations of the unions.

Subservient to these political machines, the labor officialdom is now conniving to bow down before the Slave Labor Law. They are now telling the workers: “After all, this is the law of the land and we must abide by it until—someday, somehow—we manage to repeal it. Meanwhile, let us appeal to the courts and see whether the judges will throw out some of the harsher provisions of the Act.”

When a decisive struggle is on the order of the day, and the enemy attacks—to capitulate without a struggle is to suffer the worst possible defeat. Yet this is precisely what top-bureaucrats of labor are now proposing. Headed this course of capitulation are the AFL officials. Such a case-hardened labor lieutenant of capitalism as AFL Teamsters’ President Daniel J. Tobin urged the workers to observe “scrupulously” the provisions of the Act and slandered as “enemies of labor” the millions of unionists who insist on struggle and who called for a nationwide protest strike.

Ready as the official union leaders are to capitulate to the law as a whole, they are most inclined to embrace the NLRB. The majority of the AFL Executive Council were eager to obey the edict of National Labor Relations Board’s General Counsel Denham that all top labor federation officials must file “anti-communist” affidavits before their affiliates can obtain the right of appeal to the Board or legal recognition as a collective bargaining agency. Surrender on this issue implied surrender all along the line.

JOHN L. LEWIS’ CORRECT STAND

Their surrender has been blocked only by the refusal of John L. Lewis to sign any such “yellow dog” affidavits. At the recent Council meeting Lewis condemned his colleagues as “cowards” and “weaklings” and correctly declared it was better to fight uncompromisingly against the Act now than to become entangled in a one-sided war of attrition which in the end would leave the unions too weak to battle at all.

Underlying this struggle over signing the “anti-communist” affidavits is the far more important and fundamental issue which has yet to be decided: Will the unions submit to this statute or will they take a firm stand to fight it on all fronts?
That is the question now being fought out within the union movement.

Like the question of the no-strike pledge during the war, the stand taken upon compliance or non-compliance with the Taft-Hartley Act has become a touchstone for distinguishing the genuine defenders of labor's rights from those who are ready to surrender them without struggle.

The militant attitude of the bulk of the union membership is unmistakable. All the CIO conventions held since the law went into effect have gone on record for resistance. At the CIO United Rubber Workers Convention the delegates decisively repudiated President Buckmaster's proposal that the union agree to qualify for the NLRB under the Taft-Hartley Act. A week later the CIO United Electrical Workers took an equally strong stand.

The following week the National Maritime Union convention delegates unanimously voted to boycott the "employer-dominated" NLRB. "Any idea that the union can live with the slave law is suicidal. Capitalization to the law is out... We must fight to defend the union and its contracts, using whatever tactics may be necessary on or off the job." This kind of language in the NMU resolution voices the sentiments, not only of the men on the ships but also of the workers in the shops.

But within the upper circles of the unions a different disposition prevails. With a few notable exceptions, the labor chiefs are seeking ways and means to disregard the wishes of the ranks and operate within the choking confines of the law. The question of whether to compromise with the union-busting Act or to meet it head-on, is the key question before the organized labor movement as the AFL and CIO Conventions prepare to meet in October.

THEY WANT TO YIELD

The tendency to yield is strong not only among the AFL but also among the CIO leadership. Although the CIO President has as yet not dared to advise this policy publicly, spokesmen close to Murray have been campaigning for compliance. In addition to the relentless pressure of Wall Street, its government and press, there are powerful factors driving the spineless union bureaucrats in that direction.

The smaller unions, and the weak sections of the big unions, have secured their footholds in many places through the NLRB election machinery. By refusing to qualify with the Board, they fear losing their rights of representation or being replaced by other unions. If rival unions comply with the NLRB regulations, they risk being left out in the cold. The CIO officially anxioussly eyes the AFL unions; the United Auto Workers are suspicious of the Machinists Union. Thus the division, jurisdictional competition and double-crossing among the labor leaders breaks down both the ability and the will of the unions to resist and plays the game of the bosses.

Moreover, the five-member NLRB may modify Denham's ruling and release the top AFL and CIO officers from filing the "yellow-dog" affidavits. Such a reversal would remove the most immediate obstacles and facilitate their collaboration with the Taft-Hartley set-up.

THE ATTACK HAS STARTED

Meanwhile, the NLRB is baring its fangs and demonstrating how completely it serves the employers as an anti-labor tool under the Taft-Hartley Act. On the West Coast the Waterfront Employers Assn. have taken advantage of the law to deny the International Longshoremen's and Warehousemen's Union the bargaining rights it won for foremen in a pre-Taft-Hartley election. In Baltimore the NLRB has filed unfair labor practices against the International Typographical Union. In Albany it obtained an injunction ordering longshoremen to halt a strike.

These are only the first blows dealt in the anti-union warfare conducted under the aegis of this deadly Act. John L. Lewis was absolutely right when he affirmed that here and now organized labor must stand and irreconcilably fight this menace by all means at its disposal.

But even Lewis, with all his aggressiveness, does not show the workers how they can fight Wall Street's Slave Law on the main arena—the field of political action. This hateful Law will not be repealed and the American workers protected against even worse legislation so long as the unions remain subservient to and dependent upon the Republican and Democratic parties. The workers have to drive all the political representatives of Big Business from public office and move forward to their own Labor government. The first step toward that end is the creation on a local, state and national scale of their own Independent Labor Party.

October 3, 1947.

What It Means When Fascists Become Active Once Again

WARNING SIGNS OF DANGER

 Dispatches from Europe are beginning to bristle with references to revived activity by the forces of darkest reaction. The neo-fascists in Italy are growing bolder and bolder. In France the figure of de Gaulle is emerging from sinister shadows. Virulent anti-Semitism and rencrudescent of fascist activities in England have assumed such scope as to become a subject of dispute at the recent Trade Union Conference at Southport. The annual report of the leadership sought to dismiss the matter in a single paragraph. But a resolution to refer it back was carried against the Executive Committee.

All these are signs warning of danger. Why are they recurring today? Why is extreme reaction, that up until now has been forced to skulk in nooks and corners, beginning to bare openly its fangs again? These grave questions demand clear answers. They have a direct bearing on the march of events in this country, too, where the reactionaries have been enjoying a field day at the expense of organized labor. Unless the workers get to the root of this problem, reaction can rise up again as it did in Italy under Mussolini and Hitler in Germany.

In the natural sciences we have learned how to probe really to the roots. In natural sciences we take for granted that given the same conditions, the same causes will continue to produce the same results. In fact, our whole productive system operates in accordance with this scientific law. Yet in the field of politics—which is also a branch of science—many people are surprised again and again to discover that this same law likewise holds true.

No Marxist—nor even semi-Marxist—will deny nowadays that fascism is the direct political outgrowth of the decayed capitalist system. When beset by economic crisis, capitalism is able to continue functioning only by unloading increased burdens on the working class. Since workers do not submit willingly, this cannot be achieved except by destroying workers' organizations through fascism or military-police dictatorships. But this is not an easy thing for the capitalists.
The rich rulers can succeed only if certain conditions obtain. They must hide their time till labor's militancy is dissipated, and workers become exhausted, despondent and apathetic. They need to gain time for marshalling all their reserves. When they are enabled to do both, then the hour is ripe for the industrialists and bankers to unleash their re-actionary detachments in a counter-offensive against labor.

Yet the Communist Party which controls the Italian Confederation of Labor and has also placed itself at the head of the peasant movement is striving to manipulate this militancy of the masses for its own ends. Despite blustering radical phrases, it continues to defend the status quo. Its main aim is to get back into government office and use it as a lever of diplomacy in Moscow's dealings with Anglo-American imperialism. In this shabby game of power politics the demands and aspirations of the insurgent workers and peasants are flouted and lost. The lone gainer is Italian reaction which becomes bolder as the Stalinist leaders play into its hands. The scattered forces of fascism are being coalesced, awaiting the day when they can duplicate Mussolini's march on Rome.

Although the Italian masses are disgusted with the De Gasperi regime, they are not, according to dispatches, turning in larger numbers to the CP. Thus the stage is being rapidly reached where any change will seem, especially in the eyes of the petty bourgeoisie, preferable to the status quo. If the Italian workers don't break soon from the straitjacket of Socialist and Communist leaderships and create a new revolutionary leadership, the fascists will inexorably become a serious threat once more. That is the terrible penalty the workers must suffer for the treachery of their present leaders and a failure to abolish the barbaric capitalist system.

In England, although the tempo is slower and circumstances different, the Laborites are playing the same capitative role as did the German Social Democrats in the days of the Weimar Republic and as the Stalinists play in Italy today. The "nationalizations" in England have thus far only burdened the workers with payments of interest on huge bond issues to the former owners who continue to manage the coal mines and the Bank of England. There is no thought in 10 Downing Street where Attlee, Bevin, Morrison and the rest now sit, of abolishing capitalism and installing a socialist economy. As Britain descends ever deeper into crisis, the Laborite leadership continues to maintain the status quo at the expense of labor.

The Case of James Hickman

To some people it seems surprising that fascism can take root in the traditionally democratic climate of England. But what other alternative has capitalism there or for that matter in these United States in the final analysis? In England the fascists have already dared to break up Communist Party and Labor Party meetings. Attacks on the Jews in the heart of London and other industrial cities are multiplying. Hackney and Stepney are the two London boroughs where they are now most brazen.

They will seek to spread out and grow bolder the more the Labor Party flounders. In England as in Italy, the same inexorable law of capitalist decay becomes manifest. Either the workers must take the road to power and root out capitalism or the fascists will seize the opportunity to destroy labor and its organizations.

The revolutionary wave is rising higher and higher. On September 20, six million workers and farmers demonstrated against the existing regime throughout Italy. With their families, do they not constitute close to a majority of the Italian people? Starvation and an unemployment toll of 3 million are spurring them forward.
the festering rottenness of class society. In the years immediately preceding the American Civil War, for example, the case of Dred Scott, a Missouri chattel slave, who had fled to the North and courageously challenged the right of his master to return him to servitude in the South, dramatically exposed the danger to the nation's freedom emanating from the slaveholding autocracy.

Then came John Brown, the warrior for freedom and justice, whose heroism aroused the souls of men, stirring them into action against the slaveholders who kept all the Dred Scotts in inhuman degradation. In our own time the frameup and execution of Sacco and Vanzetti threw into the limelight, for the whole world to see, the vengefulness of the modern American slave-masters, baring their class justice in its hideous cruelty.

A no less dramatic instance today is the case of James Willis Hickman whom the State of Illinois now seeks to convict and execute on the charge of murdering his landlord.

Hickman's story is the story of Jim Crow as it is practised north of the Mason-Dixon line. Lynchings and Ku-Klux terrorism in the South are the most sensational manifestations of this system, and they receive the most publicity and attention. But there is much more to it. There are other, more "routine," day-by-day, "less violent" by-products of this system which are no less destructive, no less barbaric in their effects on the victims.

For proof—there is Hickman.

RESTRICTIVE COVENANTS

This Negro steel worker brought his family from Mississippi to Chicago, a city where hundreds of thousands of other Southern Negroes have sought a haven but, like Hickman, found instead another man-made hell. Unlike the hell described by the Italian poet, Dante, Chicago's "Black Belt" and other slums where Negroes may dwell bear no tell-tale inscriptions over their portals. The promoters of modern American infernos prefer to keep their restrictive covenants less public. But their message is the same as the one Dante wrote: "All Hope Abandon, Ye Who Enter Here!"

Doomed to house himself and his family in a dilapidated, disease-ridden ghetto, Hickman found his plight doubly aggravated by the housing shortage which, on top of restrictive covenants, made him, like millions of other people, easy prey to unscrupulous landlords. He and his family had to live, to want to reconvert the building's apartments so he could get it in Hickman's own words, "like rats in a hole."

Hickman's hole happened to be in a fire-trap. His landlord, wanting to reconvert the building's apartments so he could get higher rents, threatened to burn Hickman out after he refused to move. When a fire did start soon after, four of Hickman's children were burned to death; another was critically injured; his wife still suffers from leg injuries resulting from her leap from the blazing third floor.

It was only one of many similar calamities that every day befall the Negroes and the poor generally. The others generally pass unnoticed—the casualties, you see, are not high enough to merit briefest mention in the daily press. Add this toll of "accidents" to the even greater toll that the day-to-day routine of the Jim Crow system takes in crippled bodies, mangled limbs, shattered minds and broken lives. Hickman did add all this up, not in his mind's eye, not as an observer, but as a direct victim of it all. His soul had been seared by flames as scorching as those which had consumed the lives of his dear ones. Add all this up, too, and you will grasp a measure of the desperation that drove Hickman to his deed.

WHO THE REAL CRIMINALS ARE

On October 27 the State of Illinois will place James Willis Hickman on trial. But the real criminals, who took the lives of Hickman's children and who drove him in the end to kill the landlord—these criminals will continue to walk at large, respected members of the business community, free to continue their crimes. The identity of these criminals is not unknown to the people of the State of Illinois.

They are the real estate sharks who are the chief promoters of restrictive covenants.

They are the housing profiteers who fatten on the housing shortage and who strive might and main to perpetuate it.

They are the ruthless and unscrupulous landlords who profit from inhuman conditions, as Hickman's landlord did.

They are the corrupt local authorities with their callous disregard, over a period of years, for the enforcement of the pitifully inadequate regulations of the building code, health and fire ordinances.

Finally, they are the local, state and federal authorities who tolerate and in fact condone and encourage both the Jim Crow practices of restrictive covenants and the housing shortage.

The collective name for the list of these real criminals is the capitalist system, the fountainhead of all of men's inhumanities toward fellow men. Its upholders are the criminals who should be in the defendant's dock. This is the system that should be indicted, tried, punished and prevented from continuing to turn workers' blood and sweat and tears into dollars.

Not to come to the defense of Hickman is to be on the side of the Jim Crow system, whose victim he is. The millionaire publisher of the Chicago Sun, Marshall Field, who boasts of his liberalism and friendship for labor and oppressed minorities, has again shown his true colors by refusing to publish even as a paid advertisement a stirring appeal in defense of Hickman by the brilliant young novelist Willard Motley.

But a different response has come from the labor, Negro and community organizations in Chicago—the CIO and AFL unions, the NAACP, tenants unions, veterans, religious groups—who have formed the Hickman Defense Committee and through it are mobilizing mass sentiment to win freedom for Hickman.

"This defense movement to save Hickman's life and liberty merits support everywhere that workers are crowded together and restrictive covenants are enforced," says the Hickman Defense Committee. We agree wholeheartedly. They need support; they need financial aid. All labor, Negro and progressive organizations should take a stand at once on this case and its vital issues. Resolutions and donations should be sent to the Hickman Defense Committee, 4619 South Parkway, Chicago 15, Illinois.

'Militant' Fund

Of course you've heard of The Militant, weekly newspaper of Trotskyism in this country. Like other revolutionary papers, The Militant runs at a deficit, covered over the years by loyal supporters. Recent skyrocketing prices have shot up production costs, while at the same time slashing into income from contributions. This has created a bad financial situation which The Militant staff hopes to overcome by raising a special fund of $5,000.

We take this occasion to call this Militant campaign to your attention and to express the hope that you will be able to make a contribution. Send it to The Militant, 116 University Pl., New York 3, N. Y.
Has Stalin Revived the Comintern?

STALIN'S NEW "BUREAU"

On October 5 Moscow announced the organization of a European "Information Bureau," with headquarters in Belgrade, Yugoslavia. Its purpose is ostensibly to "coordinate the activities" of Stalinist parties in nine countries, including Russia, France, Italy and the six East European countries in the Kremlin's "buffer zone." Since the activities of all Stalinist parties are already "coordinated" by Moscow this move is obviously a diplomatic maneuver in the Kremlin's attempts to counter the tightening encirclement of American imperialism. It is Stalin's way of threatening such "terrible" things as the revival of the Third International which he dissolved in the summer of 1943 in return for lend-lease from Wall Street.

The capitalist press, upon a signal from Washington, at once stepped up its beating of war drums. This hysterical campaign was summed up authoritatively, on October 7, by the New York Times' editors as follows: With the "formation of a new Communist International headed by Soviet Russia," Stalin has "dealt a mortal blow" to the few remaining hopes for a "new world order." Torn "to shreds (are) all the wartime agreements, from the Atlantic Charter to Potsdam." To all this they add that the Kremlin has now unmasked itself openly as an aggressor bent on grabbing the world, with Europe for a starter. The only conclusion one can draw is—another war!

The Social Democrats of the New Leader stripe chime in by depicting Stalin's latest chess-move on the board of power politics as being directly in line with the program of "world revolution" advocated in the days of Lenin and Trotsky.

The proponents of the theory that Stalinism represents some sort of new exploitive class in history likewise represent the Kremlin as driving for the seizure of power in Europe—to install, of course, its own "class rule" there.

These interpretations of the Kremlin maneuver are fraudulent from beginning to end. If Stalinism were really bent on seizing power, it could have done so before this, above all on the continent of Europe. The Stalinist parties in France and Italy have had the backing of the majority of the working class and need only have given the signal to tumble the whole rotten capitalist structure. But they have followed just the opposite course. They still do.

