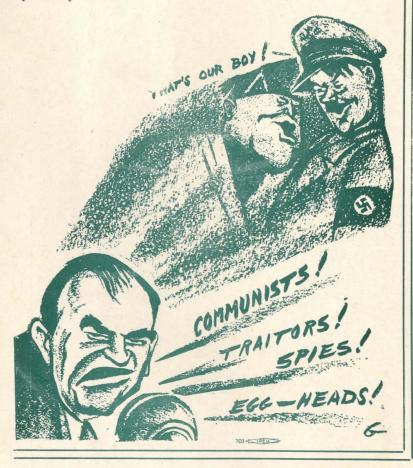
A MARXIST QUARTERLY Tourth
International

WINTER 1954

## The Problem of Smashing McCarthyism

by Murry Weiss



on the new revisionism:

Trotsky or Deutscher?

by James P. Cannon

Karl Marx vs. Sternberg

by Myra Tanner

The Soviet Union under Malenkov

by John G. Wright

A MARXIST QUARTERLY rourth

WINTER 1954

## The Problem of Smashing McCarthyism

by Murry Weiss



on the new revisionism:

Trotsky or Deutscher?

by James P. Cannon

Karl Marx vs.
Sternberg

by Myra Tanner

The Soviet Union under Malenkov

by John G. Wright

#### Fourth International

#### A MARXIST QUARTERLY

Vol. 15 - No. 1 Winter 1954 Whole No. 126 Contents The Problem of Smashing McCarthyism 3 by Murry Weiss Trotsky or Deutscher? by James P. Cannon Sternberg vs. Karl Marx 17 by Myra Tanner The Soviet Union under Malenkov 23 by John G. Wright Social Relations in U.S. Today 28 by Arne Swabeck "It Is Necessary to Drive the Bureaucracy and

#### TO ALL OUR READERS:

by Leon Trotsky

With this issue of Fourth International the magazine will be published on a quarterly basis, four times a year. We hope you will like the technical improvements we have been able to make in this change-over to a quarterly — the new layout, better paper, separately printed cover, etc. Most of all we hope you will like the scope and

the New Aristocracy out of the Soviets"

variety of the contents of this first quarterly issue. Your comments on the changes in the magazine and on the articles in the present issue will be greatly appreciated by the staff.

34

The late appearance of this Winter number is the result of necessary changes of staff, as well as various technical problems involved in the shift to quarterly publica-

#### In the next issue:

The Problem of Automation — by Lynn Marcus
When Anti-Negro Prejudice Began — by George Breitman
Trade Unionists and Revolutionists — by James P. Cannon
The Myth of Women's Inferiority — by Evelyn Reed
Pabloism — Case History of an Intrigue — by Farrell Dobbs
The Djilas Case — by John G. Wright

tion. The goal of our publishing schedule is to have the magazine off the press approximately ten days before the beginning of each quarter. The unavoidable lateness of the present issue means that we will still be unable to meet this schedule for the Spring issue. But we will do everything possible to have the Summer issue on sale about June 20, and the Fall issue about September 20.

#### TO OUR SUBSCRIBERS:

All present subscriptions to the magazine will be extended, and you will receive the total number of issues still due on your subscription. Thus, if you were due to receive two more issues of the magazine as published on a bi-monthly basis, your subscription will not expire until you have received two of our quarterly issues.

Subscription rates will remain the same, that is, \$1.25 a year (a year now consisting of four issues). However, because of constantly rising costs of paper and printing, it has been necessary to raise the price of single copies from 25c to 35c; increased mailing costs have also necessitated a small increase in the price of bundle orders, as indicated in the box below.

FOURTH INTERNATIONAL is published quarterly by the Fourth International Publishing Association.

Managing Editor: William F. Warde Business Manager: Joseph Hansen

ADDRESS communications and subscriptions to 116 University Place, New York 3, New York. Telephone: ALgonquin 5-7460.

SUBSCRIPTION RATES: U.S.A. and Latin America, \$1.25 a year (4 issues); single copies, 35c.; bundles, 25c. a copy for 5 copies and up. Foreign and Canada, \$1.50 a year (4 issues); single copies, 35c.; bundles, 26c. a copy for 5 copies and up.

Reentered as second class matter April 4, 1950, at the Post Office at New York, N. Y., under the Act of March 3, 1879.

# The Problem of Smashing McCarthyism

#### by Murry Weiss

HEN Eisenhower was sworn in a year ago, the most authoritative newspapers confidently predicted that the General would squelch McCarthy without any difficulty. But the Wisconsin upstart, whose name has become synonymous with witch hunting, has by no means been squelched. On the contrary, his power has grown enormously in one year of the Eisenhower regime.

Two questions deserve close attention from the outset of any analysis of McCarthy and McCarthyism: What is the nature of his power and what is its source?

One school of thought, represented in high circles of the Republican and Democratic parties, contends that McCarthy is absurd and McCarthyism is a hoax. The stock in trade of this school is to measure McCarthy's "accomplishments" with their own witchhunt rule: "How many Communists has McCarthy caught?"

McCarthy, they point out, began his career in big-time witch hunting with a sensational stunt at Wheeling, West Virginia, Feb. 9, 1950. Speaking to the Ohio County Women's Republican Club, he announced, "I have here in my hand a list of 205... a list of names that were made known to the Secretary of State as being members of the Communist Party and who nevertheless are still working and shaping policy in the State Department."

In one day the charge was altered to 205 "bad security risks," and "57

card-carrying Communists." Ten days later this was reduced to "three big Communists." Then it was raised to "81 cases."

The proponents of the "absurdity" theory of McCarthyism triumphantly point out that to this day not one "Communist" has been uncovered in the State Department as a result of McCarthy's "expose."

The same point is made about Mc-Carthy's investigations at the Fort Monmouth radar research project. Headlines blared "Spy Ring," "Mc-Carthy Charges Soviet Got Secrets," "Monmouth Figure Linked to Hiss Ring." McCarthy reported 12, then 27 suspended victims as if they were "spies" caught red-handed.

Again when the smoke cleared, not one "spy," or one proved "Communist" had been discovered. McCarthy blithely shifted his story to "potential sabotage." His opponents scornfully exposed these maneuvers. In the meantime, McCarthy set up shop, and alerted every fascist hoodlum and reactionary bigot in the United States that he was their man.

#### The "Madman" Theory

Alongside the theory of "absurdity" is the "madman" theory of McCarthy-ism. How could anyone but a madman accuse Truman, Acheson, Roosevelt and Eisenhower, along with war-time Chief of Staff Marshall, all in one breath, of a Moscow-directed conspiracy during World War II?

Most of the anti-McCarthy Repub-

licans and Democrats attack McCarthy's type of witch hunting as "irresponsible," "reckless," and "unfair." They accept McCarthy's premise, the internal and external "red menace." But they don't fully realize what they are accepting.

Another group of opponents of Mc-Carthy, such as I. F. Stone and the liberals of the *Nation*, say flatly that McCarthy's "red menace" in *America* is a hoax. They grant the international "red menace," but describe the internal domestic menace as sheer fabrication. This group doesn't fully realize what it is rejecting in McCarthyism.

McCarthy's witch hunting has a character basically different from all others. Leaving aside the common denominator of a reactionary, pro-war, pro-capitalist program, McCarthy proceeds from different premises, and has different objectives. Before McCarthy, the large-scale witch hunt was motivated as a "security measure." Its primary aim was to depict the world anti-capitalist revolution as a "Kremlin conspiracy" and to smear in advance all actual or potential anticapitalist opposition at home as a



Murry Weiss, noted socialist writer and educator, is now on national tour for the Socialist Workers Party, speaking on "McCarthyism — What it is — How to fight it."

"fifth column." In other words, Truman's witch hunt pursued the *actual* aim of lining up the American people for Wall Street's counter-revolutionary cold war; the ostensible aim was to prevent internal treachery.

McCarthy has a different formula. He contends that "great treachery" has already taken place. It must now be uncovered and avenged. A repetition of the "great treachery" must be prevented. For McCarthy, the number one task in the "security" field is to root out the traitors who sold us out during the last war.

There is a big difference between this and the witch hunt started by Truman. Superficially the difference appears to be merely a question of quantity. It looks like McCarthy is using the witch hunt against some of the chief witch hunters. And that is true as far as it goes.

But there is a deeper aspect to the problem which explains the source of McCarthy's power and the difference between McCarthy and the run-of-the-mill capitalist reactionary.

#### The Middle Class

In order to fix precisely McCarthy's place in American politics it is necessary to trace briefly the recent economic and political evolution of the American middle class.

During the last dozen years the middle class has swung steadily to the right. Aside from ups and downs, and taking into account notable exceptions, the middle class has profited by the Second World War and the post-war armaments boom. The comeback of the Republican Party of Big Business is the political expression of this swing. The big capitalists were able to offer the country a war prosperity. This attracted a large section of the farmers and small businessmen and even a section of the workers to the party which is openly the instrument of Big Business.

The Second World War seemed to open the perspective of a long reign of prosperity based on America's conquest of the world. Every other country was ruined, but didn't the U.S. come out on top once again? The Luce publications even projected a "Pax Americana," an "American Cen-

tury," and drew comparisons with the Roman empire of antiquity and the British of modern times.

But conquest turned into bitter defeat. The world revolutionary anticapitalist upsurge, the elimination of China and Eastern Europe from the capitalist orbit, the growth of the Soviet bloc, destroyed the perspective of endless national enrichment at the expense of the world. The rosy dream of an American century turned into a nightmare of fear and insecurity. McCarthy was the first to seriously tap the elements of social fury building up in the disoriented middle class as a result of this unforeseen turn of affairs.

In a speech to the U.S. Senate, June 15, 1951, McCarthy posed the question of "why we fell from our position as the most powerful nation on earth at the end of World War II to a position of declared weakness." His answer was very simple: It is the result of a Kremlin-directed conspiracy, headed in the United States, not by Browder and Foster, but by Roosevelt, Truman, Acheson, the State Department and war-time Chief of Staff Marshall.

The answer to why the U.S. fell from power, said McCarthy, cannot be obtained "without uncovering a conspiracy so immense and an infamy so black, as to dwarf any previous such venture in the history of man."

In a television appearance, shortly after the Senate speech, he elaborated on this theme: "In view of the fact that we've been losing, losing this war to international communism at the rate of 100 million people a year in a general war and losing the Korean war, a disgraceful planned disaster, that perhaps we should examine the background of the men who have done the planning and let the American people decide whether these individuals are stupid, whether we've lost because of stumbling, fumbling idiocy, or because they planned it that way."

In a word, he left it up to the American people to decide "whether these individuals (Roosevelt, Truman, Marshall and Eisenhower) have been dupes or whether they are traitors."

Such is McCarthy's explanation in

a nutshell: All our troubles, the cold war, the Korean war, inflation, strikes, the threat of depression, the farmers' troubles, the anxieties, the fear of atomic annihilation, the fear of "Communist aggression," and any other ills, real or imaginary, are due to "Communist" treason in high places.

We were sold out by "traitors," "dupes" and "eggheads." We were betrayed by "perverts" in the State Department, and by the "twisted thinking intellectuals (who) have taken over *both* the Democratic and Republican parties."

#### **Fascist Premise**

The conclusions flowing from Mc-Carthy's formula are ominous and sweeping.

To the ruling capitalist politicians they present an awesome prospect. It means a complete overhauling of the government apparatus, from top to bottom. It doesn't matter that McCarthy's formula is even a bigger lie than Truman's. The important thing is that McCarthy has a sizable audience who find in this lie a rationalization for their fury and frustration.

At first sight it appears that Mc-Carthy's formula of "high treason" is a matter of purely internal interest to the capitalist class. One group of politicians accuses the other of the worst crimes. Of what concern is this to the workers? Actually the question is of tremendous importance to the workers.

In an atmosphere of impending social crisis, when the props have been taken out from under the world conditions for the economic stability of American capitalism, McCarthy's formula is a ready-made premise for a fascist program. The middle class feels betrayed and insecure. It feels the hot breath of depression on its neck. It must find a new orientation. McCarthy makes his bid for the support of this mass, and offers a way out — destroy the traitorous gang in power and replace them with leaders bathed in the fire of McCarthyism.

With this formula McCarthy lays the groundwork for posing as the crusading enemy of the scoundrels in high places. By accusing the previous Democratic administration, the Democratic Party, and half the Republican Party of treachery, dupery, bungling, corruption and blundering mismanagement, he bids to become the champion of the "small people" who are justifiably suspicious of the "big shots" in high places.

He hopes to become the champion of the discontented and the opponent of the status quo.

This kind of demagogy by Mc-Carthy, when taken together with other symptoms, signifies an attempt to rally a mass movement around a fascist banner.

The "big shots" of course have an out. They can avoid being smeared as "traitors" by the simple device of ioining McCarthy, and many of them have taken that course. Or they can stave off the day when they will be smeared by keeping out of McCarthy's way and hoping he won't notice them, and many have taken that course.

The theme of "Communist" treason in the top institutions of government can be turned high or low according to the political situation and the extent to which McCarthy is ready to develop his independence from the Republican Party. But there are corollaries to the theme which can be kept going at all times.

Rooting out "spies" and "Communists" who were covered by the high traitors (through deliberate intention or criminal stupidity) is a year-around business for McCarthy. It keeps the pot boiling. It creates the atmosphere of hysteria and terror that he needs.

"High treason" in foreign policy has its inevitable counterpart in "high treason" in domestic policy. Here, McCarthy does not have to be original. He can simply lift the point out of the Republican program. McCarthy has "revealed" that the Democratic administration was selling out the country to the Russians. But the Republicans have long said that the New Deal-Fair Deal was "creeping socialism."

McCarthy, who is not interested in fine distinctions, has a ready-made hook-up. While the Democrats were selling out the world position of America to the Russians, they were at the same time introducing "Communism" at home.

And then it is well known that practically all the trade union officials supported the New Deal-Fair Deal. Obviously they were in on the "great conspiracy."

McCarthy, like every fascist before him, will say: "I am not opposed to unions. I am only opposed to the 'Communist traitors' who run them." He can very well prove his friendship for unionism by pressing for "free" 100% American unions, to replace the "Communist infested" AFL and CIO.

And with a mob of fascist supporters, McCarthy will set out to destroy the "Communist" unions, by direct action, in the good old-fashioned American way, so much admired by lynchers, the Klan and vigilantes.

If anyone thinks such prospects are "fantastic" they had better read Mc-Carthy's speeches more closely.

Thus we come to the conclusion: The source of McCarthy's power is a large layer of the middle class who are deeply disturbed by the world and domestic crises. This layer is often decisive in the balance of electoral power. That is why McCarthy wields such great power within the Republican party.

#### More Than a Witch Hunter

But McCarthy is distinguished from the rest of the reactionary capitalist politicians. While arising out of the general atmosphere of the witch hunt, McCarthyism is yet different from it. McCarthyism is the American fascist movement at a particular stage of development.

The most convincing evidence of this is the inability of the old-line political machines to stop McCarthy. All attempts have ended in fiasco, with McCarthy stronger than ever. It isn't that the machines don't want to break him. They can't break him.

McCarthy brawled his way up from the political bush leagues of Wisconsin to a position of great power in the U.S. Senate. He reduced Robert Taft, "Mr. Republican" himself, to the position of a henchman. Eisenhower is impotent before his power. And the Democratic Party opposition periodically collapses and capitulates, each time more miserably than before.

Imprudent Congressmen who dared to cross him have had their hides nailed up on the walls of Capitol Hill as warning to all future critics: If you want to stay in office, don't tangle with McCarthy.

McCarthy conducts his intervention in election campaigns along the same lines as he conducts his investigating committee. If a witness or a candidate is not a stool-pigeon or a McCarthyite captive, he is automatically an agent of the Kremlin. The mildest thing McCarthy can say about such people is: "It appears that (the accused) never actually signed up in the Communist Party, and never paid dues..."

The capitalist political machines can break any upstart who is a part of their machine. But when a fascist political machine arises, then it is a different matter.

If the Republican and Democratic party machines have proven impotent in curbing McCarthy by direct attacks, their attempts to eliminate him by outflanking maneuvers have proved nothing less than catastrophic. The most dramatic example of this was in the recent Republican-sponsored spy-smear of ex-president Truman by Attorney General Brownell. The Republican high command thought it could kill two birds with one stone. It could use McCarthy's technique to win a badly needed election victory in California. And at the same time, it could deflate McCarthy by stealing his thunder.

McCarthy was the real gainer in the whole episode. After Truman tried to defend himself in a national broadcast, McCarthy demanded and got \$300,000 worth of free radio-TV time, attacked both Truman and Eisenhower, and brought the issue right back to where he wanted it — for McCarthy or for the "spies."

McCarthy's fascist machine cannot be broken by capitalist politicians. The only political force that can destroy McCarthy is one completely independent from the Democratic and Republican parties; namely, the working class, organized in its own political party.

The point is that capitalist reaction has developed a split personality. The ruling power itself has developed pronounced police-state features. The enormous growth of the FBI secret police, the vast increase in the power of the military hierarchy, and the increasing concentration of special powers in the Executive (Truman's unauthorized declaration of war in Korea) are all features of a growing Bonapartist tendency in the capitalist state.

The witch hunt under Truman already evinced the inability of cap-



HARRY S. TRUMAN

"... launched an offensive against all democratic traditions..."

italism to rule by the old methods. In addition to repressive laws against labor and the increase of direct intervention by the state in economic affairs, the Truman regime was compelled to launch an offensive against all democratic traditions, become more and more "anti-popular," isolated and estranged from mass support. The crisis of the 20-year coalition between the labor bureaucracy and the capitalist state began under Truman.

The rupture of that coalition was consummated under Eisenhower.

But alongside the "police statification" of the structure of capitalist rule has come the first significant signs of the emergence of a fascist mobilization. McCarthyism, while playing the role of pace-setter in the witch hunt, is at the same time developing a marked independence from the traditional parties of capitalism and from the old state apparatus.

McCarthy swings a club over the heads of the old-line capitalist politicians. It is the club of the mass movement that has rallied behind him. This

is the most important element of the political situation in the United States today. It is a symptom of the results of prolonged delay in the formation of an independent Labor Party. It is a sign of the emergence of a new and far more threatening anti-labor machine.

The emergence of an independent fascist movement, headed by a powerful political machine in Congress, with a platform based on the theme of "national betrayal" by the war-time leaders, with powerful financial backing, and the coalescence of the fragmented fascist organizations of the past under its banner, is the warning signal to the American working class: Once again history is posing the choice—fascism or socialism.

It is important to recall that Hitler began in Germany with the theme of "betrayal from within." And this remained the basic ingredient of all Nazi demagogy. The "Communist conspiracy," the "international Jewish bankers," "Russian aggression," were all linked to the central theme: Germany was defeated in the First World War because of "betrayal at Versailles." In order to restore Germany to its rightful place, the criminal authors of this treason had to be exposed and extirpated.

Hitler's social demagogy was also built around this theme. Hitler didn't merely compete with the Social Democrats and Communist Party in social demands. He linked the demagogic promises of the Nazi party with the action crusade necessary to save Germany and destroy the "treacherous conspiracy from within."

The analogy to Hitlerism is valid if we understand its limitations. The most important of these pertains to the stage of development. It could give rise to the most serious errors to identify McCarthyism with the Hitler movement of 1931-32, in the period of its march to power.