In France, Italy and elsewhere the Stalinist chieftains are doing their utmost to prevent the masses from taking the road of revolution. That is why they continue so persistently to demand posts in the government. That is why even in the manifesto announcing the new "Information Bureau" they make the "struggle" for cabinet posts the pivotal point. That is why in this manifesto they do not utter a word about revolutionary socialism and the struggle for workers' power. That is why Tito in Yugoslavia has called for "People's Fronts"—alliances with capitalist elements "friendly" to the Kremlin, political coalitions which in action prop up capitalist regimes and block the road of the masses to revolution.

The Stalinist bureaucracy cannot turn to revolution. They fear the revolution as much as do the imperialists, as much as do the Social Democratic lackeys of Wall Street. For this would set in motion forces that would end by sweeping Stalinism out of power and rejuvenating the Soviet Union as a democratic workers' state in the process.

THE WAR OF NERVES

What then is the correct appraisal of Stalin's latest move? To understand it fully, this announcement must be placed in the context of the "cold" war between Washington and Moscow which continues to mount in intensity. The press of both countries has been filled for months with bitter accusations and counter-accusations; diplomats shout furiously at one another; the UN has been converted into a noisy sounding board; and the ominous talk of eventual shooting war grows ever louder.

Contrary to the imperialist propagandists and their echoes, it is not the Kremlin but the White House which is the aggressor in this world diplomatic struggle. Wall Street, as we have continually warned, is methodically proceeding with its blueprint of world conquest. At home it is stock-piling atomic bombs, experimenting with jet-propelled rocket bombs, tightening the screws on the labor movement. Abroad it is closing in, step by step, on the Soviet Union and its "buffer zones"—the main areas it wishes to open up to American capital. The deepening crisis of English and European capitalism, the threat of an economic crisis at home, spur Wall Street to speed its preparations and move ahead as fast as possible with its plans.

FORCING A SHOWDOWN

The military pact recently signed at Petropolis, Brazil, was designed to commit all the Latin American countries in advance to enter the projected conflict as vassals of Wall Street. This pact consolidated the Western Hemisphere as the home base of operations for the planned assault. The agreement with Great Britain over the Ruhr, which set up a "joint" commission to rule that area, has entrenched Wall Street more firmly in Germany as a prospective beach head in Western Europe. Similarly on the eastern side of the Eurasian mainland, the U.S. military government, with its base in Japan, has been digging deeper into the Korean beach head. The latest excuse for the continued retention of American bayonets in Korea is the timely discovery of a "Russian directive" to set up a "Communist" regime in Korea should American troops withdraw.

Greece is being feverishly prepared as a spear into the Balkan flank and a gateway to the Black Sea. While American dollars build a golden buttress for the puppet monarchy, and American military experts, with U.S. armament stockpiles to draw upon, groom the Greek armed forces, the State Department swings two propaganda brushes. One is smearimg the Greek partisans as "invaders," the other whitewashes the Greek quislings as "liberals."

It is in the setting of this U.S. drive for world mastery that we must fit the Marshall Plan, the recent verbal explosions that threaten to blow up the United Nations and Stalin's counter-moves in Europe.

WALL ST. IS NOT BLUFFING

The Marshall Plan, now down in black and white, is clearly designed to by-pass any deal with the Kremlin and to build instead an anti-Soviet Western Bloc of European capitalist powers. While the Marshall Plan attempts to stave off depression at home by providing means to keep up the current rate of exports, its primary aim is to stabilize European capitalism in preparation for World War III.

Wall Street hopes to avert socialist revolutions in Europe
by soup-kitchen hand-outs to the starving masses. It hopes to put securely in the saddle counter-revolutionary regimes that will play Wall Street's game in Europe as servilely as the majority of the Latin American regimes.

A big step toward the consolidation of the Western Bloc was taken when delegates of 16 nations put the finishing touches on the Marshall Plan. Thereupon, to underscore its determination to force a showdown with the Kremlin, the Truman Administration launched a political power play against Moscow in the United Nations.

Let us recall that Secretary of State Marshall, fresh from his triumph at the Potsdam Conference, took the offensive against the USSR. His proposals—limitation of the veto power and organization of a General Assembly standing committee to act as a check on the Security Council—were an obvious squeeze play. If Moscow accepted it meant bowing to Wall Street's will, since the latter controls the majority UN vote. If Moscow refused, Wall Street could present this up as the obstructive tactics of a minority that stubbornly refuses to accept majority rule—an equally obvious preparation to drive Moscow and her satellites out of the United Nations.

**STALIN'S BLUFF**

Stalin has reacted to Wall Street's open preparations for war in much the way a reactionary labor bureaucrat might be expected to react to a union-smashing lockout. He kept trying to reach an agreement. As late as the Paris conference that launched the Marshall Plan, Stalin was still hopeful of a deal with Washington. Molotov brought with him to that conference some 80 experts—just in case. At the same time, the press rumored that secret conversations were going on between Washington and the Kremlin.

What Stalin sought was a "non-aggression pact" such as he won from Hitler in 1939, plus substantial economic aid. In return he offered his counter-revolutionary services in meeting the second wave of the postwar revolutionary upsurge. But Wall Street which was only too glad to have Stalin's services during the first upsurge following World War II is no longer willing to meet the Kremlin's price.

To begin with, Truman's advisers have apparently calculated that the Kremlin is forced in its own interests to head off working-class revolution. Why then pay for something that the Kremlin is obliged to do anyway? Moreover, can the Stalinist bureaucracy deliver the goods even if willing?

The economic and political crisis is so profound in Europe that only the most strenuous efforts by Wall Street can possibly avert revolution in any case. An agent willing to sell out the revolution is not enough. Other resources are needed. Thrown back on its own resources, Wall Street prefers to depend upon itself and its own trusted agents among the European capitalists.

The deal did not go through. Washington made it amply plain that the only deal possible with Moscow is on its own terms, and no others. This is what has driven the Kremlin to its latest "threat."

**CAUGHT IN THE VISE OF HISTORY**

Forced by Wall Street into dependency on his own resources, Stalin finds his troubles intensified. He must keep a wary eye on the seething masses in Europe, the growing discontent in his "buffer zone," and the crisis that is maturing within the USSR itself. Stalin is in mortal terror of being "outflanked" on the left in France and Italy. He needs safeguards here against the development of the revolution, and with it, the power of the ideas of Trotskyism, and the Fourth International. The policy of "People's Fronts" organized against Hitler, ensnared the masses before the last war. It finally paid off with a pact. Perhaps it may do so again?

Stalin needs an answer to the immediate threat of expulsion from the United Nations. What can he then offer the Soviet peoples and the misguided masses that still follow Stalinism in Europe and throughout the world? In setting up this European "Information Bureau" he is preparing the bases for a caricature "league of nations" of his own.

But the problem of problems remains—How to force a deal with Wall Street—this colossus advancing on the Soviet Union, atomic bomb in hand? Nostalgically recalling the days when the Communist International was indeed something which could be bargained off in deals with fascist and "democratic" imperialists alike, Stalin now hopes to dust off this corpse, utilizing it on the one hand to dupe the masses and on the other to force the long-hoped for deal with Wall Street.

In any case, a new note has been struck in the Kremlin's propaganda in recent months. The Soviet press began to recall the November 1917 revolution. It began to hammer on the danger of aggression from American imperialism, as the campaign gained momentum, epithets formerly hurled at Hitler and the Mikado were turned in the direction of Truman and Marshall.

In the UN, Vishinsky countered Marshall's maneuvers with a long speech on Wall Street's warmongering. The "peace-loving" "democratic" ally of yesterday was suddenly discovered to be—imperialist.

Moscow followed up the revelation of these profound secrets with its "bombshell"—the "Information Bureau."

**POLITICAL BLACKMAIL**

Floundering, desperately seeking ways and means to convince the American rulers that a deal is called for, the Kremlin has no other weapon than resort to political blackmail. Against Wall Street's monopoly of atomic energy, Stalin threatens to gain monopoly of the revolutionary energy of the masses, but strictly contained and controlled. He hopes to use that energy to drive the pistons of Stalinist power politics, without permitting this energy to mount to levels dangerous to the Moscow bureaucracy.

In Europe, Stalin's latest "left" propaganda and its new center, the "Information Bureau," is aimed to serve the Stalinist chieftains who must dangle tokens of militancy before the masses or risk losing their leading positions. It is aimed above all to hold back the second revolutionary wave which may very well engulf the Stalinist parties. Moscow hopes to use the mass upsurge in order to regain cabinet posts in Italy and France from which it was driven by Wall Street. The Stalinists would then utilize the government power that goes with such posts to restrain the masses while at the same time putting the heat on Wall Street for a deal.

Inside the Soviet Union, the Stalinist "turn" serves to divert the eyes of the discontented masses away from the crimes of the regime and back to the war danger abroad.

But under no conditions will Stalin—with all the "information bureaus" he may set up—venture upon the road of the revolutionary overthrow of capitalism. His aims do not go beyond the reactionary limits outlined above.

Neither the past nor present policies of the Kremlin, including the caricature international body installed in Belgrade, has anything in common with the program of revolutionary socialism advocated by the Communist International under
The Class Struggle in Argentina

By LOUIS T. GORDON

The present Argentine regime is an enigma to many people. Peron’s numerous contradictory statements, as well as the demagogic measures carried out under his influence by the government which finally arose out of the military coup of June 4, 1943, have confused especially those who are used to pay attention only to what is on the surface of phenomena. Naturally, we will be confused if we read one of the speeches, made by the Argentine dictator for the purpose of winning the favor of the workers and a moment later read his statements for the circles of the bourgeoisie. But if we analyze at the same time the government’s actions and view them against the background of Argentine economic reality, all darkness vanishes and undeniable reality appears.

Who Rules Argentina?

Nowadays there cannot be any doubt that Peron’s regime is the representative in power of the native Argentine big bourgeoisie. The native-owned sectors of industry and commerce hold the reins of power. They are, of course, restrained and controlled, in their possibilities of growth by the forces of imperialism, which in the last analysis will impose the limits beyond which their development will not be able to pass.

Traditionally, Argentina was an agricultural and cattle-raising country completely subdued by imperialism, primarily the British, who had reduced it to a semi-colonial condition. The agricultural and cattle-raising interests gleaned benefits from this dependent economic position of the country, because in return for surrendering the Argentine market to imperialist exploitation, they received an assured market for their products. For this reason during the long years of their unchallenged domination, they tried to check industrialization, obeying the dictates of the ruling imperialism. Nevertheless, industrialization advanced at a relatively rapid pace, especially profiting from brilliant opportunities afforded by the two world wars. Industrialization profited mainly from World War II, with the big world demand for agricultural and cattle products and the impossibility of importing manufactured articles in return. As a consequence of this, Argentina emerged with large favorable trade balances and as a creditor country.

During the Second World War the value of industrial output reached and even surpassed the value of agricultural and meat products; and, for the first time, Argentina started exporting manufactured goods. This industrial growth exerted—it could not have been otherwise—immediately noticeable effects on the Argentine situation. The native bourgeoisie started fighting intensely for the adoption of a high tariff policy to protect its own young industries from the ruinous competition of its more advanced rivals. Meanwhile, the agricultural and cattle-raising sectors (dependent on British imperialism), whose most prominent mouthpiece is the daily La Prensa, didn’t cease defending free trade and Argentina’s need to keep trading her food products, and her raw materials generally for European manufactured goods.

The native bourgeoisie managed to elect their first president, Yrigoyen, during the First World War; Peron took power during the Second. It is not by coincidence or mere demagogy that the government’s most faithful mouthpiece, the daily La Epoca carries on its masthead the superimposed effigies of Peron and Yrigoyen.

Peron offered his services to the bourgeoisie. The bourgeoisie needed a strong hand to break through innumerable obstacles barring the consolidation of their rule. And although a little hesitant and fearful of the consequences of Peron’s demagogic appeals to the working class, the bourgeoisie finally agreed that he was the right man for the job and accepted him.

The Native Argentine Big Bourgeoisie

The native Argentine bourgeoisie wants to industrialize the country in spite of all obstacles. They are ready to mobilize all the state resources, actual and potential, to attain their objective. And this attempt is not being carried out, as some people contend, in secrecy, hidden as much as possible from the eyes of the public. On the contrary, the government admits it and brags about it.

Proof of this is to be found in a speech made on May 29, 1947, by Miranda, big industrialist, director of the Banco Central and virtual dictator of Argentine economy. Referring in his speech to the railroad problem and especially the modification of freight rates, a problem with which the government was confronted after the purchase of the British-owned railroads, Miranda took advantage of the opportunity to explain the economic aims of the government. Literally his every word expresses the strong will of a successful industrialist, determined to put the state at the service of his class.

Miranda remarked that the rates established, when the British owned the railroads, protected products destined for export to the detriment of the manufactured or manufacturable goods, and that legislation generally was used to favor agriculture and cattle-raising as against industry. He fervently defended industry:
Although the products of the soil are given the utmost protection, there are still voices to be heard, fortunately each time more isolated, complaining about the expensive protection they say industries are allegedly receiving. The facts, I have stated, lead rather to an opposite conclusion.

In all fairness it must be acknowledged that the national industry has made a supreme effort to remedy this situation (inflation) . . . . We have to continue down the road we have entered and press as much as possible our country's industrialization.

We are passing beyond the agricultural and cattle-raising stage . . . To sum up, we are living in a transitional epoch, passing from a primitive economy to a more industrialized economy—that is, complementing both to bring about a higher standard of living. . . . This should have taken place immediately after the first war, but the old oligarchy preferred to squander in luxury and ostentation the resources that would have served to consolidate at that time the opportunity which now repeats itself after a lapse of thirty years.

The so-called "five year plan," so much publicized lately, sets forth the way in which the government intends to carry out industrialization. This plan has aroused widespread opposition among the peasants for obvious reasons, since it actually means nothing else but a legal theft of their profits. The government is the sole buyer of agricultural products. This means that the peasant must sell his crops at officially fixed prices which are very low as compared with the prices the government itself gets by selling these products in the world market. The state, despite the peasants' discontent, pockets these profits, using them to help finance the industrialization plan.

The profits obtained from these governmental sales of agricultural products are not enough to supply all the funds needed. Where does the balance come from? A part comes from the utilization of bank deposits. All bank deposits must be registered in the name of the Banco Central which may use them in any manner it wishes. Keeping in mind that Miranda is the director of Banco Central, we get a fairly clear picture of the overall situation.

Despite their verbal attacks on imperialism and against the landowning oligarchy, the representatives of the national big bourgeoisie are attached to both by many ties. Upon reaching a certain stage of development, many members of the bourgeoisie transform themselves, too, into big landowners. The bourgeoisie is tied to the landlords through the banks which hold mortgages on landed estates. Besides, the landowners and the bourgeoisie unite in a solid bloc whenever the onslaughts of the proletariat threaten the very system of private property. In Argentina the native bourgeoisie is already engaged in agreements with the landowners in order to prevent agrarian reforms. At the same time, they make deals with imperialism, which they allow to dominate in many ways, including the formation of joint corporations, partly owned by the government and partly by imperialists. On top of all this, they are capitulating to the Truman Doctrine.

The Peasants

The majority of Argentine peasants are tenants. Those who are proprietors are burdened with mortgages and debts. Their economic situation is endemically bad. Apart from the ever looming menace of natural catastrophes, they lack the necessary money to carry on their activities normally.

Owing to the very nature of rural life, the usual credit terms do not suit the needs of the peasants. The farmer has to receive a loan before sowing time, and he cannot repay it until his crop is sold. Nevertheless, in Argentina there never existed an agricultural bank or some other official institution to facilitate cheap credit as required by the peasants. Consequently, they are left defenseless in the hands of usurers. The "independence" of small peasants, proprietors and tenants alike, rests mainly on their exploiting their own labor power and the labor power of their families.

The Argentine farmer who went through so many hard times in recent years, envisaged at last an opportunity of making some money by taking advantage of a very favorable world market. But when the long awaited moment came, the government intervened to siphon off the lion's share of the profits into the pockets of the bourgeoisie. And this was not the only blow. In his striving to win the backing of agricultural laborers (the peones), Peron decreed severe limitations to the use of family help on the farms. This means that a farmer can use the help of his family only to a limited extent; over and above these limits, he has to hire a laborer, even if his sons might have to stay idle as a consequence.

It is therefore only natural that, in contrast to the agricultural laborers, the peasants bitterly oppose Peron. On many occasions, the government has dissolved peasants' meetings and forbidden them to assemble to discuss their problems. In view of this situation, the peasants have threatened seriously not to gather their harvests.

The Argentine peasantry needs agrarian reform urgently. The Peronist government has been promising agrarian reform since it took power. "The land must belong to those who till it." This was and remains one of Peron's demagogic slogans. A parody of agrarian reform is already taking place, solely for the purpose of hiding from the people the fact that genuine agrarian reform cannot and will not be fulfilled under this or any other bourgeois government.