Hitlerism, as all fascist movements which became fully developed mass organizations, matured to the degree that the working class defaulted a series of revolutionary opportunities and failed to resolve the social crisis through socialist revolution. In Germany, the attempts of the working

class to take power in 1918, 1923, and to a certain degree even as late as 1929, failed as a result of the successive defaults of proletarian leadership.

It was this failure which gave rise to a tumultuous mass growth of fascism and the possibility of its taking power and crushing the working class through civil war. With the default of working class leadership, the middle class, frustrated in its hopes for a solution to its problems under the leadership of the working class, became easy prey for fascist demagogy and was attracted to the anti-capitalist facade of the fascist program. Thus they became raw material for an anti-labor militia. In the name of anti-capitalism the fascists mobilized the middle class of Germany to do the work of monopoly capitalist reaction. Subsequently the mass organizations of the middle class, particularly their armed organizations, were beheaded and demobilized, but only after they had accomplished their mission of destroying the organizations of the working class.

#### In America

If we study closely the history of the United States since the birth of the CIO we see analogous elements of default. The CIO displayed tremendous attraction for the "small people" of the country. CIO was the "magic" symbol of new life for the oppressed.

Fascist and semi-fascist formations that tried to directly challenge the CIO were hurled back. But with the breaking of the Little Steel strike by a type of fascist campaign modeled on the Mohawk Valley Formula in the spring of 1937, the pendulum began to swing toward the appearance of more aggressive fascist activity. This swing was helped by the failure of the CIO to fulfill its promise of becoming an independent political party of the workers.

On the basis of this "default," the economic recession of the late Thirties and the social instability preceding the outbreak of the war gave rise to such figures as Mayor Hague of Jersey City, Father Coughlin, Pelley, and Gerald L. K. Smith.

The Second World War cut across this development. War by its very

nature rallies all the potential fascist elements to the existing state apparatus. It puts a uniform on the discontented and frustrated middle class; it offers, in its own distorted way, some hope of change; it provides action to the middle-class and de-classed youth; it vastly expands the officer corps. In addition, the war brought full employment to the workers and enrichment to the middle class.

With the end of the war, in anticipation of demobilization, the fascists began an intensive exploratory operation. Would-be fascist veteran organizations sprang up everywhere. The prospect of using veterans as anti-labor shock troops was very tempting to big capital and to a new crop of fascist contenders.

But the colossal strike wave of 1945-46 answered this fascist dream. American labor mobilized the veterans on the picket lines.

However, the fact that the official leadership of the labor movement supported the war and the no-strike pledge, and continued its adherence to the capitalist parties, constituted a manifest default in working-class leadership which laid the ground for the current stage of political development.

The years of post-war prosperity are giving away to symptoms of economic crisis. Above all, confidence has been destroyed. And the first signs of major disturbances in the middle class are observable. These signs are contradictory. On the one hand, there is the indubitable popularity of McCarthy, a sign of grave importance. On the other hand, there is the recent tendency of the middle-class vote to swing to the Democratic Party.

These and other contradictory symptoms are indicative of the immaturity of the situation for the emergence of a full-fledged fascist mobilization. The world crisis of capitalism has not yet erupted in full force in the United States. With the outbreak of the crisis the pendulum will undoubtedly swing to mass working class radicalization, before it swings to fascist reaction. And it will never swing to the fascists if the working class carries out its mission, breaks with capitalist politics, mobilizes the people of the United

States behind a socialist program and takes the power into its own hands.

But the basic elements of the contradictory alternative of the future-fascist victory or socialist victoryare already implicit in the current political situation. The contest will not take place in separated time sequences — first a pure working class radicalization, and then, if it fails to reach its historic goal of workers power, a pure fascist mass mobilization. The tendencies toward socialist revolution and fascist counter-revolution will run concurrently. The American workers will have to cope with fascism from here on in. Whether it will be "incipient" fascism, or full-blown mass fascism, with all "classical" features in full evidence, will depend on the working class, on how successfully it wages the struggle.

The European experience teaches us that the fight against fascism will fail if it is not based on a revolutionary anti-capitalist program and the perspective of workers' power. But part of the education of the working class, in the process of acquiring such a program, is the direct struggle with the fascist threat.

#### McCarthy and Labor

When McCarthy came to Washington in 1946, before he was even seated as a junior Senator from Wisconsin, he called a press conference. Two capable journalists, Jack Anderson and Ronald May, in their book "McCarthy, The Man, The Senator, The 'Ism," tell how startled the reporters were at this arrogance of a "rookie" Senator: •"The reporters were so amazed at his audacity that they showed up mainly out of curiosity." The subject of the press conference was the strike of the coal miners.

"Now then," said McCarthy, "about this coal strike, I've got a solution. The army should draft the striking coal miners. That would solve the problem."

"What about Lewis?" asked a reporter.

"Draft him too."

"And what if they refused (to mine coal)?" asked another reporter.

"Then they could be court-mar-

tialed for insubordination, and you know what that means."

Anderson and May report: "The newsmen could hardly believe their ears. One of them, searching for a headline, asked: 'You mean you would line up men like Lewis and have them shot?' Joe (McCarthy) shrugged his shoulders as if to say 'what else?'"

A few days later the New York Times quoted McCarthy: "... I believe the President should use his powers to immediately draft John L. Lewis into the armed services. Lewis should be directed to order his miners to mine coal. If he does not do that, he should be court-martialed. We



JOHN L. LEWIS

McCarthy: "Draft him too. . . . Should be court-martialed."

should go straight down the line. If subordinates of Lewis fail to order the miners back, they should be court-martialed. All this talk about you can't put 400,000 miners in jail is a lot of stuff. They won't go to jail. They will mine coal first."

This was McCarthy's first venture in making national headlines. The anti-labor theme is significant. McCarthy subsequently abandoned this direct anti-labor belligerence. After all, such fire-eating statements about action against strikers are not suitable to the fascist demagogue in the period of his rise to prominence. As a matter of fact, McCarthy today maintains a studied silence on the question of labor. In a Congress bristling with Taft-Hartleyism, he is conspicuously silent about such legislative anti-labor measures.

His approach is different. In the specific McCarthyite formula of witch hunting, the attack on the labor movement is oblique, and therefore, for the time being, more effective. This was demonstrated in his "investigation" of General Electric.

Opponents of McCarthyism are fond of citing such historic precedents as the witch hunt in England in the 17th century and the Salem witchcraft trials. In their book, Jack Anderson and Ronald W. May devote a chapter to an historic episode:

"Three hundred years ago, England was swept by a wave of hysteria against witches. Fear and suspicions haunted the people . . . Then a man named Matthew Hopkins appeared on the scene with a new and 'infallible' method of detecting witches; it consisted of some original techniques in torture. Within a short time he became one of the most powerful men in England, feared even by the King himself, who conferred upon Hopkins the title of 'His Majesty's Witch-Finder General'... No one dared to oppose him, for he had power of life and death over all 'suspects' brought before him to be 'tested.' Those who failed his tests were put to death: and for each victim Hopkins was paid a sum of money . . . But his fees grew more exorbitant, and the atmosphere more chaotic, until a group of officials took matters into their own hands and arrested the Witch-Finder General himself - as a witch. He was subiected to a series of tests so severe that his health was completely broken, and soon afterward he died and was buried at Mistley, August 12, 1647."

The inference of this historic parallel is that McCarthyism is a virulent stage of a disease which will run its course and destroy itself. The trouble with the analogy is the different historic settings. England of the 17th century was at its infancy as a capitalist nation, the United States of 1953 is part of the world capitalist system in its death agony.

The historical tendency of capitalism in its ascendency was to throw off the dead hand of medievalism with its witches and witch hunters. This was part of the main trend after the English revolution led by Cromwell. The capitalists sought to change all social and political relations in the interests of freedom for investment of capital. The power of witchcraft vanished in face of the new forces. Democratic parliamentarism became the form of political rule most suited to capital at this stage.

In the period of capitalist decline which set in with the First World War, capitalism inclined to shed its historically acquired democratic forms. It showed the closest affinity for every reactionary, semi-feudal relic in world culture. It became retrogressive. Declining capitalism in Europe thrust nation after nation into fascist barbarism.

Now the threat of fascism has become manifest in the U.S. With a fascist victory in this country the historic cost would be incalculable. The barbarism of Hitlerism would prove to be a mere dress rehearsal for the barbarism of American fascism. A fascist America, with an enslaved working class, would threaten the whole world with barbarism.

But the time is not yet ripe for counter-revolution in the United States. Socialist revolution will have its chance before fascist counter-revolution. However, if the socialist revolution is to succeed, a sharp turn must be made in the policy and leadership of the working class.

#### **Independent Political Action**

The failure, after the formation of the CIO, to organize an independent Labor Party, opened the reactionary swing of American politics, which in turn helped mature the conditions for the reappearance of a more powerful fascist movement. This failure was not written in the stars. It was thrust upon the workers by a bureaucratic caste of "leaders" who fell under the influence of the American capitalist politicians and proved incapable of tearing loose.

Even now it is clear that the formation of an independent Labor Party would change qualitatively the whole political situation. McCarthyism would be scattered to the four winds, and before it could assemble the pieces for a counter-offensive, the workers could take political power in the

United States with the vast majority of the people behind them. Such are the objective possibilities.

But everything depends, not on these objective possibilities, which have long been ripe, for a socialist reorganization of society; everything depends on the subjective factor, that is, on the factor of working class leadership, consciousness and will—in a word, on the revolutionary party.

As the social crisis deepens — and the objective factors guarantee that this will happen — the working class will seek the way out on the road of radical solutions. The labor bureaucracy will stand in their way. And standing in the way of the working class mass surge toward the revolutionary road, it will stand in the way of the united front of the working class and the middle class on the program of socialist opposition against Big Capital.

If the bureaucracy succeeds in preventing the junction of an anti-capitalist front of workers and farmers, the road will be opened to the mass growth of the McCarthyite movement far beyond its present dimensions.

Thus the problem of leadership becomes the problem of overthrowing the dead weight of the existing bankrupt bureaucracy and building a new revolutionary left wing leadership in the American labor movement.

The policy of the labor leadership of all wings, except the revolutionary socialist, is a compound of cowardly silence, capitulation and dependence on the Democratic Party in the fight against McCarthyism.

It would seem that the labor bureaucracy, including the Social Democrats and the Stalinists, is bound and determined to commit the very mistakes in the United States that paved the way for the victory of Mussolini, Hitler and Franco in Europe. The bureaucrats are in no mood to profit by the tragic experience of the European labor movement.

Is it a hopeless cause then to think that we can prevent the victory of McCarthyism?

Not in the least! We do not depend in the slightest on "convincing" Reuther and Meany. But we do depend on the fusion of the ideas, experience and cadre of the Socialist Workers Party with the mass of workers in the United States. As the social crisis deepens, the workers will move to radical solutions. But they will encounter not only the obstacle of the right-wing bureaucracy; they will also find an enormous advantage in the left-wing leadership built around the SWP. This junction of the radicalized worker mass and the revolutionary socialist left wing will seal the

The American Trotskyists have never been and never will be mere "talkers" on the question of fascism. We have the only consistent record of action in the struggle against the American fascists. We already possess a large fund of experience in the fight. And our party is determined to imbue the whole American working class with the spirit of militant combat against the fascists.

doom of the bureaucracy.

Our conception of fighting the fascists is to crush them in the egg. Never give them a chance to become powerful antagonists. For every blow the fascists deliver against any section of the working class or minorities, we propose that labor strike back with ten blows.

The fact that there are deep traditions in the American working class that support such a program was demonstrated to the whole country by the militant action of the San Francisco longshoremen last Nov. 3 when they organized a 24-hour protest strike against the McCarthyite House Un-American Activities Committee.

This model action of the San Francisco longshoremen shows that once the American workers start moving and recognize the McCarthyites for what they are, they will make short shrift of American fascism.

Meanwhile, left-wing workers must pitch with all their might and hasten the mobilization of a working-class, fighting, anti-fascist front. Above all we must fight for a revolutionary socialist program against McCarthyism. For it is only through the adoption of such a program by the working class that a final victory against fascism will be possible.

Ianuary 18, 1954

#### On the New Revisionism and

#### Its Theoretical Source

# Trotsky or Deutscher?



by James P. Cannon
National Chairman
Socialist Workers Party

C INCE the death of Stalin, some of the unofficial and pseudocritical apologists of Stalinism have begun to shift their ground without abandoning their office as apologists. Yesterday they were describing Stalinism as the wave of the future. They now promise an early end to Stalinism in the Soviet Union; and - for good measure - they assure us that the end will come easily and peacefully. What interests us is the fact that, in doing so, they refer to Trotsky and try, in one way or another, to invoke his authority in support of their new revelations.

There is indeed no room for doubt that Stalinism is in deep trouble in its own domain. The events in the Soviet Union and in the satellite countries since Stalin's death are convincing evidence of that. The workers' revolts in East Germany and other satellite lands, which undoubtedly reflect the sentiments of the workers in the Soviet Union, indicate that the Stalinist bureaucracy rules without real mass support.

The crisis of Stalinism is reflected in the reactions of the bureaucracy to the new situation. The frantic alternation of concessions and repressions, the fervent promises of democratic reforms, combined with the start of new blood purges, are the characteristic reactions of a regime in mortal crisis. The assumption is justified that we are witnessing the beginning of the end of Stalinism.

But how will this end be brought about? Will the Stalinist bureaucracy, the chief prop of world capitalism, the pre-eminent conservative and counter-revolutionary force for a quarter of a century, fall of its own weight? Will it disappear in a gradual process of voluntary self-reform? Or will it be overthrown by a revolutionary uprising of the workers in the Soviet Union and Eastern Europe?

These are the most important questions of the day for the disciples of Trotsky; for different answers necessarily imply profoundly different lines of political action. And it is precisely because we hear conflicting answers to these questions that the present factional struggle in the Fourth International has broken out into the open and taken an irreconcilable form. What is involved is an attempt to revise the theory of Trotsky — which up till now has been the guiding line for the political strategy and tactics

of our movement — without openly saying so.

This sort of thing has happened before. In setting out, in his pamphlet on "State and Revolution," "to resuscitate the real teaching of Marx on the state," Lenin remarked:

"What is now happening to Marx's doctrine has, in the course of history, often happened to the doctrines of



LENIN

"His name was 'canonized' by the Stalinists while his real teachings were defiled."

other revolutionary thinkers and leaders of oppressed classes struggling for emancipation . . . After their death, attempts are made to turn them into harmless icons, canonize them, and surround their names with a certain halo for the 'consolation' of the oppressed classes and with the object of duping them, while at the same time emasculating and vulgarizing the real essence of their revolutionary theories and blunting their revolutionary edge. At the present time, the bourgeoisie and the opportunists within the labor movement are co-operating in this work of adulterating Marxism. They omit, obliterate and distort the revolutionary side of its teaching, its revolutionary soul.'

Lenin's forewarning did not prevent the Stalinists from performing the same mutilating operation on his own teachings after his death. Lenin's name was "canonized" while his real teachings were defiled. Trotsky's historic battle against Stalinism, the greatest theoretical and political struggle of all time, was in essence a struggle to "resuscitate" genuine Leninism. The embattled Left Opposition in the Soviet Union fought under the slogan: "Back to Lenin!"

Now, in the course of time, the teachings of Trotsky himself have been placed on the revisionist operating table, and the fight for the revolutionary program once again takes the form of a defense of orthodox principles. For the third time in the hundred-year history of Marxist thought, an attempt is being made to revise away its revolutionary essence, while professing respect for its outward form.

Just as the Social Democrats mutilated the teachings of Marx, and the Stalinists did the same thing with the teachings of Lenin, the new revisionists are attempting to butcher the teachings of Trotsky, while pretending, at the same time, to refer to his authority. This pretense is imposed on them by the simple and obvious fact that Trotsky's theory of post-Lenin developments in the Soviet Union is the only one that has any standing among revolutionists. It would be quite useless to refer to any other "authorities." There are none.

The new revisionism has many aspects. Here I will deal with the central core of it: the revision of the Trotskyist analysis of Stalinism and its perspectives in the Soviet Union. This is the central question for the simple reason that it has the most profound implication for the policy of our movement in all fields.

Since its foundation, the Fourth International has recognized Stalinism as the main support of world capitalism and the chief obstacle in the workers' movement to the emancipating revolution of the workers. Trotsky taught us that, and all experience has abundantly confirmed it. The Fourth International has been governed in its policy with respect to Stalinism in the Soviet Union, and to the Stalinist parties in the other countries, by this basic theory of Trotsky.

The policy cannot be separated from the theoretical analysis; a revision of the theory could not fail to impose deep-going changes in the policy. As a matter of fact, questions of policy, including the not unimportant question of the historical function of

the Fourth International and its right to exist — cannot be fruitfully discussed between those who disagree on the nature of Stalinism in the present stage of its evolution, and its prospects, and therewith on the attitude of our movement toward it. Different answers to the former inexorably impose different proposals for the latter. The discussion becomes a fight right away. Experience has already shown that.

#### The Fountainhead

The originator and fountainhead of the new revisionism, the modern successor to Bernstein and Stalin in this shady game, is a Polish former communist, named Isaac Deutscher, who passed through the outskirts of the Trotskyist movement on his way to citizenship in the British Empire.

The British bourgeoisie are widely publicizing his writings; and it is not far-fetched to say that their tactical attitude toward the Malenkov regime somewhat different from that of Washington — is partly influenced by them. The British bourgeoisie are more desperate than their American counterparts, more conscious of the realities of the new world situation, and they feel the need of a more subtle theory than that of McCarthy and Dulles. The political thinkers of the British ruling class long ago abandoned any real hope for the return of former glories; to say nothing of a new expansion of their prosperity and power. Their maximum hope is to hang on, to preserve a part of their loot, and to put off and postpone their day of doom as long as possible. This determines their current short-term foreign policy.

To be sure, the long-term program of the British bourgeoisie is the same as that of their American cousins. Their basic aim also is nothing less than a capitalist restoration by military action, but they are less sanguine about its prospects for success at the present time. Meantime, they want to "muddle through" with a stop-gap policy of partial agreement, "co-existence" and trade with the Malenkov regime.

Churchill and those for whom he speaks, sense that the overthrow of

Stalinism by a workers' political revolution, re-enforcing the Soviet economic system by the creative powers of workers' democracy, would only make matters worse for them, and for world capitalism as a whole, and they are not in favor of it. That's why they saw nothing good about the uprising in East Germany, and opposed any action to encourage it. Far from wishing to provoke or help such a revolution, the British bourgeoisie would be interested, without doubt, in supporting Malenkov against it.

There is scarcely less doubt that, in the final extremity, the main section of the Soviet bureaucracy, concerned above all with their privileges, would ally themselves with the imperialists against the workers' revolution. The British bourgeoisie have that in mind too; and that's why they are giving an attentive hearing to the new revelations of Deutscher, who promises that Malenkov will avert a domestic workers' revolution by a progressive series of reforms and that he will follow a policy of coexistence, peace and trade with the capitalist world.

What the British imperialists think of Deutscher's theory is their own affair, and it is not our duty to advise them. Our interest in Deutscher derives from the evident fact that his theory of the self-reform of the Stalinist bureaucracy, which he tries to pass off as a modified version of Trotsky's thinking, has made its way into the movement of the Fourth International and found camouflaged supporters there in the faction headed by Pablo. Far from originating anything themselves, the Pablo faction have simply borrowed from Deutscher.