The Working Class and Peronism

Peron utilized the workers as a spearhead in his ascent to power. He used unlimited demagogy to get and keep their support especially until after the elections of February of 1946, when he won the presidency. He took advantage of the unrest of the masses. But at the same time he unwittingly and unwillingly helped raise their fighting spirit, their self-confidence, and their consciousness of their own power.

The workers pressed forward to improve their living and working conditions, and under this pressure on several occasions the government forced the employers to grant them wage increases. But these wage increases were only nominal; very soon they became converted into reductions of real wages, because of the fantastically soaring cost of living authorized by the government although it pretended, as it still does, to fight against it.

In the very midst of the February 1946 electoral campaign, Farrell's government (always Peron's faithful tool), promulgated Decree No. 33,302, which gave the final touches to Peron's campaign. This decree granted the workers, white-collar workers included, considerable wage increases and also a yearly bonus of a month's salary.

In spite of this decree, the workers' unrest did not subside. Just the contrary. Official statistics records for 1946, 142 strikes—the highest number in the last 25 years, surpassed only in 1907, 1910 and 1919-20. What is behind this unrest? It is this: While nominal wages and salaries have increased 36.4% from 1944 to 1946, the cost of living has increased 40.1%. As a consequence real wages and salaries, if we take 1944 as 100, had decreased to 89.5 by 1946.

In short, the policy of the present Argentine government is
to grant higher nominal wages and salaries while lowering the real salaries and wages.

The true situation remains concealed today only because Argentina is still in a period of relative prosperity and there is enough work for the wives and young children who contribute to swell the proletarian families' incomes.

After Peron's victory at the polls, his attitude toward the workers changed. While his press still continues talking "in behalf" of the workers, there ensued very soon his divergences with one section of the working class, grouped around the so-called Labor Party. Peron attempted to dissolve it. Concurrently, the state machinery began to be used openly in order to avert or break strikes, which were in many instances prohibited as "illegal." To illustrate:

In May, Tucuman workers planned a general walkout in solidarity with the workers of the wine distilleries who were on strike. This movement failed. Why? The police threw cordons around all union headquarters in order to prevent the labor leaders from gathering to discuss their position towards the walkout. The National Gendarmeria and the police patrolled the city to dissolve any meeting or even mere gatherings on the street. The workers who organized the walkout were imprisoned.

Again, in the Buenos Aires port, on June 2, the workers belonging to the Sociedad de Resistencia de Obreros del Puerto decided to go on strike. The walkout took place; immediately the government declared it "illegal."

The most significant and unusual strike—significant because it proves that the workers are ready to fight when necessary even against the authorities—was the street-cleaners' strike. These municipal workers went on strike demanding wage increases.

Peronist "Interventors"

The "Interventor" of the Municipal Workers Union—the government "intervene" in unions whenever it considers it necessary, being invested with power to remove from office regularly elected union officials and to appoint "receivers" or "interventors" in their place—declared that the strike was not authorized by the union and demanded that the strikers go back to work. Later the strike was declared "illegal" and it was announced that the Municipality would discharge those who continued the walkout. The workers informed of this while gathered at a meeting; but in spite of it they decided to go on with the strike. Finally, after the walkout had lasted 10 days, under terrific pressure, the strikers decided to return to work, after they were granted small concessions by the government.

From a formal point of view, the government has almost complete control of the trade union movement. The trade unionists are continually warned to keep the unions free from "political interference." This means only that radical parties have no right to "interfere" in union activities.

The Confederacion General del Trabajo (CGT—General Confederation of Labor), which embraces the great majority of Argentine trade unions, is absolutely at the government's service. This is not so strange when we stop to consider that those "elected" to union posts are often people completely alien to trade union life; that union members are expelled without any explanations; and that some of the labor-fakers receive, in addition to their union pay, high governmental salaries. As a consequence the CGT is primarily a tool to implement the official policy.

Meanwhile, the bourgeoisie has already started demanding an increase in the number of working hours. The Industrial Union (the organization of Argentine industrialists) has demanded that working hours be raised to 10, whereas Peronist papers talk of increasing them to 10, with a bonus of 50%. Naturally, in a short time the soaring cost of living would leave nothing of the bonus, but the 10-hour day would stay.

Peronism will not succeed indefinitely in duping the Argentine masses. Each day, more and more workers realize the true nature of a regime which has posed as their defender only to deliver them defenseless to their exploiters.

We have to admit that the Socialist Party is consistent: Before, during, and after Peron's electoral victory, its attitude has been thoroughly petty-bourgeois, clear proof of its anti-Marxist character.

The Socialist Party

The Argentine Socialists consider that the main task of the hour is the "rehabilitation" of the democratic and republican institutions. That is all. Their program of action begins and ends here. Imperialism and the agrarian problem appear to them no problems at all. But, on the other hand, how all-important is even the slightest transgression of sacred parliamentary rules! Long editorials are dedicated to insignificant questions but never to a thorough analysis of the class nature of the regime and, of course, never, never to a program of action based on such a Marxist analysis.

The position of political parties toward imperialism and toward agrarian reform is the touchstone in Argentina so far as their political character is concerned. The Socialist Party defends the peasants from the government's spoliations but they do not utter a single word on the necessity of agrarian reform. They "criticize" the government for industrializing the country "too rapidly" instead of letting it continue peacefully its agricultural and cattle-raising life. They do not even refer to the progressive role that a real industrialization of the country would play.

The Socialist position on imperialism is likewise more than symptomatic. They do not fight, not even with words, against British imperialism; nor, in effect, against American imperialism. If there is a Truman Doctrine that openly lays bare the will of American imperialism to turn the whole world into an American colony; if Wall Street is trying might and main to start a Third World War to destroy what little there is left of the October Revolution in the Soviet Union—what does it matter? At all events, the leaders of the Socialist Party are not aware of it. They do not have time for such "little things."

The Stalinist Party

The position of the Communist (Stalinist) Party clearly proves once more the total bankruptcy of the parties of the ex-Communist International, theoretically as well as practically. We cannot even grant them that they are consistent.

Before the February 1946 elections, when the relations between the USSR and the United States had not yet cooled off completely, the Stalinist party united with all the capitalist parties in an opposition to Peron, based on a bourgeois platform. They did not deem it necessary then to speak out against American imperialism. When Spruille Braden was in Argentina acting as the most shameless and bold agent of Wall Street, the Stalinists remained silent. Their theoretical genius, Cordova, after a "deep" analysis, pronounced his verdict: "Peronism is Nazism." But the winds blowing from Moscow shifted their direction and the Argentine Stalinist party, faithful to its role as pliable instrument of the Soviet bureaucracy, changed
its course accordingly. Suddenly it became anti-imperialist. Peron was not a Nazi any longer, and so on and so forth.

But no sooner do we analyze the facts seriously, than we see that the "anti-imperialism" of the Stalinists is likewise false. Because the whole point is that it is not "being against" imperialism but fighting against imperialism that really counts. And a Marxist party reveals itself above all by the methods it employs in this fight.

The Stalinist party hopes that the Argentine national bourgeoisie will be consistent in its "anti-imperialism." To encourage them, the Stalinists think no time wasted in explaining the advantages they would obtain by being anti-imperialist; to avoid frightening them, they have forsaken all struggle against the native bourgeoisie. In the Stalinist press all guns point to foreign concerns, but very seldom does a word slip against the greedy exploiters of the national bourgeoisie. Not even the Peronist La Epoca dares go as far. They at least mention the native profiteers!

The national bourgeoisie is, according to the Stalinists, "progressive." Consequently, they do not voice any open opposition to Peron. They are not for socialism in any foreseeable future. They defend the "May ideals," that is, bourgeois ideals. The vocabulary they use is remarkable for its loud and cheap patriotism.

**The Stalinist Line**

On the front page of the June 4 issue of Orientacion appeared an unsigned article entitled "Los Yanquis no dejan" (The Yankees Say No). Let us quote some passages, which are, even if lengthily, a good illustration of the present Stalinist line:

In a recent speech the President of the Republic has reaffirmed that the government aims to assure the economic independence of the nation. There is not and there cannot be any higher aim. We communists can say this, because it is we who preached this policy for decades.

Not a word explaining that Peron cannot possibly assure the economic independence of Argentina. Meanwhile, the masses are led to believe at least in the good intentions of the government. We yield the floor again to Orientacion:

> It is obvious that a policy aimed to obtain our independence from imperialist economic coercion would meet the economic and political resistance of those directly or indirectly affected. It is obvious that this resistance would not be unimportant. But it is also obvious that if this policy is carried on thoroughly, energetically, and without concessions; and if it is based on the large masses of the toiling people of city and country, as well as on the progressive groups [read: the Argentine bourgeoisie] who desire anxiously the national development, then the objections of the imperialists could not prevent the promotion of our economic independence. Moreover, this consistent orientation would coincide with the similar course adopted by other countries throughout the world and it would invest our international relations in the economic as well as in all the other fields, with unprecedented splendor and prestige.

> It is no less obvious that the foregoing words are addressed to the national bourgeoisie and to the Peron government. The Stalinists try cynically to convince them of the benefits they would attain by following the anti-imperialist path, seeking to dazzle them even with the "prestige" they would thus acquire. But what is much more important, the whole analysis is false and only serves to deceive the masses with the fake prospect of a consistent anti-imperialist struggle led by the bourgeoisie—and not by the proletariat. The Stalinists, obeying Moscow's orders, are serving the bourgeoisie. Their attitude, by diverting the workers from the only anti-imperialist road to put them under the leadership of the bourgeoisie, constitutes nothing else but despicable betrayal of the proletariat.

The Stalinist party now-advocates as the main point of their program of action, the organization of a "National Front."

> We finally say [reads a Stalinist party statement] that a great national congress with the participation of all the forces engaged in the country's economic life could draw up a concrete plan of immediate practical work and could coordinate all efforts in behalf of a progressive development of the national economy and the improvement of the standard of living of the working masses.

The Stalinists advocate openly the submission of the proletariat to the bourgeoisie, because who if not the bourgeoisie would lead this proposed congress?

**Agrarian Policy**

As concerns the agrarian question, the Stalinists pay lip-service to the need of agrarian reform but they never say that it cannot possibly take place under the yoke of the bourgeoisie.

The Stalinists start from the premise that the democratic revolution can be fulfilled independently from the socialist revolution. That is, that the tasks of the democratic revolution can be carried out within the framework of capitalism. This premise is absolutely false because in this period of the death-agony of capitalism, the bourgeoisie nowhere on our planet represents a progressive force. Under the leadership of the bourgeoisie neither the agrarian reform can take place nor can Argentina secure her economic independence in struggle against imperialism.

Although it is true that Argentina's industrialization has been noteworthy, it does not at all run counter to Wall Street's interests. Wall Street favors a limited industrial development, so that Argentinian economy will not remain so dependent, as it has been, on England. But it must be borne in mind that Argentina has to import most of the machinery she needs, in the first instance from the United States. And it is all too obvious that American imperialism will not facilitate for Argentina the means of becoming more industrialized than suits best the interests of Wall Street.

**The Permanent Revolution**

The tasks of the democratic revolution cannot be fulfilled in this period except through the dictatorship of the proletariat in alliance with the peasantry. Argentina can neither be freed of vestiges of feudalism nor can she obtain true independence, except under the leadership of the proletariat, in a struggle integrated with the world anti-imperialist struggle. But the dictatorship of the proletariat cannot stop with the democratic revolution. As Leon Trotsky said: "In the course of its development, the democratic revolution passes directly into the socialist revolution and thus it becomes the permanent revolution."

To be successful, the Argentine proletariat has to forge for itself a true revolutionary party. And such a leadership cannot be provided by any party other than the Argentine section of the Fourth International—a section which is still in its formative stages. For this world party is the only heir of the traditions of the great October revolution and the teachings of Marx, Engels, Lenin and Trotsky.

August 1947.
The history of the American labor movement contains two pages of unusual importance. Each carries the imprint of a period of development significant not only for great advances, but also for valuable lessons to be learned. The first period embraces the stormy struggles and growth of organization and consciousness that culminate in the upheavals of the Eighties.

The Pioneer Period of the Eighties

The first period had for its economic background the extraordinary capitalist expansion following the termination of the Civil War. Monopoly capitalism began to appear. Trust builders displayed a ruthless intolerance of labor organization. Rapidly mounting profits were protected again and again by merciless wage cuts. To crush labor resistance capitalism always had at its disposal a whole army of Pinkertons, sometimes also troops. Then along came the financial panic of 1873; a depression lasting almost five years, with not less than three million workers unemployed and destitute. And, as could be expected, the strike struggles led to serious clashes in a number of communities.

To cite only a few. In Martinsburg, W. Va., two companies of militia, supplemented by 250 federal troops, were defeated in open combat by the striking workers. In Maryland the militia was routed after having killed 10 strikers. In Pittsburgh strikers chased the militia who had to flee the city when darkness fell. In St. Louis, during a strike, a Socialist mass meeting elected an Executive Committee to protect the workmen. This committee exercised full power in the city for a week.

Workers were drawn into the unions by the hundreds and thousands. The idea of labor solidarity took on flesh and blood. Great strikes unfolded in a number of industries. One strike in the entire Gould railroad system compelled that industrial magnate to sit down and negotiate with the workers as power to power. All these events reached their culmination in 1886 in the great struggle for the 8-hour workday. Involved were some 340,000 workers. Historians have recorded this struggle as a social war with no quarter given. No labor leader could restrain the rank and file, and hardly dared do so.

In drawing a balance sheet of this period, we notice first of all the great advance of labor organization. The Knights of Labor grew to not less than 700,000 members. The AFL became established as a national federation counting some 300,000 workers. The principle of the 8-hour workday became accepted and actually established for a considerable number of trade unions.

But above all, the policy hitherto pursued by the rising monopoly capitalism of resisting labor organization with fire and sword was stopped cold in its tracks. The principle of trade unionism had to be recognized.

These were enormous advances for a young and inexperienced labor movement. But the whole point is: they were made possible only by the intervention and direct participation of the revolutionary forces that existed at the time. This, it must be said without any qualifications or doubts, is the most important lesson to be learned from the period of the Eighties.

The second—decades later—witnessed the emergence of the CIO and the establishment of industrial unionism throughout the mass production industry. In each instance new and unprecedented heights of working class militancy and action were reached.

The Socialist Labor Party had been organized in 1876. Within one year, it had at its disposal at least 24 publications, weeklies and dailies. Party leaders, in many instances, were also union leaders. The closest relationship existed between this political party of the workers and the organized trade unions. By 1881 the Marxist revolutionary tendency was definitely in ascendancy within labor's political movement. Out of it emerged the Revolutionary Socialist Party, led by such sterling revolutionists as Albert Parsons and August Spies. Later, when capitalism returned to a ferocious assault, these two heroes of the common people, together with three others, had to pay with their lives. Victims of class justice, the memory of these men has since remained enshrined in the hearts of succeeding generations of revolutionists.

Parsons and Spies, and others with them, were not only leaders of the Revolutionary Socialist Party. They were also leaders in their own right, in the trade union movement. Disdaining concealment, they proclaimed their objectives, Marxist in content: "Abolition of the wage system... Destruction of existing class rule by all means, i.e., by energetic, relentless, revolutionary and international action."

We can well afford today to leave aside the fact that in the labor union and political movement of the Eighties there was also an admixture of anarchism, whose outstanding representative was John Most. This admixture was not decisive. It rather was an expression of the prevailing spirit of direct action.

The revolutionists understood perfectly well the full implications of existing class rule. With this in mind, they proceeded to carry their aims into action by organizing armed workers defense guards. Such formations existed in several large cities actively supported, in many instances, by the unions. Witness, for example, a declaration issued at the time by the Central Labor Union of Chicago. A resolution, introduced by Spies at a meeting which preceded the strike for the 8-hour workday, was adopted "with enthusiasm," according to the historian, J. R. Commons. Here is how this resolution concluded:

Be it Resolved, That we urgently call upon the wage-earning class to arm itself in order to be able to put forth against their exploiters such an argument which alone can be effective: Violence. And further be it Resolved, that notwithstanding that we expect very little from the introduction of the 8-hour day, we firmly promise to assist our more backward brethren in this class struggle with all means and power at our disposal, so long as they will continue to show an open and resolute front to our common oppressors, the aristocratic vagabonds and the exploiters. Our war-cry is "Death to the foes of the human race."

This is a superb example of the revolutionary spirit of the time.
How the CIO Was Born

A review of the second period under discussion brings to our attention at the very outset the very same important lesson, contained in the events of the Eighties. It is necessary to say, with equal emphasis, that the mighty advance represented by the emergence of the CIO became possible only owing to the previous preparation and intervention by the revolutionary forces.

First, in order of note, is the role played by the Communist Party before it became totally Stalinized. Later the Trotskyist movement was to make its significant contributions. And, needless to say, both parties had assimilated certain lessons from the positive as well as from the negative aspects of the IWW.

After emerging from its underground phase in the early Twenties, the CP took the initiative in organizing a trade union left wing movement. That is how the Trade Union Educational League came into being. Based on a firm policy of working within the mass movement, the TUEL achieved notable results, and achieved them in the face of great obstacles. A vicious open shop campaign had been unleashed by the employers. The trade unions were in retreat and in a state of disorganization, losing ground everywhere. Accompanying this retreat, there came an increasingly stifling bureaucratization. Yet the ideas championed by the left wing movement quietly penetrated the very marrow of the entire union structure, helping prepare the ground for events to come.

The TUEL commenced with a campaign for amalgamating the existing trade unions into industrial unions. Here was a practical approach to the idea of organizing American labor on the basis of industrial unionism. As such it was accepted, and well received. Complete records of the response to this campaign are not available; but some of the results are known. Not less than 17 AFL State Federations accepted the idea. In convention action they went officially on record for amalgamation. Included were such industrial states as Pennsylvania, Michigan, Ohio, and Minnesota. Other state conventions, like that of Illinois, defeated the idea only by a narrow margin. Similarly, international union conventions went officially on record for amalgamation. Among these were the Railway Clerks, the railroad Maintenance of Way organization, the Typographical Union, the Lithographers, the Molders, the Bakery Workers, the Brewery Workers, the needle trades unions, and others.

Such results show the far reaching effects of left wing activities. The progressive character of the amalgamation slogan was recognized by friend and foe alike. From this recognition the left wing drew its strength.

In a second campaign conducted around the slogan “Organize the Unorganized,” the TUEL made rich contributions toward significant developments which were to come later on. The need for organization was obvious. Millions of workers smarted under the lash of open shop conditions in mass production industries. The open shop had gained ground, threatening the very existence of the organized trade union movement. A way out of this blind-alley could be found only in the organization of the unorganized. In this sense the TUEL blazed the trail. Out of the strikes in Passaic, N. J. and Gastonia, N. C., led by the left wing, grew the beginnings of a national textile workers union.

But the most dramatic experience and the greatest impact of this campaign came in connection with the Coal Miners Union. Nowhere had disorganization and retreat, combined with a ruthless bureaucratic rule, brought such disastrous results. To a large extent this stemmed from the efforts by the Lewis regime to consolidate its position against Lewis’ progressive opponents. And, needless to say, these efforts of Lewis were utterly reactionary.

One by one most of the important soft coal producing states were lost to the union. After the 1927-28 Pennsylvania and Ohio strike, little beyond a shell of organization remained in these states. West Virginia was in a similarly bad situation. Heroic efforts made by the “Save the Union Committee,” led by the left wing, were met with severe repressions, and finally by wholesale expulsions. Such were the circumstances which in the end compelled the left wing to attempt to organize the unorganized coal miners outside of the United Mine Workers. This, however, was merely a by-product of the fierce struggle. The split that ensued lasted only for a short while. The wounds were healed when the working class emerged from the depression.

Subsequent events show with singular clarity that the lessons of these experiences were not lost to the coal miners. Moreover, the struggles of this period made their full repercussions felt later. When the CIO drive actually began, it was the miners who spearheaded the movement.

On the labor movement as a whole, a young inexperienced Communist Party, and the left wing it created, had made a deep impression. By and large the impression was a good one. Later this became vitiated by the progressive Stalinization of the CP. Today the role within the unions of this party’s leadership is synonymous with duplicity, deception and treachery. But that is the contradiction in which these Stalinists find themselves. It does not change the CP’s early revolutionary record. Nor can its subsequent degeneration undo its progressive achievements of its early days. Without them the labor movement could not have been what it is today.

The Role of Minneapolis

It was left to Trotskyism to restore and further strengthen these early achievements. This is the real significance of events that took place in Minneapolis during 1934, which pointed the way in a still more positive sense for the American working class. The great Minneapolis strike became not only a forerunner but also a model for struggles to come. In the process, a drivers’ union embracing six to seven thousand members was built out of virtually nothing. It won recognition from the employers. That by itself was a considerable achievement at the time. Shortly thereafter these activities were expanded, and Minneapolis was established as the most thoroughly unionized city in the United States.

These events came as an exception to what had been taking place up till then. In Minneapolis there was a fusion, as it has been aptly called, of the native militancy of workers with an authentic leadership, which raised the conscious will to struggle to new heights. That leadership was the Trotskyist leadership. Policy and leadership played the decisive role. Elsewhere the militancy surging from below had been checked and curbed by the leaders. In Minneapolis it was organized and directed by leaders who “taught the workers to fight for their rights and fought with them.”

The Minneapolis events signalled a turning point. From then on, bureaucratic restraints, imposed from above, were battered down. The flood tide of organization, illuminated so
brilliantly by the great sit-down strikes, washed away all barriers. Out of it emerged an entirely new industrial union movement.

Communist Party members by the thousands took their part and performed their duty in this drive. They had not yet been fully enmeshed in the poisonous web of the zigzag policies of Stalinism. Besides, they still retained a certain degree of working class solidarity and militancy from their “Third Period” days. Among the bureaucratic trade union top layers only John L. Lewis and his small group of lieutenants saw the progressive possibilities of the industrial union campaign, and gave it leadership. To that extent they deserve due credit. But a far greater share of credit for results actually attained goes to the workers in mass production industry.

Time tables and blueprints of organization were again and again rudely upset by workers who were hellbent for organization. Burning with resentment at the capitalist failure during the depression, they streamed into the CIO from every section of the country—steel workers as well as beauty parlor operators. Their own ingenuity produced classic improvisations in methods of struggle. In the sit-down strike they discovered a means of fully concentrating their power. It heightened their confidence. And they themselves perfected the technique, so inspired, so simple, and so effective.

Here we witnessed a modest rehearsal of the future taking-over of industry by the workers. And while we should not ascribe more to this period of development than it actually signifies, its general direction is assuredly, unmistakably clear. It brought incontestable evidence of the revolutionary potential that does exist within the working masses.

Its fruit in practice was—an entirely new union movement arising in a field which had heretofore represented the lowest economic working class levels. The entry of new millions resulted not alone in new industrial unions. It also meant that the American working class had progressed from its being as the most backward to its becoming the most advanced, up-to-date, most militant and most decisive working class force in the world. All this was accomplished virtually in a single leap, with typical American speed.

Could this giant leap have been the result merely of an economic or political conjuncture? Posing such a question has a certain validity, when we remember the mighty impulse to organization imparted by the bitter experiences of the depression. No doubt, this economic conjuncture played a significant role. One need not even deny the impetus added by Roosevelt’s New Deal collective bargaining program. But, after all these factors are noted, it is still necessary to take into account the far more conscious social forces. It cannot be repeated too often that the scope, sweep, swiftness and completeness of these developments could never have been possible, failing the previous preparation and conscious intervention by the revolutionary forces—first by the Communist Party during its healthiest period and secondly by the Trotskyist movement.

We thus see that this same main lesson applies to each of these two pages of American labor history. It stands out with exceptional clarity. And it may be predicted confidently with regard to future problems that this main lesson will yet receive singular emphasis.

But, on the whole, the problems revealed in each of the foregoing two pages still remained quite elementary in character. They concerned in the main the establishment of labor union organization and of infusing it with union consciousness. Today the problems of the movement are increasingly complex. American capitalism is racing at accelerated speed toward its irrepressible social crisis. And with it the labor movement also nears its hour of decision. Either it must make a new forward leap to the very highest social level, assuming its responsibility as labor’s mass organization and taking on the fight for a new social order; or it will splinter on the treacherous shoals and reefs of crisis.

The Period We Live in—Its Tasks and Problems

Which course the labor movement takes will depend once again, in a large measure, upon the conscious intervention of the revolutionary forces. Such intervention, to be successful, presupposes a clear understanding of the character of the labor movement today. And with that, an understanding of the crucial problems, arising out of the crisis of capitalism, with which this movement is now and will henceforth be more and more directly confronted.

Discussing these very questions Leon Trotsky made some profound contributions shortly before his untimely death. His observations on current trends, together with his conclusions drawn therefrom, touch the very heart of these problems.

In the first place, he pointed out the tendency of modern trade union organizations to draw closer to the state power. He went on to stress that since this tendency is a “common feature in the development, or more correctly the degeneration” of all unions, it is “intrinsic, not in this or that doctrine as such, but derives from social conditions common for all unions.”

Trotsky deduced this observation from the active interplay of economic and political relations. Monopoly capitalism is thoroughly centralized. It rests, as he correctly says, on “centralized command.” The capitalists at the head of monopoly concerns “view economic life from the very same heights as does state power; and they require at every step the collabora-

tion of the latter.” The trade unions in the most important industries have to confront this “centralized capitalist intimately bound up with state power.” From this flows their need, insofar as they remain on reformist positions, to vie for the “cooperation” of the state.

As concerns the tendency of unions to draw closer to the state power, England offers the classic example. The union bureaucracy there is an integral part of state power. But this tendency is noticeable aplenty here, too. And it is displayed just about equally by both AFL and CIO leaderships.

We need recall only the almost exclusive reliance, during the New Deal period, on Roosevelt’s collective bargaining program practiced first by AFL and later by CIO leaders as well. The war period brought a manifestation of this tendency in the “no strike pledge” to the government, kept inviolate in spite of the wage freeze. The Stalinist union bureaucrat led the pack, not shying away even from open strikebreaking. In return for their patriotic collaboration the bureaucrats hoped to be handed crumbs through the various governmental boards—naturally, within the framework of the wage freeze policy they supported.

Many other examples of this tendency to draw closer to the state power could be cited. Suffice it here to recall that it has not lessened at all in the postwar period. While John L. Lewis, backed by a militant miners’ organization, has betimes at-
tempted to keep his hands free to fight, while retreating, at other times in face of state power, this tendency, on the whole still prevails. The leaders of both AFL and the CIO look increasingly toward governmentally elaborated wage patterns and toward governmental conciliation. An ever mounting share of their efforts is directed toward their now regularly established and rapidly growing labor lobby in Washington and at various state capitals. Examples multiply of their prostration before Congress, its committees, as well as before the White House occupant. Never to demand in the name of the mighty hosts of labor, but always to plead! This tendency is exemplified right now in the subservient execution by official union leaders of the red-baiting campaign initiated by the State Department. In the eyes of these union leaders, as Trotsky said, “the chief task lies in ‘freeing’ the state from the embrace of capitalism, in weakening its dependence on trusts, in pulling it over to their side.”

What Official Leaders Fear

These leaders are ready, of course, to offer a good deal in return. And from the point of view of their social position, this is understandable. Gone are the days when union leaders accepted sacrifices and suffered persecution to build a union. Now official union posts have become avenues to a mercenary career, and a very lucrative one, at that. In addition it brings rewards of power and influence.

Any threat to their career these leaders fear not so much from the government or the capitalist employers as from a militant or rebellious rank and file. The latter they fear more than anything else, particularly now that the unions have become so large and so broad in scope. Therefore, bound as they are economically and ideologically, to the capitalist system, in which they believe and which they defend, these leaders have chosen for themselves “the position of responsibility and restraint,” as they put it in their statesmanly terms. In plain words: Always hold the rank and file in check! They thereby demonstrate to the capitalist state, as Trotsky said, how indispensable and how reliable they are. In terms of class struggle, it means illegalizing strikes or other actions of protest against capitalist exploitation, on the pain of punitive measures. Sometimes taken in collusion with the employers, these penalties often go to the extent of union expulsion or firing from the job, or both. On the whole, this tendency to draw closer to the capitalist state brings with it corresponding restrictions of trade union democracy.

It is precisely on the political field, where the question of state power is directly involved, that the trade union leadership practices, its appeasement policy most openly and blandly. Their insistence on upholding the present two party system; their stubborn rejection of independent labor politics and sabotage of a Labor Party—even of the PAC—has served these very ends. All of it springs from the same motivations: Fear lest any other steps tend to increase the possibilities for greater militancy and greater independence of the rank and file. And on the other hand—increasing dependence upon and support of the political state as now constituted.

Unquestionably these were the motivations which impelled the AFL hierarchy in its unity proposal to the CIO. Emanating entirely from above, this move was obviously designed by its bumbling architects exclusively as a means of establishing a greater, more complete, and decisively reactionary control of all of labor’s forces, in order to keep the ranks more effectively within checks and bounds. In other words, the AFL hierarchy served notice of its hopes and intentions to become more indispensable and more reliable to the capitalist state. To accomplish this, it was willing to offer a junior share to the CIO leaders. But no more than that. In the negotiations, the AFL representatives would not agree in advance to preserve the principle of industrial unionism inside the united organization. Was that due solely to their deep seated craft prejudices? There was more to it than that. The AFL leaders know from experience that the industrial mass unions served to raise the whole labor movement to higher levels of militancy. They know that in these unions rank and file aspirations and revolts find far more avenues of expression, whereas the means of control are far more limited. From these and similar considerations flow their additional hopes and intentions to slice up and partition the industrial unions in a process of unification. These are some of the very real dangers involved in the AFL proposal.

However, the perfidious hopes and aspirations of reactionary leaders are one thing. Reality is something else again.

The United States is heading toward another economic and social crisis; world capitalism is in its death agony. This prospect is not conducive to establishing a more complete reactionary control over labor’s force. These same conditions, together with increasing attacks upon the unions, may stimulate an urge and a need for genuine unity. In that case, it is entirely possible, yes even likely, that an actual unification—which may be expected eventually—would instead lift militancy to new heights of radicalization within the fused organization.

In this general context, a second important observation made by Trotsky deserves particular attention. “Monopoly capitalism,” he said, “is less and less willing to reconcile itself to the independence of trade unions.” This, he continued, results from “the intensification of class contradictions within each country” as well as of antagonisms between countries, which in turn, produces “a situation in which imperialist capitalism can tolerate [i.e. up to a certain time] a reformist bureaucracy only if the latter serves directly as a petty but active stockholder of its imperialist enterprise, of its plans and programs within the country as well as on the world arena.”

This attitude is implicit in Wall Street’s imperialist drive to conquer the world. It will become explicit when this power makes the attempt to issue out of the crisis through atomic war on the Soviet Union.

Concretely, it is expressed right now in the assault on labor—a double-barreled assault. A virulent barrage of red-baiting coupled with the most vicious anti-labor legislation. Both pursue the same general objective and both give rise to a symmetrical set of contradictions. While the red-baiting campaign is directed in an immediate sense against the Stalinists as agents of the Kremlin, its real goal is to snuff out labor militancy. To this extent it is designed as an aid to the official union leadership. Its contradiction lies in this, that it becomes openly and visibly a cover for the legislative drive against the whole labor movement. Under this cover the Taft-Hartley Law was entered in the statute books as an initial attempt to abridge, if not to throttle entirely, the independence of the trade unions. And while a good many official leaders have given ample evidence of welcoming a certain degree of governmental regulation and control of the unions (which would assist them in their endeavors to hold the rank and file in check), this act strikes also directly at their own positions, power, and aspirations.

Why, it may be asked, why such insincerity toward those whom monopoly capitalism wants to transform into “petty but active stockholders” of its imperialist enterprise?

The answer must be sought in the contradictions of this
imperialist enterprise. Capitalism in Western Europe has been compelled, owing to the acuteness of its decay, to muddle along with concessions to and compromise with a labor bureaucracy, including, at times, the Stalinist variety. American capitalism, however, has assumed single-handed the role of restoring and rehabilitating capitalism on a world scale. It has assumed the task of damping up any extension of the October Revolution. Even its present implementation, the Truman Doctrine, brings American imperialism into collision with the working class everywhere. Its far-flung frontiers makes it more vulnerable. And in this situation it particularly needs a strong base for private enterprise, i.e., for unbridled capitalist exploitation, at home, free of any entanglements, free of any serious challenges or threats.

While American capitalism may not at present, in the face of its policy of world conquest, take on the additional task of attempting to destroy all labor organizations; while it may still offer certain concessions to the labor bureaucracy—or sections thereof—in order to assure its subservience, in the final analysis, American capitalism does not rely on this bureaucracy. It relies on its own state power. Ultimately it will attempt to destroy not only the independence of the unions but the unions themselves.

The logic of capitalist struggle for survival leads inescapably to its acceptance of this ultimate variant. Let us recall the example of German capitalism which elevated fascism to power in order to prolong its own existence.

Trotsky laid special emphasis on the fact that the bureaucracy on becoming transformed into servants of the imperialist enterprise cannot in the long run save it from destruction, and offers no way out in general. After all, the well-groomed fraternity that makes up the union leadership depends on the mass organizations for its own privileges. And to be effective servants means to accept and support the whole imperialist program. But the most essential, indivisible part of that program is maintenance of the base of private enterprise, of capitalist exploitation, at home. Support of this program can therefore serve only to paralyze the workers' struggle to maintain their standard of living and their organizations. Ultimately, support of this program must lead to the destruction of labor organizations, and with them to the destruction of the privileges of the labor bureaucracy itself.

What assurance is there, under these conditions, that the official family of union leaders, an aggregation of many tens of thousands, would remain a monolithic bulwark of reaction? Hardly any. The logic of the class struggle makes itself felt also within the unions. It causes differentiations even among the official family. And under the pressure of crisis, as well as under the pressure of the mass movement, many among the lower layers especially will be compelled to turn leftward, Marxists will know well enough how to take advantage of such possibilities.