Since there is no surer way to disarm the workers' vanguard, particularly in the Soviet Union, and to reason away the claim of the Fourth International to any historical function, this new revisionism has become problem number one for our international movement. The life of the Fourth International is at stake in the factional struggle and discussion provoked by it. The right way to begin the discussion, in our opinion, is to trace the revisionist current in our



WINSTON CHURCHILL

"... senses that the overthrow of Stalinism by a workers' revolution would only make matters worse for the British bourgeoisie."

movement to its source. That takes us straight to Deutscher.

The new revisionism made its first appearance a few years ago in Deutscher's biography of Stalin (1949). In this book he took from Trotsky the thesis that the nationalization of industry and planned economy, as developed in the Soviet Union after the October Revolution, are historically progressive developments. Then, having tipped his hat to one part of Trotsky's theory, he proceeded, like his revisionist predecessors, to "omit, obliterate, and distort the revolutionary side of its teaching, its revolutionary soul."

In order to do this he identified nationalization and planned economy, made possible and necessary by the October Revolution, with Stalinism, the betrayer of the Revolution and the murderer of the revolutionists. To be sure, he deplored the frame-ups and mass murders of the old revolutionists, but tended to dismiss them as unfortunate incidents which did not change the basically progressive historical role of Stalinism. At that time (1949) he visualized the world-wide expansion of Stalinism, equating it with the expansion of the international revolution.

This revelation of Deutscher was a made-to-order rationalization for the fellow-travelers of Stalinism, who were wont to excuse the mass murders of revolutionists with the nonchalant remark: "You can't make an omelette

without breaking eggs." Deutscher's theory, enunciated in his biography of Stalin, also found slightly muted echoes in the ranks of the Fourth International. Pablo's strategical and tactical improvisations, including his forecast of "centuries" of "deformed workers states" began from there.

With the death of Stalin, however, and the shake-up which followed it, Deutscher changed his first estimate of the prospects of Stalinism. And again he referred to a part of Trotskyism, in order to distort and misrepresent Trotsky's most fundamental teaching on the next stage of developments of the Soviet Union.

This would appear to be a rather foolhardy undertaking, for Trotsky's teachings are no secret and no mystery. They are all written down and are known to his disciples. Moreover, like all of Trotsky's works, they conveyed his thought with such clarity and precision that nobody could misunderstand it. Contrary to the whole tribe of revisionist double-talkers, Trotsky always said what he meant, and our movement has no record of any quarrel or controversy as to the "interpretation" of his meaning during his lifetime.

The best and most effective way to answer and refute misinterpreters of Trotsky's theory of Stalinism, who have made their appearance since his death, is simply to quote Trotsky's own words. They are all in print, and all quotations are subject to verification. Therefore, before taking up Deutscher's distortions of Trotsky, I will first let Trotsky speak for himself.

#### Trotsky's View

It took the Soviet bureaucracy a long time to complete its political counter-revolution and to consolidate its power and privileges, and Trotsky followed its evolution at every step. He analyzed Stalinism at every stage of its development, and prescribed the tasks of the struggle against it on the basis of the real situation at each given stage of its development. These tasks, as Trotsky prescribed them, changed with each change in the situation, and were so motivated. To understand Trotsky's theory it is neces-

sary to follow the evolution of his thought from one stage of Soviet development to another.

For the first ten years of his historic battle against the degeneration he held that Soviet democracy could be restored by an internal party struggle for the peaceful reform of the party. As late as 1931 he said:

"The proletarian vanguard retains the possibility of putting the bureaucracy in its place, of subordinating it to its control, of insuring the correct policy, and by means of decisive and bold reforms, of regenerating the party, the trade unions, and the Soviets." (Problems of the Development of the USSR. Emphasis added.)

In October 1933, when the bureaucracy had further "concentrated all power and all avenues to power in its hands," he called for a new Soviet party of the Fourth International, to lead "the reorganization of the Soviet state" by extra-constitutional methods. He wrote at that time:

"We must set down, first of all, as an immutable axiom — that this task can be solved only by a revolutionary party. The fundamental historic task is to create the revolutionary party in the U.S.S.R. from among the healthy elements of the old party and from among the youth . . . No normal 'constitutional' ways remain to remove the ruling clique. The bureaucracy can be compelled to yield power into the hands of the proletarian vanguard only by force." (The Soviet Union and the Fourth International.)

However, this "force," required to bring about "the reorganization of the Soviet state," as he saw the situation at that time (1933), would not take the form of revolution. He wrote:

"When the proletariat springs into action, the Stalinist apparatus will remain suspended in mid-air. Should it still attempt to resist, it will then be necessary to apply against it not the measures of civil war, but rather measures of police character." (The Soviet Union and the Fourth International. Emphasis added.)

But by 1935, Trotsky came to the conclusion that it was already too late for mere "police measures," and that

a political revolution, leaving intact the social foundations of the Soviet Union, was necessary. That conclusion remained unchanged.

For the benefit of those who still nurtured illusions of reforming the bureaucracy — Trotsky never promised that the Stalinist monster would reform itself — he wrote in 1936:

"There is no peaceful outcome for this crisis. No devil ever yet voluntarily cut off his own claws. The Soviet bureaucracy will not give up its positions without a fight. The development leads obviously to the road of revolution." (The Revolution Betrayed.)

He added: "With energetic pressure from the popular mass, and the disintegration inevitable in such circumstances of the government apparatus, the resistance of those in power may prove much weaker than now appears. But as to this only hypotheses are possible. In any case, the bureaucracy can be removed only by a revolutionary force. And, as always, there will be fewer victims the more bold and decisive is the attack. To prepare this and stand at the head of the masses in a favorable historic situation — that is the task of the Soviet section of the Fourth International." (The Revolution Betrayed. Emphasis added.)

Finally, Trotsky's settled conclusion, excluding any thought of "reforming" the Stalinist bureaucracy — not even to mention the monstrous suggestion of its possible self-reform — became the basic program of the revolutionary struggle for the restoration of Soviet democracy. This program of political revolution was formalized in the Transitional Program of the Founding Congress of the Fourth International, written by Trotsky (1938), as follows:

"Only the victorious revolutionary uprising of the oppressed masses can revive the Soviet regime and guarantee its further development toward socialism. There is but one party capable of leading the Soviet masses to insurrection — the party of the Fourth International!" (The Death Agony of Capitalism and the Tasks of the Fourth International. Emphasis added.)

That has been the program of the Fourth International, and the theoretical source of its policies and tactics in relation to Stalinism, since its formal establishment as a world organization in 1938. Up until recently, no one who held a different opinion has ventured to call himself a Trotskyist.

#### In Bernstein's Footsteps

But now Deutscher, in his latest book, Russia—What Next?, has shown those who want to be shown, how Trotsky too — like Marx and Lenin before him — can be turned into a "harmless icon." First bowing before Trotsky's "prophetic vision of the future," Deutscher then introduces a slight revision of Trotsky's theory of the road to this future, strikingly similar to Bernstein's revision of Marx, nearly 60 years ago, after the death of Engels.

Marx and Engels, as everybody knows, had predicted the transformation of society from capitalism to socialism by means of a workers' revolution. Bernstein said: "The first part is correct; capitalism will be replaced by socialism. But this transformation will be brought about gradually and peacefully, by a process of step-by-step reform. Capitalism will grow into socialism. A workers' revolution is not necessary."

This was the theory which disarmed the Second International. It led straight to the betrayal of the Social Democracy in the First World War, and to the transformation of the party founded by Marx and Engels into a counter-revolutionary force.

Deutscher performs the same kind of operation on Trotsky's teachings, "emasculating and vulgarizing" their "real essence" and "blunting their revolutionary edge." Soviet democracy, he says, will be restored as Trotsky predicted—but *not* by a revolutionary uprising of the Soviet proletariat, and no party of the Fourth International is needed. The Stalinist party is good enough, and the heirs of Stalin will lead the way to the abolition of Stalinism.

Deutscher proclaims, as the most likely prospect of Soviet development under Malenkov: "A gradual evolution of the regime toward a socialist democracy." (Page 208.) He continues: "An analysis of these conditions leads to the general conclusion that the balance of domestic factors favors a democratic regeneration of the regime." (Page 208.)

That sounds attractive to those who hope for victory without struggle, as the Bernstein theory of the self-elimination of capitalism sounded before 1914, and especially before fascism. But that's the most that can be said for it.

What is especially monstrous and dishonest about this complacent prediction is that Deutscher, in support of this prediction, trickily refers to a formulation of Trotsky, made in 1931 (quoted above) and leaves unmentioned Trotsky's later conclusion that the entrenched bureaucracy could be overthrown and soviet democracy restored only by means of a mass uprising of the Soviet proletariat led by a new party of the Fourth International.

Deutscher writes: "In the 1930's Trotsky advocated a 'limited political revolution' against Stalinism. He saw it not as a full-fledged social upheaval but as an 'administrative operation' directed against the chiefs of the political police and a small clique terrorizing the nation." (Page 214.)

Deutscher goes even further. Throwing caution to the winds, he credits "Malenkov's government" with actually carrying out this program of self-reform. He says:

"As so often, Trotsky was tragically ahead of his time and prophetic in his vision of the future, although he could not imagine that Stalin's closest associates would act in accordance with his scheme. What Malenkov's government is carrying out now is precisely the 'limited revolution' envisaged by Trotsky." (Russia - What Next? Page 215.)

Indeed. Trotsky "could not imagine that"; and anyone who does imagine it - to say nothing of asserting that it is already taking place - has no right to refer to the authority of Trotsky. Besides that, Malenkov's "limited revolution" has so far remained a product of Deutscher's imagination. The ink was hardly dry on his new book when the new blood

Malenkov's army answered the revolting East German workers with tanks and machine guns and wholesale arrests of strikers.