From his general observations, already mentioned, Trotsky drew his warning against any hasty conclusions that in the imperialist epoch independent trade unions could not survive. Impossible are the independent reformist unions. "Wholly possible," he insisted, "are revolutionary trade unions . . . which set as their task the direct overthrow of the rule of capitalism. In the epoch of imperialist decay the trade unions can be really independent only to the extent that they are conscious of being, in action, the organs of proletarian revolution."

This key conclusion offers also the key to the stupendous problems that will arise in the coming economic and social crisis.

The imperialist epoch produces ever sharper social contradictions. Objective conditions leave no room for any serious or lasting reforms; wage increases are wiped out by the rising cost of living. During crisis and unemployment working conditions once gained begin to crumble. The standard of living declines; economic security disappears. However, this does not mean to say that the mass unions have no function or become inevitably paralyzed when the strike weapon is limited to closing down of factories. It means simply that in a crisis the character and methods of their struggle must of necessity change. The struggle itself enters a higher level; it enters a more distinctly political level. The traditional weapons must henceforward be supplemented by political means and methods. And the latter, in turn, will be directed toward more definitely political and social aims and objectives.

Precisely the highly advanced technology in the United States assigns a role of special importance to the trade union movement. Political development of the American working class has remained sadly delayed. In fact, workers' political parties in this country never did become mass parties. Union organization has leaped far ahead to occupy a unique position of enormous social weight. An extraordinarily high degree of union consciousness has been attained. That leap has prepared the trade union movement for a far greater role in the future. It will not play that role, however, without the intervention, influence, and leadership of the revolutionary party. There will most likely be a synthesis of the development of both these forces.

Whither Labor in the U.S.?

Under pressure of crisis the trade union movement will advance swiftly toward a new political stage. A mass labor party can be expected to become a reality, regardless of opposition from politically bankrupt bureaucrats. But because this stage is so long overdue, when it is actually realized, so much more dynamic and explosive will be its effects. So much more surely will the labor party reflect the revolutionary tendency of the working masses. It will be a leap forward like the emergence of the CIO, but on a qualitatively different and far higher level. It will provide an enlarged field for the struggle for the complete independence of trade unions vis-à-vis the capitalist state. And, incidentally, it will also offer a broader arena for operation to the revolutionary forces. Under such conditions a labor party will not represent a detour into reformist stagnation . . . it will rather represent a preliminary stage in the radicalization of the American workers."

Under the pressure of social crisis the trade union movement will also become more conscious of the social implications of its powerful position. It will be compelled to struggle for more than merely maintaining wage scales or reducing the hours of work. It will do that, no doubt; but it will be compelled to do more. It must take on the fight for social and economic security for the working class. Obviously, this will not be attainable so long as the factories stand idle. What realistic alternative can then appear, in connection with the problem of setting the wheels of production in motion, other than production for use instead of for profit? How can this be achieved without the demand for workers' control of production? In sum and substance, the trade union movement, for its own independent survival, must take on the fight for the socialist reorganization of society.

Both of these demands—the demand for a labor party and for workers' control of production—are part of our Transi-
tional Program. And in this sense, as Trotsky said, the program of transitional demands "is not only the program for the activity of the party but in its fundamental features it is the program for the activity of the trade unions."

We can rest assured, that from now on questions of program and policy will play an increasingly decisive role in trade union struggles. So will the question of leadership. Crises submit leaderships to the supreme test. And as we witnessed in the revival of organization following the last depression, the main core of the AFL hierarchy failed miserably and utterly. Hence the CIO arose outside the AFL. The emergence of the CIO created a leadership which was adequate for the objective at that stage. But that is the most that can be said in its favor. Subsequent development revealed this leadership as not of a much higher caliber than the tops in the old Federation, either politically, or in any other sense. And this, despite the unprecedented qualitative change that took place in the organized labor movement as a whole.

Basically, it should be noted, it is the fearsome Stalinist degeneration of the CP, which in its early and healthy days had done so much to prepare the ground for the advent of the CIO, that now accounts why the leadership of the latter has remained so mediocre and so subservient to American imperialism as it is today.

Moreover, the trade union leadership as a whole, with only a few exceptions, has remained consistently in a conservative and reactionary groove. To the above-cited points of program—the labor party and workers' control of production, along with the other demands flowing therefrom—this leadership is bitterly hostile. It is still unalterably committed to the "free enterprise" system of capitalist exploitation. The rank and file, on the other hand, have shown new manifestations in the postwar period of their leftist trend. They proved their readiness to assault the great corporations in order to wrest from them a greater share of the enormous profits of exploitation. Labor demonstrated then and there that it does not hold private property rights of exploitation as sacred or inviolate.

A struggle between the conservative leaders and the leftward-tending ranks is bound to intensify with the further sharpening of social contradictions. And it is right here that the conscious intervention of the revolutionary party counts the most. An enormous advantage has already been provided by our program of transitional demands. Broadly speaking, this is the starting point for the building of a left wing and for the creation of a new trade union leadership. For only under the political leadership of the revolutionary party will the trade unions be able to remain genuinely independent. Only in this way can they become conscious of being, in action, the organs of proletarian revolution.

Open Letter to Workers and Peasants of Japan
By the International Executive Committee of the Fourth International

Only the Trotskyists Predicted the Downfall of the Imperialists and the Birth of the Japanese Revolution

At a time when the aggressions of Japanese imperialism, commencing with Manchuria in 1931, were held by the public opinion of the whole world to denote the strength of the ruling class, Leon Trotsky was the first to point out the weakness inherent in the Mikado's regime. As early as 1932-33, he wrote:

Japan's military intervention in Manchuria is... by no means an expression of the strength of the present Japanese state. On the contrary, the act was dictated by its increasing weakness...

The comparative elements in the strength of armies spring from no mysterious properties of "race." They spring from combinations of vital social and political factors.

And after analyzing these factors Trotsky goes on to conclude:

Imperial Japan is headed toward the abyss: Japan is economically weaker than either Russia or America... Japanese industry is incapable of assuring an army of several millions of arms and military supplies for war of several years. The Japanese financial system cannot support the burden of military armaments even in time of peace. The Japanese soldier, on the whole, isn't good enough for the new technology and the new tactics of modern war.

At a time when the bourgeoisie throughout the world together with all its lackeys were denouncing the Japanese people as dupes and blind instruments in the Emperor's hands, the great revolutionist wrote:

The Japanese people are strongly hostile to the government. The disunited nation could not be united by the aims of conquest. Hundreds of thousands of real or possible revolutionists would flow into
the army with mobilization. Korea, Manchuria and China would reveal in action their bitter hatred of the Japanese yoke. War would pave the way for revolution.

The Fourth International adopted, at its Founding Conference in 1938, theses expressing an identical political line:

Such military victories as the Japanese army is able to win ... have only an episodic importance. The first serious reverses, which are inevitable if the war is protracted, will become the starting point of social and political explosions in Japan, and in the territories of Manchuria, Korea and Formosa. ... Japanese imperialism will go down to defeat in the coming world war if its career is not brought to a speedier end by the proletarian revolution.

We have therefore observed with satisfaction the magnificent social upheaval during recent years, as a confirmation of our revolutionary prognosis.

**Economic Situation in Japan Today**

Japanese imperialism collapsed and suffered defeat in World War II because its economy could not match that of America, the greatest productive machine the world has ever known. Only a genuine liberationist movement, offering the exploited and downtrodden masses of Asia full freedom of action and leading to the socialist reorganization of economy on the Asiatic mainland in an alliance with the revolution of the industrial proletariat of Europe and America, could have stopped Wall Street and its allies. Yet the Mikado and his military clique sought merely to exploit the just revolt of the Chinese, Indian and Filipino masses for the benefit of Zaibatsu profits. By their brutal repressions in the "great Asiatic co-prosperity sphere," they succeeded only in arousing a deep hatred of Japan among the natives under their rule. By their alliance with Hitlerian fascism they alienated the workers of the Occident. The Mikado's wars brought the Japanese people nothing more than a greater toll of human lives, increased misery and famine. Today MacArthur rules over Japan in the name of the world's richest ruling class. However, the living conditions of Japanese workers and peasants remain among the worst, and in most cases are lower than before.

In addition to their former burdens, the Japanese people are today obliged to shoulder the load of Yankee occupation. Half of the governmental expenditures are devoured by payments for the American army of occupation, stationed on the islands. The greater part of Japanese industrial capacity, according to Washington's own specifications, has been allocated to reparations by the Pauley Commission. Despite the known fact that Japan has retained virtually all of her industry intact and that her industrial capacity holds the fifth place in the list of nations, her economic life is, so to speak, stagnant. Japan's industrial output stands, according to American estimates, at about 30% of 1930-31 levels, which in turn were only about 85% of wartime production. The Zaibatsu, whose property rights MacArthur protects and whom the war has made richer than ever, are afraid to invest their capital in enterprises earmarked for reparations, as well as in industries scheduled to be nationalized, or those where workers' control may place restrictions on their profits. Trade is thus paralyzed, goods are scarcer than ever, and rising prices are leading to runaway inflation. Wages are less commensurate than ever with the most elementary needs of life.

Like everywhere else, famine, misery and anarchy of production in Japan, result in the first instance from the preservation of the rotting capitalist system, which produces not for the benefit of the largest number but for the profits of a handful.

But the perpetuation of capitalism in Japan is actually made possible solely owing to the occupation of Japanese islands by Wall Street's military machine. Failing the intervention of MacArthur and his troops, the Japanese masses would have long ago swept away the Zaibatsu together with their ancient military clique, MacArthur dismantled Japan's old military machine and propped up the Zaibatsu for reasons that inhere in Washington's own aims. By dismantling Japan's war machine, Japanese capitalism has been disarmed and thereby eliminated as a threat to Yankee imperialism. The retention of the Zaibatsu and the big trusts is completely in line with the policy of defending tenaciously and unyieldingly the private ownership of the means of production, pursued by Washington throughout the world with the aim of safeguarding the ill-gotten wealth of America's Sixty Families. Wall Street fears lest a breach in the "sacred" right to exploit the masses in any part of our globe unleash a storm that would ultimately put an end to its rule in its own country. This whole operation has been arranged by the American super-lords under the political pretext of introducing "democracy" into the ancient feudal-capitalist kingdom of the Mikado.

What does this "Japanese Democracy—Made in the USA" amount to?

**Political Situation in Japan Today**

As everybody knows, the new Japanese Constitution, adopted by the Diet and promulgated by the Yoshida Cabinet, was in all its essential features directly inspired by MacArthur, in the name of the Supreme Command, Allied Powers (SCAP). The American military authorities merely accorded to the Yoshida Cabinet authorization to present this Constitution in their own name. It is supposed to abolish the old feudal system and replace it by democracy on the American model. In reality, the Constitution, dictated by MacArthur, attempts, as do all of MacArthur's decrees from the start of the occupation, to strike only at the least important survivals of everything feudal and reactionary, for the purpose of quelling the masses.

Article One of the Constitution sanctifies as the "symbol of the state and of the unity of the people"—the Emperor, in whose name the military clique unloaded all its crimes upon the Japanese peoples. Article Two sanctifies the Hirohito dynasty, and so on. These democrats and republicans did not even find it necessary to permit the Japanese people to express themselves on the question of the Republic. The Constitution then goes on to establish an American parliamentary system with its "checks and balances" among a Higher Chamber, a Lower Chamber and a Supreme Court. This system was instituted 160 years ago by the American plutocracy to obstruct "democratically" the will of the people and to foil direct expression or actions by the broad masses.

After according the "freedom of assembly, association, speech, press, etc.," and guaranteeing the "right of the workers to organize unions and bargain collectively," the Constitution then goes on to specify that "the people must avoid abusing these liberties and must always hold themselves responsible for utilizing them in the public interest." What this phrase means has already been illustrated by MacArthur's prohibition of the general strike in February. To strike, it appears, is "to abuse" the right of collective bargaining. As regards the "public interest," it is for MacArthur and those who succeed him to pass judgment on that.
Fraudulent as it is, the “democracy” introduced by the American occupation authorities does permit the Japanese workers and peasants to exercise rights they never possessed under the Mikado’s regime before the war. For the first time they are able, freely to all appearances, to organize trade unions, cooperatives, political bodies, and so on. And they have done so on a large scale. The Americans seek to ascribe these rights to their own beneficent justice. The brutal and smug assassins of Hiroshima and Nagasaki naturally wish to paint themselves up as benefactors of the Japanese people. But there are creatures in all countries, including most certainly Japan, who proclaim themselves to be bound to the masses and who label themselves “socialists” and who propagate these illusions in the service of American imperialism. They, along with their patrons, must be unmasked.

**What Is the Goal of “Democracy” the Americans Uphold?**

What is the real aim of the Wall Street directors in introducing their “democracy” in Japan? They say that their aim is to build “a democratic Japan” which will in the future “serve as a fortress against any form of government we dislike.” This means that they wish by these methods to win the acquiescence or at least the neutrality of the Japanese people for their plans for a Third World War. They hope to convert Japan into an arsenal and a military base for a war they are preparing against the Soviet Union. They are not at all sure of making an ally of the Japanese people and for this reason they have included in the Constitution a clause “renouncing war” and dissolving all the armed forces. But they hope to be able to win the confidence of the Japanese people sufficiently to enable them to convert Japan into a battleground between them and the USSR.

Their intention is to manipulate the institution of the Mikado against the people whenever the latter take their “democratic rights” too seriously, just as they have manipulated the rights of the people in order to strip this institution of any real powers.

Their intention is to install themselves as arbiters in the social struggle between the Zaibatsu and the workers, exploiting the growth of trade unions in order to subject the Jilative from 99 to 140. The Socialist Tetsu-Katayama, was, as representative of the largest party in the Diet, entrusted with the formation of a new cabinet to succeed Yoshida’s, so hated by the masses.

The workers voted for Katayama and the Socialist Party because they hoped thereby to find a way out of their misery, hunger and insecurity. The occupation authorities, on the contrary, hoped to profit from the participation of the Socialists in the Cabinet in order to realize their own plans. In the foregoing American report, we find the following:

> It is not impossible for it (the Socialist Party) to make great headway, if in the course of the next few weeks it acquires the necessary authority to present the economic problems to the people in a proper light.

That is to say, in accordance with the plan for economic control desired by American imperialism.

**The Socialists in the Government**

The recent strike wave has tended to emphasize this danger in the eyes of the American imperialists; so has the widespread agitation against the Yoshida Cabinet, particularly against Ichibachi, the “Minister of Inflation.” MacArthur’s order outlawing the February 1 general strike obliged the workers to temporarily seek for a way out on the political field, within the framework of Constitution “Made in the USA.” In the April Diet elections the Socialist Party increased its deputies from 99 to 140. The Socialist Tetsu-Katayama, was, as representative of the largest party in the Diet, entrusted with the formation of a new cabinet to succeed Yoshida’s, so hated by the masses.

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**In what sense will the new cabinet under Socialist leadership establish economic control? Will it be in the sense demanded by the workers, that is, under their control? By nationalizing the Zaibatsu plants without compensation? By organizing production to serve the needs of the workers and peasants? Or will it be in the sense desired by American imperialism? By collaborating in the government with the political agents of the Zaibatsu, the liberal and progressive parties? By preventing workers’ control? By carrying out nationalizations which will lavishly compensate the Zaibatsu and leave the management in their hands?

These are the problems on which you, workers and peasants of Japan, will have to pass judgment in the months to come. Once the Socialist Party of Japan, following the example of Socialists in other countries, forms a cabinet together with agents of the capitalist class, you may be sure it will not defend your interests but those of your enemies, the Zaibatsu and the American imperialists.
The Role of the Communist Party

While the Socialist party gained 41 seats, the Communist Party remained more or less stagnant, retaining its four seats in the Diet. It is understandable why you, workers and peasants of Japan, have refused to place trust in this party. In the initial days following the collapse of the Japanese military machine, the broad masses tended to follow the Communist Party because in their minds it represented the ideas brought to fruition in the Russian revolution of 1917. The CP leaders, set free after 15 years of imprisonment, preached Communist ideas and directed their demonstrations toward the overthrow of the Mikado, which brought them into clashes with the occupation troops. But presently the Stalinist agent Sanzo Nosaka returned from abroad and put a stop to all this. He preached in favor of retaining the Emperor as an “institution,” in favor of cooperating with the military authorities, and in favor of class peace. A while later, thousands of Japanese returned from Korea and Manchuria, and told of how these countries had been oppressed and pillaged by the troops of Russia’s “communist” regime.

It is understandable that you have no confidence in a party which identifies itself with all this. But it is necessary to understand that neither Stalin in Russia nor Nosaka in Japan represent the revolution of 1917. On the contrary, these people are traitors to the revolution, traitors to genuine communism to which they offer only lip-service. But it would be false to turn away from these traitors only in order to follow the agents of American imperialism. A new communist party, a new party representing the ideas of the Russian revolution of 1917 must be built.