Deutscher's new book was adequately reviewed by comrade Breitman in the Militant of June 22 and 29, 1953, and his conclusions were ruthlessly criticized from the standpoint of orthodox Trotskyism. If we return to the subject now, it is because Deutscher's fantastic revelations have not remained a mere matter of controversy between Trotskyists and a writer outside the ranks of the revolutionary workers. One book review would be enough for that. But since that time we have had to recognize accumulated evidence of echoes of the Deutscher theory inside our party and the Fourth International. Deutscherism is being offered to us as a substitute for Trotsky's theory; and, in order to facilitate the switch, is being dressed up as nothing more than a modernized version of this same theory.

#### The Factional Struggle

Here I would like to make a brief parenthetical digression on a secondary point.

As our readers know, a factional struggle in the Fourth International has broken into the open; and, as in all serious factional fights, some questions of organizational procedure are involved. Some international comrades have expressed the opinion that the struggle is merely, or at least primarily, an organizational struggle and wish to shift the axis of the discussion to this question.

As already indicated in previous contributions to the Militant, the SWP considers this aspect of the struggle also important. I intend to return to this question and to discuss it at length, as I did in 1940 in the great factional battle which we, together with Trotsky, waged against the revisionist program of Burnham. Nevertheless, I think now, as I thought then, that the organizational question, with all its importance, is a derivative and not the primary question.

Such questions really make sense only when they are considered in

purge started in the Soviet Union and this light. In every struggle, revolutionists and opportunists find themselves at logger-heads on the issue of "organization methods." But regardless of how this issue may arise in the first place, whatever incidents may provoke it, the dispute over "organization" always leads, in the final analysis, to the more decisive question: What are the conflicting organization methods for and what political purpose do they serve? The disciples of Trotsky throughout the world, if they really want to be faithful to his political method, should put this question to themselves and seek the answer in the only place it can be found — in the domain of the conflicting theories and politics of the contending factions.

> It is well known, or ought to be, that revisionists always try to duck and run and hide from a frank and open discussion of these primary issues, and to muddle up the discussion with all kinds of secondary organization questions, fairy tales and chit-chat; while the orthodox always insist, despite all provocations, on putting first things first. The documentary record of the 1939-40 struggle in the SWP gives a classic illustration of these opposing tactics. (See the two books: In Defense of Marxism and The Struggle for a Proletarian Party.)

> We think that Trotsky and we were right in the way we conducted that great struggle and have taken it as the model for our conduct of the present one. That is why, in our Letter to All Trotskyists, adopted by our 25th Anniversary Plenum (the Militant, Nov. 16, 1953), we put the theoretical and political questions first and the organization questions second. The same considerations have prompted the present contribution to the discussion, in advance of a fuller treatment of the derivative questions of international organization and conceptions of internationalism.

#### "Junk the Old Trotskvism!"

At the May Plenum of the SWP the two factions in the party, who up to then had been fighting primarily over national questions, concluded a truce based on the recognition of the right of the majority to lead the party according to its policy in national affairs. It was also agreed to continue the discussion without factional struggle. This truce was blown up within a very few weeks after the Plenum by the outbreak of a new controversy over fundamental questions of theory which had not been directly posed by the minority before the Plenum. Simultaneously, the factional struggle in the SWP was extended to the international field.

The first signal for the new eruption of factional warfare was the announcement by the minority of the new slogan under which they intended to resume the factional struggle: "Junk the old Trotskvism!" This slogan was announced by Clarke as reporter for the minority, at the membership meeting of the New York Local on June 11, 1953. The party membership as well as the leadership, long educated in the school of orthodox Trotskyism, reacted sharply to this impudent slogan and awaited alertly to see what would be offered as a substitute for their old doctrine.

They didn't have long to wait. In the issue of Fourth International which came off the press a week or so later, Clarke, as editor, contributed an article on the new events in the Soviet Union. This article, smuggled into the magazine without the knowledge or authorization of the editorial board, envisaged the possibility of the self-reform of the Soviet bureaucracy in the following language:

"Will the process take the form of a violent upheaval against bureaucratic rule in the USSR? Or will concessions to the masses and sharing of power — as was the long course in the English bourgeois revolution in the political relationship between the rising bourgeoisie and the declining nobility — gradually undermine the base of the bureaucracy? Or will the evolution be a combination of both forms? That we cannot now foresee." (Fourth International, No. 120.)

This brazen attempt to pass off this Deutscherite concept in our Trotsky-ist magazine — carrying the revision-ist attack to the public — enormously sharpened the factional struggle, and made it clear, at the same time, that this struggle could no longer be con-

fined to national issues. The party majority, educated in the school of Trotskyist orthodoxy, rose up against this reformist formulation of Soviet perspectives. Their protest was expressed by comrade Stein.

In a letter to the editors, published in the next issue of the magazine, he pointed out that Clarke "discards the Trotskyist position on the inevitability of political revolution by the working class against the Soviet ruling caste without any substantial motivation." He added: "If comrade Clarke believes that the accepted programmatic positions of Trotskyism on these fundamental issues are no longer valid and require revision, he should not have introduced such serious changes in so offhand a manner." (Fourth International, No. 121.)

Some comrades in our international movement, who protest their own "orthodoxy" while acting as attorneys for the revisionists, have attempted to minimize the importance of Clarke's Deutscherite formulation on prospective Soviet developments, which followed so closely on the heels of the slogan, "Junk the old Trotskyism!" They try to pass it off as "a misunderstanding," a "bad sentence which can easily be set straight," etc. Subsequent developments provide no support for this optimistic reassurance.

Comrade Stein's intervention offered Clarke and his factional associates in the SWP as well as in the Fourth International a wide-open opportunity to clear up any possible misunderstandings on this fundamental question. He invited him, in effect, either to "motivate" his revision of "accepted, programmatic positions of Trotskyism on these fundamental issues," or to withdraw it.

Clarke did neither. In the same issue of the magazine, he blandly stated that the theory of the self-reform of the Soviet bureaucracy, which he had envisaged as a definite possibility, is genuine Trotskyism. In answer to Stein's criticism, he said: "I am discarding nothing. I am trying to apply our program. What is happening is that the concept of the political revolution held by world Trotskyism for almost two decades is

now for the first time due to find application in life."

Just how "the concept of the political revolution" can "find application in life" by "concessions to the masses and sharing of power" — a concept of reform — was left without the explanation which Stein had demanded. Instead, his pertinent criticisms were derided as "deriving apparently from the conception that the programmatic positions of Trotskyism constitute dogma rather than a guide to action."

Naturally, no one is required to accept the theoretical formulations of Trotsky as dogma. All of these formulations in general, and the theory of Soviet perspectives in particular, are meant as a guide to action. Precisely because of that, because the revision of theory has profound implications for the political action of our movement, if one wants to challenge this theory — which anyone has a perfect right to do - he should do it openly, and state frankly what is wrong in the old theory, and consequently what is wrong with the line of action it was designed to "guide."

He should offer "substantial motivation" for the new and different theory of Stalinist self-reform, and not—in the movement based on Trotsky's theory— simply introduce it "in so off-hand a manner," as a matter of course, so to speak. That is all that Stein demanded. But Clarke did not answer in these terms. His gratuitous reference to "dogma"— a device we have encountered before in conflicts with hide-and-seek revisionists— simply evaded any explanation or motivation of his astonishing statement without withdrawing it.

However, comrades throughout the country and co-thinkers in other countries, who read this exchange in *Fourth International* magazine, took a more serious view of the matter. They recognized that fundamental questions of theory were breaking to the surface in the internal fight in the SWP, and the orthodox and the revisionist tendencies began to take sides accordingly.

The Pablo faction in the British likely prospect of Soviet development which had previously worked in secret, made its first demonstrative ap-

pearance in the open with a demand that Clarke's article be published in England in place of another article on Soviet development which had been written from an orthodox point of view. This was opposed by Burns and the other orthodox Trotskyists on the ground that Clarke's article was contrary to the program of the Fourth International. The open factional struggle in the British section began to take shape from that moment.

Comrade Burns wrote to us under date of August 10 as follows: "The editorials by Clarke open up a decisive stage of the political struggle. These are not questions of accidental formulations. This is the real policy of the Minority and its supporters."

Prior to that, before Stein's criticism had appeared in the magazine, I wrote to New York from Los Angeles under date of July 9: "Are we going to sponsor the possible variant, as Clarke seems to intimate in the end of his article in the latest magazine, that the Stalinist bureaucracy will right itself without a political revolution? Under this head I would like to know the name and address of any previous privileged social groupings in history which have voluntarily overthrown their own privileges."

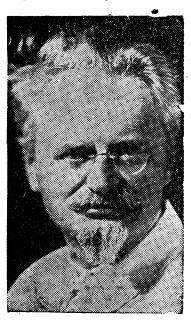
Comrade Tom, an "old Trotskyist" of the orthodox school, who saw the new revisionist current in the International and raised the alarm against it sooner and clearer than we did, wrote to us from abroad under date of August 23:

"We can do no greater honor to his (Trotsky's) memory, thirteen years after his assassination, than to continue his work 'In Defense of Marxism,' and to complete it under the heading 'In Defense of Trotskyism' against the new revisionists who are attempting to defile it and — by that same token — to blur the guilt and the reactionary role in history of his assassins."

Recognizing the Deutscherite origin of Clarke's formula, Tom continued: "Has everyone read Deutscher's new book? It should be required reading for the present struggle. This man, as is well known, has passed through our international movement on his way to the fleshpots of Fleet Street. He is

وكالم الكائد للتوسيل المتبدلا

not someone moving towards us but someone who has moved away from us. And direction, as Trotsky taught us, is a very important element in judging the specific position taken by



LEON TROTSKY

"We can do no greater honor to his memory than to continue his work 'In Defense of Marxism' and complete it under the heading 'In Defense of Trotskyism.'"

the political animal at any given time. He is acclaimed not only by Clarke and his friends, but by the British bourgeois press as well (which, for reasons of its own, as I believe Jim once said of Churchill, engages in quite a bit of wishful thinking these days of insoluble predicaments).