The Fourth International and Its Message to the Japanese Workers

Such a party already exists on a world scale. It is the Fourth International, founded in 1938 by Leon Trotsky, the great leader of the Russian revolution. The Fourth International was founded in the course of the struggle against the perfidious and corrupt Stalinist bureaucracy in Russia and for the rebirth of the ideas of Lenin and of the 1917 revolution. The Fourth International stands for the overthrow of Stalin’s regime by the workers in Russia and favors the preservation and extension on a world scale of nationalized industry brought about by the abolition of capitalism in 1917. The Fourth International demands in Japan, as everywhere else, the withdrawal of occupation troops and the right of the people to determine their own destinies. It demands a peace without annexations or reparations.

After the occupation troops have withdrawn, the Fourth International demands free elections to a Constituent Assembly where the people themselves can determine without coercion what sort of state and what sort of Constitution they really desire. It stands without reservations for a free republic. It demands the right of the people to recall their representatives who fail to carry out their mandate.

In the struggle against inflation and the high cost of living, the Fourth International fights for the following: For a sliding scale of wages adjusted to the high cost of living! For control of production by democratically elected factory committees! For price control and control of food distributions, clothing and housing by the trade unions and by democratically elected committees of housewives and poor peasants!

In order to realize these aims the Fourth International fights everywhere for the establishment of workers’ and peasants’ governments, without capitalist ministers. Only such a government will rely upon mass actions of the workers in their demands for decent wages and working conditions. It will support the peasants in their demands for tax reductions, cheap credit and the division of large estates among those who till them.

The Fourth International aims at the complete abolition of capitalism, of capitalist anarchy and devastation in all countries. It aims at the rational reorganization of each country’s economic life through the collectivization of the primary means of production and the application of socialist planning in industry—for the nationalization of all enterprises without compensation; for planned production with the participation of workers in the plan through their elected committees.

As against the capitalist war plans, as against the partition of the world between Anglo-American imperialists and the Stalinist bureaucracy of Soviet Russia, the Fourth International struggles for the free association of all peoples of the world in the Socialist United States of Asia, Europe and America—for a socialist world which will utilize all technical progress not for war, bringing misery to the many and enrichment to a few, but for a life of peace and plenty for all.

Form the Japanese Section of the Fourth International!

In more than thirty countries throughout the world, in America as well as Europe, in Asia as well as Africa, sections of the Fourth International, parties, popularly known as Trotskyist, are already in existence, fighting for this general program, applying and concretizing it in the light of the particular situation in each given country. In the United States, whose generals today rule over Japan, the Trotskyists are organized in the Socialist Workers Party. They struggle against their Wall Street oppressors and in favor of this program. They are in the forefront of the struggle for the withdrawal of occupation troops from Japan and for the right of the entire people of Nippon to decide their own fate. In nearby Asia the Bolshevik-Leninists of India, the Bolshevik-Leninist group of Indo-China and the International Communist League of China are among the sections waging the struggle for the program of the Fourth International.

Workers, peasants, students, intellectuals of Japan! All of you who truly desire to be socialists but who are deceived by the class-collaboration of the Socialist Party of Tetsu Katayama; all of you who genuinely desire to be Communists, but are deceived by the traitorous policy of Sanzo Nosaka and his master Stalin—unite and form the Japanese section of the Fourth International. Establish contact with the Trotskyists of China, India, Indo-China, America! Ask them to discuss the program and documents of the Fourth International! Build the International Communist Party of Japan!

Long live the workers’ and peasants’ revolution of Japan!
Down with American and Allied occupation of Japan!
Down with all the thievish plans of the Big Four!
For a peace without annexations or reparations!
For a free workers’ and peasants’ Republic of Japan!
For a Socialist Japan in the Socialist United States of Asia!
For a World Federation of Soviet Socialist States!

International Executive Committee of the Fourth International

(WORLD PARTY OF THE SOCIALIST REVOLUTION)

May 1947
Translated by Margaret Stewart
from the French text in
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Evolution of a Renegade

By JOSEPH HANSEN

James Burnham's book *The Struggle for the World* has not yet lost its vogue among Wall Street's propagandists. The warmongers continue to quote from it and the author still enjoys wide prestige in their circles as an anti-communist specialist. He is sought as a speaker, has appeared on the radio, and received honorable mention in a recent report made public by the U.S. Senate Foreign Relations Committee.

Yet this current idol of reaction was, before the war, a fellow-traveler of the proletarian party and an advocate of socialism. What brought about this remarkable metamorphosis? What impelled Burnham to switch allegiance from the revolutionary vanguard of the American working class to the shock forces of reaction?

The answer to these questions has a general interest transcending Burnham's fate as an individual; since what we have here is a representative of a political type—a type generated in the decline of the capitalist system, a type common enough in Europe's political cesspools but somewhat rarer in America, at least in its full blown form up to now.

As a Princeton graduate in 1927, the 22-year-old Burnham had one quality that promised him an ambitious career in the Coolidge-Hoover era of a car in every garage and two chickens in every pot. He had a flare for logical thinking as it is commonly understood among academic circles. He could tell that "A" equals "A." He recognized with equal facility that "A" is not "not-A." He likewise grasped without any trouble that "A" either equals "B" or it doesn't equal "B." Utilizing these useful propositions as a general guide in thinking out problems, he demonstrated sufficient scholastic ability to merit a summa cum laude from Princeton.

With stubborn energy and good family connections, there was no doubt about his brilliant prospects. But 1929, the year he finished studying at Oxford and "traveling extensively on the Continent," was also the year the stock market happened. The snug world of Hoover, the promiser of automobiles and chickens in every pot, was to have a stroll at the service of the movement. Since it had taken him more than a year to prove his "logic" skill, the economic collapse of that year and the idea of a "socialist society" had set him adrift, without a serious character flaw—a kind of negativism against the petty bourgeoisie, incapable of developing as an independent force, faces in the direction of greatest political power. In "normal" times this is the big bourgeoisie. But in crises, when the big bourgeoisie loses its attraction, the petty bourgeoisie turns away.

The operation of this political law was reflected with extraordinary fidelity in Burnham's evolution. As unemployed demonstrations mounted, the veterans of World War I marched on Washington, and the ideas of communism increased in popularity, Burnham turned more and more in the direction of the working class. He glimpsed the possibility of a new world.

A whole group of intellectuals and advanced workers were following this same road at that time. Most of them entered the Stalinist party. Some found their way directly to Trotskyism. Those associated with Burnham eventually organized themselves in the American Workers Party.

As the working class began to move on a mass scale throughout America, this party likewise shifted toward the left. Its fusion with the Trotskyist movement coincided with the first signs of the upsurge in the labor movement that later culminated in formation of the CIO.

It was in this early period that Burnham showed his greatest promise. He developed as a propagandist, displaying considerable ability at taking the ideas of others and expounding them. But at the same time his limitations were likewise considerable. Although he had written a college textbook on the elements of logic, he never grasped—apparently never studied—the dialectic method. He was content to place the primitive method of formal logic that had won him summa cum laude at Princeton at the service of the movement. Since it had taken him through school successfully and landed him a sinecure at NYU, it appeared sufficient.

But without the more developed method of dialectical thinking he could not gain a profound understanding of the basic principles of scientific socialism. He could not free his thought from the sticky bonds of his class origin. In addition he suffered from a serious character flaw—a kind of neatness toward people of greater experience than he in the class struggle. He did not take kindly to proletarian revolutionists attempting to pass on to him some of the experience they had gained in decades of working-class battles.

Thus he saw the communist society of the future not as a scientist sees it, the stage inevitably bound to arise from capitalism the way a giant California sequoia springs from a tiny cone, but as a worthy moral ideal which a man of good will...
toward others should espouse. There is nothing wrong about looking at socialism as a fine ideal so long as you understand that it is much more than that. But Burnham never saw it as more than a moral ideal. From the Marxist point of view he was an anachronism, a petty bourgeois socialist of the type Marx and Engels described in the Communist Manifesto 100 years ago.

Among the most steeled, clear-sighted political realists of our time, he was only a misty-minded do-gooder. Faced with the necessity of making a decision that meant breaking with his entire past, Burnham hesitated, to become a professional revolutionary meant leaving his comfortable petty-bourgeois world. It meant hardship and sacrifice. It meant retracing his college years and weeding out the misinformation. It meant learning the difficult method of dialectic thinking, a method he could not seem to grasp with the ease he had displayed in mastering formal logic. What proof did he have of the value of socialism as a fine ideal so long as you understand this politically slow-moving working class no longer appeared to be the same working class he had visualized during the previous years. And since, according to his logic, a politically backward class does not equal a revolutionary class, he began turning more and more away.

As Burnham later admitted in his May 21, 1940, letter of resignation from the Workers Party:

It will be thought and said by many that my present beliefs and the decision which follows from them are a "rationalization" of, on the one side, the pressure of a soft and bourgeois personal environment, and, on the other, the influence of the terrible defeats of labor, and mankind during the past twenty years, and of the war crisis. I should be the last to pretend that any man should be so brash as to imagine that he knows clearly the motives and springs of his own actions.

In November 1937, Burnham's doubts began to jell. He expressed disagreement with the Trotskyist appraisal of the character of the Soviet Union. Every seasoned revolutionist immediately wrote this down as a qualitative change in Burnham's development. Not that they believed the Soviet Union cannot or doesn't change and doesn't merit constant re-examination, but because Marxist analysis shows it to be a workers' state—no matter how degenerated—so long as planned economy and the state monopoly of the instruments of production remain. To deny this is to deny the validity of Marxism. Since 1917, doubts on the character of the workers' state in the absence of destruction of its economic base have registered on the Geiger counter of political radio-activity as dangerous contamination!

The dual character of the bureaucracy—reactionary and progressive—has now ended [wrote Burnham and Carter]. The bureaucracy, taking its actions as a whole, now functions solely as a reactionary force... these considerations make it impossible any longer to regard the Soviet Union as a workers' State in the traditional sense given to this term by Marxism. (Emphasis by Burnham and Carter.)

Trotsky formulated his views on the USSR at that time succinctly as follows:

Stalin overthrown by the workers—that's a great step forward towards socialism, Stalin crushed by the imperialists—that's the counter-revolution triumphant. That is the precise sense of our defense of the USSR. On a world scale, analogous, from the point of view, to that of our defense of democracy on a national scale.

Burnham's formula, it will be observed, ruled out the basic elements of contradiction seen by Trotsky, the materialist dialectician. Burnham, without adding anything new to previous information or analysis of the state character of the USSR, put the bureaucracy in one pigeon-hole under the label: "Reaction" equals "Re-action." Thus he filled the abstract category in accordance with the pattern guiding his thinking that says "A" equals "A." And he put the Soviet Union in another pigeon-hole under the label: "A Workers' State," does not equal "Not-A-Workers' State," in accordance with the specification in his mental blueprint that says "A" does not equal "not-A."

Soothing as such a gray classification of black and white might be to nerves in the campus circles where Burnham felt at home, it destroyed the possibility of correctly interpreting developments affecting the Soviet Union and of adequately solving the political problems arising from those developments.

At that time Burnham made no public attempt to analyze the character of the Soviet Union, and he still continued to advocate its defense against imperialist attack. Though he had
reached dangerous disagreement with Marxism on the class character of the Soviet Union, he still did not contest the political conclusions of the Trotskyist movement.

This, however, was a highly unstable position. The lack of consistency lay on Burnham's side. Given his strong compulsion to act on the conclusions of his method, it was only a question of time until he arrived at political opinions in complete opposition to those he still clung to. If he continued to accumulate conviction on the correctness of his sociological analysis of the Soviet Union, a qualitative change was bound to occur in his political views. Such a course seemed quite likely, for Burnham lived his emotional life in petty bourgeois circles, subject to all the pressures of that unhealthy environment.

In 1939 when the Stalin-Hitler pact was signed and World War II broke out, Burnham began moving. Rejecting defense of the Soviet Union, he ran up the flag of revolt against Marxism. The debate that followed has become historic. Leon Trotsky led the majority of the Socialist Workers Party in defense of dialectical materialism, its application to the class analysis of the state and to the principles of party organization, Burnham headed the minority in a bitter attack on these foundations of the Trotskyist movement.

Burnham presented no original views whatsoever on the theoretical field. He simply repeated the contents of Max Eastman and Sydney Hook that dialectical materialism is a vestige of religion in Marxism, deriving from Hegelian metaphysics, that should be abandoned in favor of a "common sense" approach.

Defeated in convention, the minority split and set up the rival Workers Party. Burnham, however, had taught his train and saw no reason for wasting time at a whistle stop. Continuing along the road indicated by his logical method, he split from the petty bourgeois group he had led out of the ranks of the Socialist Workers Party. Obviously he was on his way toward the camp of the big bourgeoisie.

To Marxists it was clear what had led to this particular qualitative change in Burnham's political position at this particular time. The state power of the capitalist class reached its highest peak with the outbreak of war. The masses were temporarily disoriented and confused by the war, its outpouring of propaganda and disruption of normal life. The trade union bureaucracy further disoriented the workers, joining in pounding the war drums and insisting on "sacrifices" by the workers. At the same time the capitalists brought the full weight of government power to suppress isolated actions of workers dissatisfied over such items as the "no strike" pledge and "equality of sacrifice" where only the workers sacrificed.

The imprint of Burnham's stay in the Marxist movement was still visible for a time, although purely in a negative way.*

The capitalist class remained unsatisfactory to the newly-hatched renegade and its demonstration of political power too weak to overcome the tag ends of his former antipathy. Thus in his book The Managerial Revolution, published in 1941, he declared:

> Modern total war is not profitable for capitalism, and consequently capitalism cannot adequately fight it . . . Nor can arming (not merely the building of armaments, but their coordinated use) be adequately done under capitalist institutions. Adequate arming—that is, adequate, for the tasks imposed, against rival arming—also is no longer profitable to capitalism. This, as I have noted, has been shown by the examples of France and England, who were not able to arm adequately—though they certainly realized what was at stake—under their capitalist institutions. It is being discovered by the United States during the course of the experiences of the Second World War. The armament program just doesn't seem to get going properly. (Burnham's emphasis.)

This flawless gem of analysis is a typical product from Burnham's logical workshop. The professor simply did not observe that the American capitalists had not yet finished converting over to war production and expanding the industrial plant. After completing this preliminary operation, they didn't do badly—above all in their balance sheet on profits.

Trotsky, using the dialectic method, predicted in 1934, a full 7 years before Burnham's book appeared: "History is taking mankind directly into the volcanic eruption of American imperialism." Trotsky, it can be seen today, didn't do so badly with this prediction. His method stood the test of time.

Although he had rejected Marxism, Burnham did not as yet appear capable of acknowledging to himself that what he was really hunting for was Wall Street's apron strings. So he constructed the elaborate rationalization I have already mentioned. According to him, a new class was surging toward power throughout the world—the "managerial class." They had already conquered power in Germany, Italy and Russia, where this new class was variously known as Nazis, Fascists and Communists.

In the United States the new class was surging forward too. In fact the New Deal spearheaded its rise. In accordance with this analysis, Burnham predicted that—another gem!—"The further development of the war preparations, the economic world conflicts, and the wars, will prove in practice that success in none of them can be won along capitalist lines. When that proof is plain enough, the country will go over to definitive managerial revolution."

The thought of a new class hitherto undreamed and unexpected was by no means original with Burnham. He simply picked up ideas already refuted by the Marxists, Trotsky in particular, and pasted them together like a house of cardboard. Events immediately flattened the flimsy construction. It turned out for instance that Hitler and Stalin had not united in 1939 in a pact—this is straight from Burnham's crystal ball—to "drive death wounds into capitalism." The attack of German capitalism on the Soviet Union shattered that prediction.

Today Burnham apparently feels that his unfortunate earlier book, managers, predictions and all does not deserve more than a non-committal two-line footnote. In this instance we must admit Burnham showed good judgment. That is all the theory of the managerial revolution ever deserved.

During the war, as tens of millions fell on the battlefields, Burnham took up the cult of "Machiavellianism." Leading a comfortable sheep's life in the NYU stable, he dreamed of running with the political wolves.

So this sheep donned wolf's clothing. He imagined himself in the class of Machiavelli, who lived in the hard times of
early capitalism and was a soldier and statesman able to endure exile. Burnham drew an undeviating line along the trajectory of capitalist political thinkers from the progressive revolutionary times of Machiavelli when the rising capitalist class sought to free itself from feudal fetters right down to the modern "thinkers" like Pareto and Sorel, who, in the decline of capitalism, helped pave the ideological road for fascism.

Burnham's concepts and even phrases in this book of 1943 showed astonishing similarity with those of Lawrence Dennis, the self-avowed apostle of native fascism in America. In 1945 when the victory of the Soviet Union was a fact, Burnham—dressed in his new Machiavellian clothing—celebrated the event in an unusual way. Instead of analyzing what it was in Soviet economy that enabled the workers' state to put up unparalleled and successful resistance to the mighty war machine of German imperialism, Burnham wrote a toast to Generalissimo Stalin. He could not see the new economy accounting for itself in the most terrible of tests—war; he saw only the foul dictator sitting in the Kremlin! This, however, is quite characteristic of Burnham, simply indicating how consistently he acts in accordance with the political law that governs the petty bourgeoisie as a class. He hailed Stalin as Lenin's "heir."

This is equivalent to hailing Cain as the heir of Abel, the brother he murdered, or hailing Judas Iscariot as the heir of the man he betrayed for 30 pieces of silver. It was, in short, in strict accord with the best Stalinist propaganda.