"Pablo, Burns tells me, remarked to him recently that Deutscher has done more than anyone to popularize 'our' ideas before a broad audience. Deutscher is certainly no mean popularizer, but not of our ideas, that is, the Trotskyist ideas — although most everything of substance and truth in his presentation is borrowed from this source. His new book, which purports to analyze Stalinism and to present forecasts from a vaguely 'Marxist' point of view, has a few flaws in it in this respect: It leaves out of account entirely a sociological, historical evaluation of the Soviet bureaucracy; it describes Stalinism as a continuation of Leninism (it is its fusion with the barbaric Russian heritage, according to his description); it passes off the physical destruction of Lenin's party as something of moral rather than political significance; it justifies Stalinism as historically necessary and in its end result progressive. And — on that basis — projects the theory of the Malenkov 'self-reform' movement. That is, on the basis of a distortion of the Trotskyist analysis, it presents a complete negation of the Trotskyist line of struggle against Stalinism.

"Our new revisionists have so far only half-borrowed from his conclusions and tried to smuggle them in piecemeal as our line. It should not be forgotten, however, that Pablo's views on the reality of the transition epoch - in which of necessity deformed revolutions and workers states become the norm deviating from the ideal of the Marxist classics - touch some points in the Deutscher analysis as well. Nothing has been heard of these views lately, and for good reason: they need some adjustment to the newer reality, so to speak. But has the concept, the trend of thought, behind them been dropped? All evidence is to the contrary."

Comrade Peng, the veteran leader and international representative of the Chinese section of the Fourth International, wrote to us as follows, under date of October 6:

"Though we know little about the Majority and the Minority in America, after reading the two different ideas recently in the Fourth International, it becomes clear to us. (The letters of S. and C. and the statement of the Editor are published at the end of the Fourth International which we read yesterday.) The Minority have begun to dissociate themselves from the Trotskyist tradition which is being defended by the Majority. It is not an accident that the International (the Pabloite International Secretariat) stands by the Minority. In fact, the idea of the Minority has evolved from some of the prejudices in the International, but more clearly and more distinctly."

Peng certainly hit the nail on the head when he said that the Pabloite International Secretariat "stands by the Minority," although up till that time they had been pretending "neutrality." The opening of a public debate over the perspectives of development in the Soviet Union, precipitated by Clarke's article, put an end to this pose. Pablo commented on this issue of the magazine, not to condemn Clarke's revisionist formulations, but the objection to them. In a letter to us dated September 3, he wrote:

"... the latest issue of the F.I., as well as a series of articles recently published in the Militant, sketch out a course whose meaning it is not difficult to discern. It seems to us that you are now in the process of developing a line different from ours on two fundamental planes: the conception and the functioning of the International; and the manner of understanding and explaining the events which are unfolding in the Soviet Union and the buffer countries since Stalin's death."

He was dead right about that. We certainly were "developing a line different" from that of the Pablo faction, not only, as he says, about "the manner of understanding and explaining" events in the Soviet Union and the satellite lands, but also about events in France — different theoretical analyses of the role of Stalinism. And, even more to the point, about what to say and do about these events — different lines of political action "guided" by different theories.

The factional line-up in the Fourth International began to develop rapidly from the first publication of this theoretical controversy in Fourth International magazine; and different actions of the contending factions followed from different theories with lightning-like speed. The sudden and violent eruption of the open struggle has taken some international comrades by surprise, but we are not to blame for that. Events put the conflicting theories to the test without any lapse of time, and both sides had to show their real positions in the test of action.

We have indicted the revisionists concretely for their shameful actions in connection with these events, in the Letter to All Trotskyists from the 25th Anniversary Plenum of the SWP.

The movement is still waiting for their answer to this indictment.

#### "You Just Do It"

If I have dwelt at some length on this chronological sequence of developments since the publication of Clarke's article, it was not to overplay the role of Clarke in precipitating the public discussion. His importance in the controversy derives from his claim to be the true spokesman and representative of Pablo's real position — a claim which has been proved in life to be 100 percent correct. If his own contributions to the discussion have appeared to acquire an exaggerated importance in this presentation, it is simply because he spoke more frankly and bluntly; or, as Peng wrote, "more clearly and distinctly," than his sponsor and revealed his real position too soon.

Pablo prefers double-talk, dissimulation and duplicity. He knows that the cadres educated in the school of Trotsky could never be led to the direct rejection of their doctrine. His method is to maneuver the Fourth International into a revisionist position, not by frank and open avowal of such a program, but by the step-by-step imposition of a policy which, in practice, would undermine its historical function as an independent political movement, convert it into a left cover of Stalinism, and prepare its liquidation.

If Pablo were to criticize Clarke, within the circles of their common faction, it would not be for the content of his article, but for his imprudence in spoiling the strategy by premature disclosure of its real meaning. Auer once explained this strategy of the revisionists-in-practice in the German Social Democracy. In a famous letter to Bernstein he said: "My dear Ede, you don't pass such resolutions. You don't talk about it, you just do it." (Quoted in The Dilemma of Democratic Socialism: Eduard Bernstein's Challenge to Marx, by Peter Gay. Page 267.)

As for the specious arguments of Pablo's attorneys that there has been a "misunderstanding"; that Clarke's "bad sentence" will be repudiated; and all the rest of the rigmarole de-

signed to muddle up the discussion of fundamental questions — the answer has already been provided by actions which speak louder than words.

The minority of the SWP, for whom Clarke spoke, have received, in the meantime, the public endorsement of the Pablo faction. That, in itself, tells everything a political person needs to know about their political affinity. Trotsky often said that the surest indication of a group's real position is its international associations and alliances. "Tell me whom your friends are and I'll tell you who you are." There is no "misunderstanding" about this alliance. This is proved, if more proof is needed, by the fact that nowhere has the Pablo faction found time or space to repudiate the minority's Deutscherite formulations of the self-reform of the Soviet bureaucracy, nor their slogan, "Junk the old Trotskvism!"

At the same time, to prove that there was no "misunderstanding" on their part, the minority organized a boycott of the 25th Anniversary celebration of the SWP, as a public demonstration against the Trotsky'st orthodoxy which our 25-year struggle represents. This boycott precipitated their split from the SWP, which called forth public statements of their position in organs other than the press of the SWP. But neither in the first letter of Cochran to the Shachtmanite paper, nor in independent publications of their own. have they made the slightest retraction, correction amendment of their original formulations about the prospective self-reform of the Soviet bureaucracy and all that is implied by it in terms of practical policy.

That is their real position and the real position of their sponsors and factional allies in the international struggle. Their attempt to revise the Trotskyist analysis of the Stalinist bureaucracy, and to throw out the program derived from this analysis, is what the factional struggle in the international Trotskyist movement is really about — if we want to trace all the innumerable differences on derivative questions of tactics and organization to their basic theoretical source.

Los Angeles, Jan. 27, 1954

### Sternberg vs. Karl Marx

#### by Myra Tanner

EVISION of the basic program and theories of Marxism invariably begins with a softening attitude toward its enemies. Such was the case with the Pabloite faction in the Fourth International. This faction is marked by theoretical and political conciliation to Stalinism. They have revised the basic Trotskyist concepts in favor of a species of neo-Stalinism, which bears remarkable resemblance to the theories of Isaac Deutscher, a petty-bourgeois advocate of the theory of the self-reform of the Stalinist bureaucracy.

On the other hand, the anti-Marxist social-democrat, Fritz Sternberg, also received a friendly reception from the Pabloites. But Sternberg, whose position can be seen in the title of one of his recent books: How to Stop the Russians Without War, is now a U.S. State Department "socialist" — a petty-bourgeois theorist for the American and British labor bureaucracy, of the "enlightened" Stalinophobe variety.

The conciliatory attitude of the Pabloites toward Deutscher, a Stalinophile, and Sternberg, a Stalinophobe, is not so strong a paradox as it might seem at first appearance. To "junk the old Trotskyism" means to junk the whole body of Marxist theory. In this enterprise, Sternberg, the Stalinophobe, as well as Deutscher the Stalinophile, are natural allies. Pettybourgeois revisionism in the ranks of the revolutionary movement cannot begin with a crass anti-Marxist program.

It develops its revisionist doctrines piecemeal. It begins by displaying receptivity to "new" alien ideologies. Step by step it empties the "old" program of its content. The first problem of revisionism is to overcome Marxist orthodoxy. It tackles this problem by a combination of growing hostility to the representatives of orthodoxy, matched by increasing friendliness to the theoretical and political opponents of Marxism.

In a letter to the Editorial Board of Fourth International in September, 1952, I criticized the treatment accorded Sternberg by Harry Frankel, one of the leaders of the American Pabloites. I was fully aware that I was also taking issue with Pablo, who concluded his review of Sternberg's book, Capitalism and Socialism or Trial, with: "Such as it is, and read critically by revolutionary Marxists, this work constitutes — thanks to its abundant and serious documentation and to its methodical presentation of facts — a precious working tool which facilitates a better understanding of the future of our epoch." (Quatrieme Internationale. Feb.-March, 1952. My emphasis.)

George Clarke, the leading American disciple of the Pablo cult, summarized our differences at a meeting of the Political Committee of the Socialist Workers Party Sept. 9, 1952, as follows: "There are two different conceptions involved here as to how to handle this book. The conception we

have used and I think the committee should maintain that, is to view this book as an aid to the study of Marxism and the understanding of American imperialism with a necessary critique of those ideas clearly stated (!) to be in opposition to Marxism. Or, on the contrary, to warn against this book as being a renegade's book and belonging in the arsenal of anti-Marxist literature." Thus it is clear: the Pabloites wanted to give Sternberg a "critical" but friendly reception. Sternberg, to them, is not a "renegade" or an enemy to be "warned against."