It would be a mistake, however, to think this indicated Burnham's readiness to join the Stalinist ranks. His praise of Stalin was not identical with Stalinist propaganda, because it did not have a Kremlin origin and was designed to serve different rulers. It was preparation for a propaganda job for a far mightier power than Moscow—Wall Street. It was preparation for the job Burnham carries out in his latest book—an attempt to smear communism with the filth of Stalinism.

In The Struggle for the World Burnham says admiringly, "The Stalinist method has always been to try, as far as possible, to swim with the tide, never directly counter to it, but always to keep on top of the water, not to be dragged under." Burnham saw the "tide" flowing in Wall Street's direction and applied the "Stalinist method"—according to his own logic, and his own social outlook and personal welfare.

When Wall Street laid its aces on the table at Hiroshima and Nagasaki, Burnham proved, contrary to the assertion of the novelist, Thomas Wolfe, that "you can go home again." He went whole hog for Wall Street, including its projected World War III. "This book has made its point of departure the ability of the working class against the pull of Big Business. This is easily handled in the logic of dialectical materialism as a concrete illustration of the "interpenetration of opposites."

In Burnham this contradiction passed through two major qualitative changes. First, his entry into the camp of the working class and into the camp of Big Business in response to the accumulation of doubts about Wall Street's capacity to survive; second, back into the camp of Big Business in response to the accumulation of doubts about the ability of the working class to take power. This too is easily handled by dialectic logic as an illustration of how "quantity changes into quality."

Finally, Burnham's personal evolution goes a long way toward providing us with an illustration of the "negation of the negation." At the outset, the implicit tendency toward socialism of the young believer in capitalism became explicit: and a socialist propagandist emerged. Then the implicit tendency of this particular socialist propagandist to undergo another metamorphosis became explicit—and a brazen propagandist of unbridled reaction emerged. Should native fascism gain strength in America, Burnham might well continue his present course, thus presenting us with a finished, home-grown case of political evolution of a type common enough, we repeat, in the political cesspools of Europe.

In 1940 Trotsky observed: "Burnham doesn't recognize dialectics but dialectics does not permit him to escape its net. He is caught as a fly in a web."

Burnham's course since 1940 has only served to confirm still further the correctness of that judgment."

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*See my review of The Machiavellians in the October, 1943, Fourth International.*
The Limits of French Economic Revival

By PATRICK O'DANIEL

The incurable malady from which French capitalism suffers is almost universally recognized. In France, André Philip, Minister of National Economy, was already warning in March: "We are threatened with total catastrophe on the economic and financial plane;" and Premier Paul Ramadier has let scarcely a week pass without shouting that this or that is not done, the franc is finished. From abroad that semi-official commentator Walter Lippmann sounded the alarm in April thus:

The crisis is developing because none of the leading nations of Europe—Great Britain, France, Italy, Germany—is recovering from the war, or has any reasonable prospect of recovery with the means at its disposal and on the plans and policies upon which it is now working. The nations of Europe are eking out a precarious existence. They are staring at the collapse of their currencies and of their present standards of life, not by successful production but only by using their dwindling assets and the loans, the subsidies, and doles which come from Canada, the United States, and in small amounts, from the few other solvent countries.

Since the "Liberation," however, there has been an unquestionable revival from the almost total prostration of French production at that time—a halting, jerky revival, which passes each winter through a severe sag, but a revival nevertheless. It has even impressed superficial observers to the point where they speak of French capitalism's stabilization. Whence then arises the abysmal lack of confidence, the warnings of disaster, the isolation of the most authoritative spokesmen of French capitalism—especially that of Andre Philip, and the present stage of development.

In the basic political document adopted by the April 1946 Conference of the Fourth International, the general perspectives for France were indicated in the following words:

The revival of economic activity in capitalist countries hit by the war, especially the countries of Western Europe, will be characterized by particularly slow rhythms which will long keep it at levels neighboring on stagnation and strop.

The economic revival will occur only very slowly and without perspectives...

In the case of France this analytical summary was founded on two bases: the general consideration that the war, far from having solved the desperate capitalist contradictions which provoked it, had only sharpened them; and a series of economic and financial facts peculiar to France which were perfectly visible to anyone who genuinely wanted to see. It is the latter basis that we wish to develop here.

In March 1946 it was obvious that—provided the reformists and particularly the Stalinists succeeded in continuing to prevent the French working class from passing to action—French industrial recovery would develop gradually to the point where it began to bang its head against the first of a series of technical ceilings. The first was fuel and energy—predominantly coal; and the perspectives for its obtention, domestically or by importation, set on production a limit of between 80 to 90 per cent of 1938. It is essential to make completely clear what 1938 means in this context. It is chosen as an index number of 100 only because it was the last pre-war year, and not because it was a normally productive one. In fact, 1938 was a year of depression in France, with production already a quarter below that of 1929, France's not very brilliant best year in the period between the wars.

This perspective was realized—owing above all to the success of the Stalinists in getting the French masses to permit the reerection on their exhausted shoulders of the tottering edifice of French capitalism—not the least in Stalinism's long record of crimes. As a result, production, as foreseen, climbed slowly upward. But, also as foreseen, it hit the waiting coal ceiling. The general production index (1938 = 100) reached a momentary peak of 89 in October 1946; declined to 87, 83, 81, and 79 respectively in November, December, January, and February; and, though final revised indices are not yet available, has probably climbed through March, April, and May to 85, 87, and 89 again. Later another sag occurred all along the line, as a result of strikes and the scarcity of coal and manpower. Is this merely a winter fuel crisis, to be followed by a boom, or does it show a functional flattening out? The answer lies in coal prospects.

Domestic coal production had been driven up by March, under Communist (Stalinist) Party pressure and the use of tens of thousands of German prisoners as slave labor, to 109% of 1938: 4.6 million tons monthly as against 1938's 3.96 million. There has since been a sag, in April to 4.2 million tons, in May to 3.97, and in June production will be still lower because of the strikes. Thus the 52 million tons which had been counted on this year are not likely to be reached. Best estimates of probable imports from the United States are for a 1947 total of about 8,500,000 tons. From all other sources—Germany, Poland, Czechoslovakia, Morocco, Belgium, and Holland—an additional 4,000,000 tons can be expected. The total of 60 million tons is the maximum prospect for this year, and this, compared to 1938's approximately 70 million, indicates that French production will still probably be bumping its head in 1947 against a coal ceiling of some 86% of depressed 1938 level—provided the Stalinists succeed in preventing the continuation of strikes and other mass protests—and the symptoms at the beginning of June show, on the contrary, that the working class is beginning finally to overflow the limits of Stalinist control.

The figure of 60 million tons compares even more unfavorably with the minimum of 75,500,000 set by the Monnet Plan for reconstruction and reequipment of French industry. Far from attacking the immense piled-up tasks of reconstruction, stagnant French economy will be unable even to hold its own in terms of 1938. It is no accident that 'Economie' of June 19, 1947 writes: "Henceforth there can be no more question of reaching the objectives set by the Monnet Plan for 1947."

Should French capitalism, by a change in Allied policy toward Ruhr coal or an immense increase in uneconomical importation of U.S. coal, succeed in breaking through the coal ceiling, a manpower ceiling awaits it at somewhere between 100-110% of 1938 levels. The manpower pattern of France is badly out of balance. People occupied in the productive
sector, both industrial and agricultural, had fallen from 13,-200,000 in 1938 to 11,700,000 (plus some 500,000 war prisoners) in 1946, while government functionaries rose from a 1938 total of 700,000 to some 1,200,000 in 1947. By year's end, 440,000 of the war prisoners should be released, and 20,000 Polish and Czechoslovak workers (including 8,000 miners) will be repatriated. The Monnet Plan demands, in addition, a minimum manpower increase of 250,000 during the year. Thus, if a manpower shortage is to be avoided, some 710,000 new industrial and agricultural workers must be found.

As against this, French capitalism hopes that the misery in Italy and Algeria will drive 250,000 Italians and 60,000 Algerians to seek work in France. To date, however, the rate of immigration is far lower; those unfortunate Italians who were lured to the mines are leaving them again in droves after a few weeks; and, even if all the plans were accomplished, the immigration would not suffice. French capitalist “planners” speak also of getting at least 50,000 new workers by cutting down the army; but with Viet-Nam and Madagascar blazing, and North Africa smoldering dangerously, a reduction in army effective would, to say the least, come as a surprise.

There remain two solutions for French capitalism: to retain German prisoner slave-labor, and to work the French proletariat harder. The former solution depends on whether the U.S., who “owns” the slaves and has “lent” them to the French, wants them in France or in Germany. The second solution depends on the ability of the Communist Party to persuade the French workers to accept speed-up and increase in the work-week; and at present writing, at the beginning of June, the temper of the French proletariat, outflanking the Communist Party to the left, augurs little success for such an attempt.

The solution of increasing production by a simple increase in the number of workers is forced on the French bourgeoisie by the fact that it has fallen so hopelessly behind its main imperialist rivals in productivity per man. French industry requires, for example, 85 man-days for building an automobile that takes 25 man-days in the U.S. French 1946 figures show that the extraction of four tons of coal requires one miner in the U.S., two in the Ruhr, and four in France. The average age of French machines, determined in the same survey, is 27 years. They are in addition far more obsolete than their mere age indicates, since under the Nazi occupation they were run without regard to consequences—pushed to excessive speeds, suffering from inadequate lubrication, not stopped for necessary care, and run far beyond safe repair margins. To replace some 200,000 out of 550,000 in five years, as was tentatively suggested—half by French manufacture, half by importation—not only is a task probably beyond the ability of French capitalism amid its present convulsions, but would even then reduce the average age only to 13 years, far behind the then level of France’s imperialist rivals. The Monnet Plan, which set as its principal aim the achievement of such modernization, has had to be whittled steadily down till it is now so gravely compromised that it bears little resemblance to its former self.

Production, however achieved, is the determinant factor in all sectors of the economy; and the failure of French capitalism to raise its production beyond levels “neighboring on stagnation and atrophy” has meant that, far from being able to remedy the catastrophic effects of the imperialist war on its foreign trade and internal finances, it sees runaway inflation and fiscal bankruptcy looming up terrifyingly near ahead.

By starving the French masses of food and goods and throwing all its energies into a desperate effort to recapture its share of the world market, French imperialism managed to scale down its 1946 unfavorable balance of trade from an expected $2,800,000,000 to $1,105,000,000. In March 1946 it had appeared that the year’s importations would totally wipe out all government holdings of gold and “hard” currencies. But the reduction of the foreign trade deficit, plus Léon Blum’s obtaining of some $650,000,000 of fresh loans from the U.S., enabled French capitalism to crawl into 1947 without bankruptcy.

The present year, however, does not look brilliant. Foreign trade estimates are:

| Imports | $2,660 |
| Freight charges | 200 |
| Balance of non-commercial payments | 165 |
| Exports | $1,225 |

| | Imports | | Exports | |
|---|---|---|---|
| Balance of trade | $1,225 |
| Imports | $2,660 |
| Freight charges | 200 |
| Balance of non-commercial payments | 165 |
| Exports | $1,225 |

As against this, remaining U.S., Canadian, and other credits, contracted for but not yet spent, stood at last estimates, at $750 million. The new U.S. loan for buying “surplus” army stocks, and the new $250 million loan from the International Bank for Reconstruction, raise available funds to $1,050,000,000, leaving a gap of $650 million to fill. The French government’s holdings, both public and mobilized-private, of gold and hard currencies, which amounted in March 1946 to about $2,764,000,000, have today fallen so low that the authorities do not dare to announce the figure. They confess, however, that it is “less than $1 billion.” Of this they claim that $525 million can be applied to the unfavorable balance, leaving only $125 million to be found, probably from a second International Bank loan.

It is, however, difficult to believe that French capitalism would dare to draw $525 million from its currency coverage, which had already dropped from 21.3% in March 1946 to 10.7% in March 1947. If this amount were withdrawn, even with the offsetting $25 million just lent by the international currency stabilization fund to help peg the overvalued franc, it would cut currency coverage to about 1.4%, i.e., to no coverage at all. The alternative would be to attempt to drive down still further the already intolerable living standard of the French masses by cutting down imports of food and foreign consumer goods and increasing still further the proportion of French-made consumer goods exported to the world market.

But quite apart from the resistance that may be expected from the French masses to any further depression of their already miserable standard of living, the second half of such a plan runs into the fact that with the massive reentry of British and American imperialisms on the world market, French exports at present price levels are facing competition which they are increasingly unable to meet. In country after country where France, in her first post-war spurt, had an easy seller’s market, she is being pushed out by British and American products which, quality for quality, are far lower priced.

Thus both its diminishing currency coverage and its weakening competitive position in the world market push French capitalism to still another devaluation of its already dwarfish franc. But to do so means to seriously compromise the already badly shaken Monnet Plan, with its massive importation of machinery to modernize French industry and agriculture.

French capitalism’s external deficit position is, naturally, paralleled by internal finances and fiscal system which are not
only on the deficit side but in howling disorder. At the beginning of June, the budget for 1947 was not even voted, and the Treasury was working on successive "provisional trimmers" voted respectively in December and March. The most accurate picture of the Treasury's situation for 1947 was given by the Minister of Finances near the end of February, as follows:

<table>
<thead>
<tr>
<th>Receipts</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal receipts</td>
<td>Ordinary budget</td>
</tr>
<tr>
<td>From Impex (import export)</td>
<td>Extraordinary budget</td>
</tr>
<tr>
<td>tax-and-subsidy system</td>
<td>Reequipment of the national-industries</td>
</tr>
<tr>
<td>Postponement of payment of State creditors by using 1-year notes instead of cash</td>
<td>Other Treasury charges</td>
</tr>
<tr>
<td>Treasury bonds and long-term loans</td>
<td></td>
</tr>
<tr>
<td>550</td>
<td>660</td>
</tr>
<tr>
<td>100</td>
<td>330</td>
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<tr>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>135</td>
<td></td>
</tr>
<tr>
<td>865</td>
<td>1,150</td>
</tr>
</tbody>
</table>

Uncovered balance .................. 285

The figure of 135 billion francs expected to be got together by public subscription to government bonds of various sorts is an arbitrary one reached by applying to 1947 the percentage of national income so invested in other years. Public confidence in government paper, however, is not strikingly high, as can be seen from the fact that twenty billion francs more Treasury bonds were cashed in than were bought by the public in the five months ending February, and by the fact that the new bond issue launched last month is visibly getting rapidly nowhere. And as for the term "uncovered balance" applied to the final deficit of 285 billion francs, this is an open admission by French capitalism that it will probably be forced to raise this money by the simple process of printing banknotes to that amount.

Faced with a trillion-franc budget with a deficit like a running sore, the two ministers involved, Andre Philip for Finances and Robert Schuman for National Economy, have performed prodigies—largely in the shape of accounting acrobatics. Schuman first "blocked" 120 billion (40%) of the "extraordinary" budget, hitting hardest at the industrial modernization program, and began to "slash" government costs everywhere. The results of his Herculean labors turn out to have been that, as against original estimates of 495,000,000,000 francs for the first semester, expenditures of only 483,883,570,000 were authorized, a saving of 11-odd billion, or some 2%. His partner Philip then plunged resolutely into his account books, rearranged all the figures in different columns, shifted items around between the ordinary and extraordinary budgets, and came up triumphantly, amid well-orchestrated fanfares, with "a balanced (ordinary) budget." The state of the extraordinary budget can only be imagined. The whole French fiscal spectacle, indeed, would be gargantuanly comic were it not for the tragic effects on workers and pensioners.

The bulk of agonizing French capitalism's government deficits is being financed, of course, by the printing presses. Banknote circulation, which stood at 122 billion francs in August 1939, rose to 444 billions at the beginning of 1946, and the week of writing hit 788,003,000,000, an all-time record. Gold and foreign-currency coverage for banknotes alone, leaving out of consideration government short-term paper and sight bonds, is only 82,816,000,000 francs, or 10.7%. Printing-press inflation has thus been running for 18 months at the rate of over 4,000,000,000 francs a week.

To this must be added a concealed form of inflation called "Provisional Advances to the State" by the Bank of France. Under one account this has added 40 billions, under another 73.7 billions, and increases inflation at the rate of about 1.5 billions per week. The last three weeks [end of May—beginning of June] the weekly average of these advances was 5 billion. The grand total of these advances had reached, by June 12, 1947, 514 billion, over and above the 788 billions in banknotes already in circulation—this gives some idea of the scope of the inflationary process.

Bourgeois Pessimism Is Well-Founded

Figures are dull reading, and I apologize to the readers for having had to drag them through these masses of statistics. But it should now be a little clearer why such well-informed representatives of the French and American capitalists as Messrs. Philip, Ramadier, and Lippmann regard the plight of French capitalism as desperate. It is on such hard facts and cold figures that they base themselves; and not, on the one hand, on impressionistic conclusions drawn from the greater appearance of "normalcy" in 1947 Paris over the grim winter of 1944-45; or, on the other, of a sectarian schematic whereby, if the imperialist war were not immediately followed by the successful German revolution, the conclusion must automatically be: stabilization of the European bourgeoisie.

The much-touted "Blum experiment" for lowering prices, a device that employed both classic and novel deflationary measures to try to turn the inflationary tide, has proved itself both a failure from the capitalist, and a fraud from the workers', point of view. Under the famed "psychological shock (treatment)," the vertiginous rise in the indices wavered a month or two, only to resume the upward climb again. As for the worker, whose personal index is "weighted" on the side of food far more than by the multiplicity of products appearing in the official index, he saw, first practically all fresh foods disappearing from the market, and then, with the government yielding to the middlemen's pressure, a sky-rocket rise as they returned. At latest reports, the retail price index reached 935 in June (against 865 before the Blum experiment, and 837 in April). The food index hit 971. And these are only official figures [for the controlled rationed market]. Blum is a very, smart operator, but while French production and fiscal system are in their present pass, psychology is no more going to stop the operation of the laws of economics than the brooms of King Canute's attendants were able to sweep back the sea.

In his "Report on the World Economic Crisis and the New Tasks of the Communist International," delivered to the Third World Congress of the Comintern in 1921, Leon Trotsky has an illuminating section on the complexity of capitalist equilibrium, which is well worth rereading today [The First Five Years of the Communist International, pp. 179-181]. Among the components of full capitalist equilibrium he lists: 1) restoration of the world division of labor; 2) reestablishment of harmonious relationship between city and country; 3) reestablishment of harmonious relationship among the various branches of industry within each country; 4) restoration of relative class equilibrium; 5) restoration of the equilibrium of the bour-
geopolitical system; 6) restoration of international equilibrium among the powers. Let anyone with any knowledge of present-day France apply, one after another, these criteria to the French reality; and the idea that the French bourgeoisie has stabilized itself, has reached equilibrium, becomes obviously absurd.

**France for Sale: to U. S. Imperialism**

It is evident that, if French economy were considered by itself as a hermetically sealed-off entity, it has been doomed ever since the “liberation” to roll at an increasing speed along the inflationary road—to an equivalent of the 1923 German financial smash. But French capitalism stands, not alone, but as perhaps the most important outpost-bastion of world capitalism on a continent where the revolutionary tide, after its first post-war ebb, is massively rising again. It is an important strategic factor in the feverish preparation of world imperialism for war against the Soviet Union. To allow French economy to go to hell in a hack involves revolutionary risks which world imperialism hesitates to incur. Through a generous Lend-Lease settlement, and through a series of U.S., British, and Canadian loans, world imperialism has shown that it recognizes this in, if not halting, at least slowing down, French capitalism’s dizzy career toward bankruptcy.

On its side, the French bourgeoisie has been forced to abandon definitively those dreams of glory which it hung on to, in the face of all the evidence, between the two imperialist wars, and renewed, as a sort of bombastic nightmare, during the brief de Gaulle period after the “liberation.” For a time it hoped, by combining with British imperialism in a “Western Bloc” including Belgium, Holland, Western Germany, and other nations of Western Europe, to patch together a grouping of sufficient economic strength to be able to play a role independent of the gigantic USA-USSR dichotomy. But this simple aggregation of weakness, it soon found, did not add up to strength: British imperialism, itself fighting a losing battle to keep from drowning, had to let its weaker partner go—to sink or swim. The French bourgeoisie thus faces only one way out: to make the best possible terms with the predatory colossus across the Atlantic.

The terms which the American bourgeoisie, contemptuous of the short-sightedness and incapacity of its French counterpart, will offer, are unlikely to be any more generous than are necessary to try to head off revolutionary developments. It will certainly demand in return political and economic concessions far greater than any hitherto imposed. But it is forced, sooner or later, to come more massively than heretofore to the rescue of French capitalism. The as yet purely general propositions sketched out by Messrs. Marshall, Acheson, and Truman, concerning loans up to $15 billion to a Europe reorganized under the control of American imperialism, are the first step. The modalties, the rhythms, the degrees to which U.S. imperialism hopes to “soften up” the French bourgeoisie and its Stalinist lackeys by letting France continue to sink before stepping in to “the rescue”—these cannot be determined in advance. But the principal fact remains clear: the failure of the French bourgeoisie to achieve genuine recovery and stabilization in the two years since the end of the second imperialist world war reduces it from an independent role to that of a mere pawn, and makes of France a sort of larger Greece, in American imperialism’s titanic and murderous game.

All the foregoing is expressed in terms of the plans of the world bourgeoisie and the Kremlin usurpers, who combine dialectically a grim struggle between themselves with a flexible alliance against the revolutionary proletariat. So far this study has been deliberately limited to the financial and economic aspects of the French conjuncture, because they are apparently not sufficiently well known. But all this is subsidiary to the social and political factors. Cutting across all the bourgeois and Stalinist plans, the French proletariat still has its word to say. The efforts of the French bourgeoisie to restore its rule and recommence the process of capital accumulation, on the backs of the proletariat, could never have made any progress at all had it not been for the tragic faith of the vast majority of French workers in the Stalinist party leadership. Cracking down here, yielding just the necessary amount there, the Kremlin hirelings succeeded in checking the constantly renewed demands of the French workers to break out of their intolerable situation.

But this stage of social peace and class collaboration created by these betrayers of the working class is visibly drawing to its close. With the Renault strike a new stage opened in France. Its central characteristic is the beginning of the submergence of Stalinist control by the French proletariat. Unheraldedly booting out of the cabinet though they were, the Stalinists were not particularly sorry to go over into “opposition.” Their long policy of class betrayal was bearing the bitter fruit of a disastrous loss of influence over the proletariat, and they had at any price to win it back. Cried Andre Marty: “If we allow this situation to develop, we will have broken our most important tactical rule, which is never to permit our left flank to be turned.” And Maurice Thorez explained point-blank to Ramadier: “The General Federation of Labor, has been overrun, or is in danger of being overrun, by Trotskyist elements.” Discredited above all, and momentarily “overrun” by the disgusted workers, the Stalinist leaders have been forced to raise their ban on strikes and to turn on the faucet of leftist demagogy to try to “regagner leur clientèle” (win back their customers), as the contemptuous French phrase goes. And, not the least significant of all symptoms, the Stalinist union bureaucrats have openly confessed that, even if they wanted to, they are not sure of being able to get the workers back to work once they have downed tools. In a word, the second upsurge of the French proletariat has begun.

The growing crisis, both political and economic, opens opportunities and poses duties to the **Parti Communiste Internationaliste** (French section of the Fourth International) of the greatest scope they have ever experienced. It would be false and adventurist to say that the grip of Stalinism on the French proletariat has been broken. But it has been seriously shaken. Dozens of times over the years in the columns of the press of the Fourth International it has been written that the advanced workers, sick of reformist and Stalinist betrayal, are seeking a new, a revolutionary, way out. In the past this referred to hundreds and to thousands. Today in France it refers to tens and hundreds of thousands. Whole sectors of the French proletariat are this time involved; an immense wave of militants has overflowed all the Stalinist dams. Without the conscious and audacious intervention of the revolutionary party, this vast spontaneous wave can spend itself in vain and undirected struggle, and ebb again in defeat and demoralization. But if the party knows how to seize this moment of its greatest opportunity, the surge will carry both party and proletariat to advances never hitherto reached in France.

June 9, 1947

[Translated from *Quatrième Internationale*, July-August 1947]
From the Arsenal of Marxism

Documentary History of the Fourth International

By LEON TROTSKY

Resuming the publication of documents which illuminate how Leon Trotsky built the Fourth International in constant struggle against revisionists of all types, including the sectarians, we publish below the last in a series of letters written during this period (1929-30) to Amadeo Bordiga and his group in Italy. Previous letters to the Bordiguists appeared in the June 1947 issue of Fl.—Ed.

To the Editorial Board of Prometeo

June 19, 1930

Dear Comrades,

Your extensive letter, dated June 3, received. Unfortunately, instead of dispelling misunderstandings, it increases them.

1.—There is no “contrast” whatever between my last “Open Letter” and my last year’s answer to your open letter. All that separates them is several months of intense activity by the International Communist Left. At that time a certain amount of vagueness in your position could have appeared as episodic, and in part even unavoidable. Quite obviously, the conditions in which Comrade Bordiga, the authoritative leader of your faction, found himself might have explained for a while the dilatory character of your position (without, of course, reducing its harmful aspects). In replying to your “Open Letter,” I took this very important, even if personal, circumstance fully into account. I am sufficiently acquainted with Comrade Bordiga, and value him highly enough to understand the exceptional role he plays in the life of your faction. But, as you will undoubtedly grant yourselves, this consideration cannot cover all the others. Events are taking place, new questions are arising and clear answers are needed. Today the conservative vagueness of your position is becoming a more and more dangerous symptom.

2.—You say that in all this time you have not departed by an iota from the platform of 1925, which I had called an excellent document in many respects. But a platform is not created so as to “not to depart from it,” but rather to apply and develop it. The platform of 1925 was a good document for the year 1925. In the five years that have elapsed, great events have taken place. In the platform there is no answer whatever to them. To attempt replacing answers to questions which flow from the situation in 1930 by references to the 1925 platform is to uphold a policy of vagueness and evasiveness.

3.—You explain your failure to participate in the Paris Conference (of the International Left Opposition) by the miscarriage in the mails of our letter of invitation. If nothing more were involved, it should have been so openly stated in the press. I found no such notice by your group in Verite. Has it perhaps appeared in Prometeo? However, it’s clear from your whole letter that it’s not at all a case of a miscarriage in the mails.

4.—You say that “ideological preparation for the Conference was totally lacking.” To me this assertion seems not only false but downright fantastic. In France the ideological preparation was especially intense and fruitful (Verite, La Lutte de Classe, pamphlets). In all countries last year there took place an intense ideological struggle which led to a differentiation from alleged “co-thinkers.” The break with Souvarine and Paz in France, Urbahns in Germany, Pollack’s little group in Czechoslovakia and others, was the most important element in the ideological preparation for the Conference of genuine revolutionary Communists. To ignore this most important work is to approach the problem not with a revolutionary but a sectarian criterion.

5.—Your conception of internationalism appears to me erroneous. In the final analysis, you take the International as a sum of national sections or as a product of the mutual influence of national sections. This is, at least, a one-sided, undialectical and, therefore, wrong conception of the International. If the Communist Left throughout the world consisted of only five individuals, they would have nonetheless been obliged to build an international organization simultaneously with the building of one or more national organizations.

It is wrong to view a national organization as the foundation and the international as a roof. The interrelation here is of an entirely different type. Marx and Engels started the communist movement in 1847 with an international document and with the creation of an international organization. The same thing was repeated in the creation of the First International. The very same path was followed by the Zimmerwald Left in preparation for the Third International. Today this road is dictated far more imperiously than in the days of Marx. It is, of course, possible in the epoch of imperialism for a revolutionary proletarian tendency to arise in one or another country, but it cannot thrive and develop in one isolated country; on the very next day after its formation it must seek for or create international ties, an international platform, an international organization. Because a guarantee of the correctness of the national policy can be found only along this road. A tendency which remains shut-in nationally over a stretch of years, condemns itself irrevocably to degeneration.

6.—You refuse to answer the question as to the character of your differences with the International Opposition on the grounds that an international principled document is lacking. I consider such an approach to the question as purely formal, lifeless, not political and not revolutionary. A platform or program is something that comes as a result of extensive experiences from joint activities on the basis of a certain number of common ideas and methods. Your 1925 platform did not come into being on the very first day of your existence as a faction. The Russian Opposition created a platform in the fifth year of its struggle; and although this platform appeared two and a half years after yours did, it has also become outdated in many respects.

When, later on, the program of the Communist International was published, the Russian Opposition replied with a criticism...
of it. This critique, which was—indeed in essence and not in form—the fruit of collective work, was published in several languages, as have been most of the documents of the Opposition in recent years. On this terrain there occurred a serious ideological struggle (in Germany, in the United States). Problems of trade union policy, "The Third Period," the Five-Year Plan, collectivization [of Russian agriculture], the attitude of the Left Opposition toward the official [Communist] parties, and so on—all these principled questions were submitted in the recent period to serious discussion and theoretical elaboration in the International Communist press. This is the only way of preparing the elaboration of a document, or more accurately, of a program. When you declare that you haven't been offered a ready-made "programmatic document," and that consequently you are unable to answer questions concerning your differences with the International Left, you thereby disclose a sectarian conception of methods and means for arriving at an ideological unification; you demonstrate how isolated you are from the ideological life of the Communist Left.

7.—The groups that united at the Paris Conference did not at all aspire to mechanical monolithism, nor did they set it as their goal. But they are all united in the conviction that the living experience of the last few years assured their unity, at least, to the extent of enabling them to continue collaborating in an organized form on an international scale, and in particular, of preparing a common platform with the international forces at their disposal. When I inquired how deep-going were your differences with the International Left, I did not expect a formalistic answer, but a political and revolutionary reply to the following effect: "Yes, we consider it possible to proceed to work together with the given groups, among whom we shall defend our own views on a number of questions."

But what was your answer? You declare that you will not participate in the International Secretariat until you haven't a programmatic document. This means that others must, without your participation, work out a programmatic document, while you reserve the right of final inspection. How much further is it possible to go along the road of dilatoriness, evasion and national isolation?

8.—Equally formalistic is your statement that you find unacceptable the statutes of the French Communist League, which solidarize with the first four World Congresses of the Communist International. In all likelihod, there is not a single French comrades who holds that everything in the decisions of the first four Congresses is infallible and immutable. It is a question of the basic strategic line. If you refuse to rest on the foundations lodged by the first four Congresses, then what is there left for you in general?

On the one hand, you refuse to accept the decisions of the first four Congresses as the basis. On the other, you flatly reject or ignore the programmatic and tactical work of the International Left in recent years. What then do you propose instead? Can it be the very same platform of 1925? But with all its virtues this platform is only an episodical document which doesn't offer today an answer to a single one of the current problems.

9.—Strangest of all is the impression produced by the section of your letter where you talk with indignation about "an attempt" to create a new Opposition in Italy. You speak of a "maneauver," of a new "experiment in confusion," and so forth. So far as I am able to judge, this refers to a new split inside the ruling centrist faction of the Italian Communist Party, with one of the groups striving to draw closer to the International Left. Wherein is this a "maneuver"? What's the "confusion" about? Whence does confusion emanate? The fact that a group, splitting from an opponent faction, is seeking to merge with us, represents a serious gain. Naturally, the merger can take place only on a principled basis, i.e., on the basis of the theory and practice of the International Left. The comrades who belong to the Italian Opposition have sent me personally letters and a number of documents. I replied fully and explicitly to the questions these comrades put to me. I will continue to do so in the future as well. For my part, I, too, put a number of questions to these comrades. In particular, to my query concerning their attitude to the Bordigists I received an answer that despite the existing differences of opinion, they consider collaboration both possible and necessary. Where is there any "maneuver" here?

On the one hand you consider that the International Opposition does not merit sufficient confidence for you to take part in its collective labors. On the other, you evidently deem that the International Opposition has no right to get in touch with Italian Communists who declare themselves in solidarity with it. Dear comrades, you lose all proportions and you go too far. This is the usual fate of shut-in, isolated groups.

Naturally, it may be considered unfortunate that relations and negotiations with the new Italian Opposition are going on without your participation. But the fault is yours. To take part in these negotiations you should have taken part in the entire activity of the International Opposition, that is, entered its ranks.

10.—As concerns the Urbahns group, you request information concerning its entire activity so as to be able to take a definite position. And you recall in this connection that in the platform of the Russian Opposition, the Urbahns group is mentioned as being ideologically close. I can only express my regret that up till now you have not deemed it your duty to arrive at a definitive opinion on a question that has agitated the entire International Opposition for many months; led to a split in Germany and later to the formation there of a united Left Opposition, completely severed from Urbahns. What is implied by your reference to the Russian platform? Yes, in its time we defended the Urbahns group (just as we defended Zinoviev's group) against Stalin. Yes, we once thought we could succeed in straightening out the political line of the entire Urbahns group.

But history did not come to a standstill. Neither in 1925 nor in 1927. After our platform was published, events of no small importance took place. The Zinovievists capitulated. Leninbund's leadership began to move away from Marxism. Inasmuch as we do not cut political ties lightly, we tried in dozens of articles and letters to get the Leninbund to change its policy. We did not succeed. A number of new events pushed the Urbahns group still further away. A considerable section of his own organization broke with Urbahns. Political evolution is chock-full of contradictions. Not infrequently it has carried, as it still will, yesterday's co-thinkers or semi-co-thinkers to the opposite sides. The causes for the split between the International Opposition and the Leninbund were discussed publicly by the entire Oppositional press. I have personally said everything I had to say on this subject in a special pamphlet. (["The Defense of the Soviet Union and the Opposition," see FI, October and December, 1946, February and March, 1947.] I have nothing to add, all the more so because we are discussing here accomplished facts. You raise this question not in connection with the facts themselves but in connection with my letter. This shows once again the extent to which you ignore the actual political and theoretical life of the International Opposition.

With Communist greetings,
L. Trotsky.
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