Pablo begins his review with the following paragraph: "In a thick volume of about 600 pages, Fritz Sternberg, former (?) Social Democrat and former German Communist, living in the United States since before the war, has summarized the conclusions of thirty years of work. His book is a grand mural of the evolution of capitalism from its beginnings until today."

Let us take a look at this "grand mural" to see if Sternberg is aiding Marxists or if Pablo is merely providing Sternberg with a left face.

#### 1. Slows Down Tempo Of Capitalist Development

To make the history of capitalist development fit the Social Democratic program of "critical" support to capitalism, to justify its continued existence, Sternberg slows down the tempo of capitalist accumulation. By identifying capitalism with industrialization or the urbanization of the population, he puts the capitalist conquest of the world into the future. In the opening section of the first chapter, in contradiction to its title "Capitalism Becomes the Dominant Form of Production," Sternberg says:

"At the beginning of this big period of development (1850-1914) capitalism was an island in a pre-capitalist world, but at its end it had become the dominant form of production for almost one-third of the world's population. . . However, even at the end of this big period of capitalist expansion the majority of the world's population still did not produce under capitalist conditions. Capitalism embraced the vast majority of the population of Great Britain, the United States and the western parts of the

continent of Europe. But even at this peak point of its development, pre-capitalist — chiefly feudalist — forms of production still dominated in Eastern Europe, Asia and Africa. In this period of capitalist expansion, in which capitalism demonstrated its economic superiority over pre-capitalist methods of production, it was generally assumed that the advance of capitalism would continue, until in the end the majority of the world's population would be living and producing under capitalist conditions. This did not come about." (Capitalism and Socialism on Trial. p. 20.)

At the very point, 1914, where Lenin placed the culmination of the growth of capitalism and the beginning of its decline, Sternberg has two-thirds of the world's population yet to be absorbed in capitalist production. How is this great divergence of views possible?

If capitalism is synonymous with industrialization then obviously the colonial world is not capitalist. However, long before imperialism had developed in the industrialized capitalist nations, commercial capitalism had destroyed the pre-capitalist economic life of the colonial peoples. The penetration of capitalist England into India, for example, transformed the colonial Indian labor product into commodities. The old self-sufficient way of life was destroyed. Production for exchange supplanted production for consumption with exchange of only the surplus labor product.

Industrialization did not immediately follow this capitalist transformation. Capitalism does not automatically spell industries. On the contrary, as Sternberg points out elsewhere in his book, British penetration into India brought with it a diminution of the urban population. The trade of artisans, the highly developed handicraft industries of India were destroved and a landless peasantry was created. This made it all the easier for industrialized power to develop a world division of labor which has been so profitable to the imperialists that several wars and more to come have been fought for its maintenance.

However, if the colonies were non-capitalist then, by the same criterion they are non-capitalist today. Capitalism can still expand to these areas if the imperialists would only be reason-

able, thinks Sternberg. In Part III of his book he blames the capitalist stagnation between the two world wars on the "errors" of the capitalists:

"Quite clearly tremendous possibilities were present here (in China), and if, despite the halt in industrial development in the colonial empires (China was not legally a colony) a process of industrialization had gone on in China, say at more or less Russian tempo (what a big word that "if" — M.T.), world capitalism would have found a gigantic market to help it out of its difficulties. The tremendous possibilities were not taken advantage of." (Ibid. p. 223.)

Sternberg scolds the capitalists for missing a chance to make more profit. But the capitalist knows better than Sternberg where, when and how to invest his capital for the biggest grab. The capitalists are not interested in helping the colonies meet their own need for industrial products. Not only markets would be lost (a demand for means of production would be only temporary) but more competitors would arise. And most important, a source of cheap raw materials would be gone.

In the inter-imperialist competition, possession of cheap sources of raw material constitutes a big advantage. The rate of profit which serves as an absolute limit to the rate of accumulation, varies inversely with the price of raw materials. Furthermore, with the growth of capitalism comes an ever-increasing demand for raw materials. The role played by this part of the means of production in the determination of the rate of profit constantly increases.

Thus Sternberg's "grand mural" depicts capitalism as a "youthful" system, with new frontiers to conquer if only the capitalists would realize it. He can try to convince the workers that it is realistic to confine their struggle to presssure on the imperialists to follow a non-imperialist foreign policy.

#### 2. Rejects Lenin's Theory Of Imperialism

We can see the same end served of class conciliation in Sternberg's attack on Lenin's theory of imperialism. He attacks Lenin's conceptions by separating monopoly capitalism from im-

perialism. In a section titled "Imperialism Not the Same As Monopoly Capitalism" Sternberg says:

"...The imperialist drive of Great Britain and France began decades before there was any considerable monopolist concentration. On the other hand, of course, monopolist concentration was already predominant in the United States before the question of imperialist expansion began to play any noteworthy role there." (Ibid. p. 146.)

We can assume that Sternberg read Lenin's book, Imperialism. It is listed in the bibliography. Then why this shabby argument? Lenin never claimed that colonial conquest began with monopoly capitalism. Lenin's point of departure was the appearance of a new stage in the internal structure of industrial capital. The laws of capitalist accumulation, disclosed by Marx, had resulted in the domination of finance capital over industrial capital and the growth of monopoly. With this internal transformation, world capitalism assumed a new character —imperialism.

Sternberg recognizes that monopolization occurred simultaneously in Germany, U. S., Great Britain and France, despite differences in colonial conquest. Sternberg also notes that the period of monopolization witnessed the most rapid rate of capital growth. Lenin's analysis of the internal changes in the economy explained this growth. Sternberg, rejecting the scientific analysis of Lenin, describes it falsely.

Lenin showed how the export of capital, monopolization, and international cartelization supplanted commercial relations of the pre-monopoly period with *imperialist* domination of the colonial world.

Sternberg's fraudulent representation of Lenin's theory of imperialism serves to obscure the specific monopoly-capitalist, exploitive relation between imperialism and the colonial people. Sternberg says:

"To a very considerable extent colonial empires had already been carved out before the opening of the nineteenth century — that is to say, at a time before the development of modern industrial capitalism — but it was not until the second half of the nineteenth century that they began to assume their main function as exporters of foodstuffs and

raw materials to the metropolitan centres and as markets for the industrial products of the latter." (Ibid. p. 45.)

The colonies from the beginning, insofar as trade instead of plunder was developed, "assumed" this function that Sternberg wants to place in the second half of the last century. The first American revolution of 1776 was fought primarily in order to stop "assuming this function." By the end of the 19th century this function was developed into a fixed division of labor as a result of the direct domination of colonial production by foreign capital.

If one confines his treatment of imperialist-colonial relations to the commercial level, the exploitation of the colonies is obscured, and this is what Sternberg, as an apologist for imperialism, does. On the market all men and countries appear as free and equal.

Sternberg tells us that the colonies "exported foodstuffs and raw material to pay for the imports of industrial products from the metropolitan centers." (Ibid. p. 44.) This is typical of Sternberg's formulations. They had to "pay for" their purchases like all honest men. Only, behind this lovely world of equal exchange is the hot and sweating world of production where inequality and subjugation exist. It is here that the imperialists squeeze an extra lush rate of profit out of the blood and bones of the colonial people.

In the pre-imperialist stage of relations between industrialized and colonial countries, the colonial people produced raw materials for the industrial nations. The latter manufactured the raw materials into finished goods. The colonial countries may have sold the raw materials at value, but they also had to pay for the production cost and profit of the manufactured goods as well as transportation of the goods both ways. But this was not bad enough for the colonies, nor good enough for the industrialized nations. When the latter began to export their capital the colonial people were subjected to capital-labor exploitation in the production of raw materials as well as the earlier commercial disadvantages.

Sternberg wants to dissociate monopoly and imperialism in order to transform imperialist - colonial relations from necessary and inevitable relations under capitalism into a question of state policy to which alternatives can be posed. However, Lenin's answer to Kautsky on the concept of imperialism as a state policy is still sufficient to answer Sternberg:

. . . Kautsky detaches the policy of imperialism from its economics, speaks of annexations as being a policy 'preferred' by finance capital, and opposes to it another bourgeois policy which he alleges to be possible on the same basis of finance capital. It would follow that monopolies in economics are compatible with methods which are neither monopolistic, nor violent, nor annexationist, in politics. It would follow that the territorial division of the world, which was completed precisely during the period of finance capital and which represents the main feature of the present peculiar forms of rivalry between the greatest capitalist states, is compatible with a non-imperialist policy. The result is a slurring-over and a blunting of the most profound contradictions of the newest stage of capitalism, instead of an exposure of their depth. The result is bourgeois reformism instead of Marxism." (Imperialism. p. 84.)

#### 3. Theory of the Crisis

Pablo says of Sternberg: "Influenced by his Social Democratic past, it frequently occurs to him to 'criticize' Marx, Lenin, Bolshevism with arguments . . . which damage the scientific solidity and the objectivity of several portions of his work." (My emphasis.) I agree that if it only "frequently occurs" to Sternberg to attack Marxism, the "scientific solidity" of the work might be only "damaged." But in addition to identifying with capitalism only its more progressive features of industrialization, and rejecting Lenin's theory of imperialism, Sternberg rejects the Marxist conception of the crisis, an ever-present feature of the capitalist system and today, a dominating one. If the other matters only "damaged" the "scientific solidity" of the work, surely this would destroy it.

Sternberg's theory of the crisis is the well-worn vulgar theory of underconsumption. This is made clear in his contrast of capitalist crises with pre-capitalist crises. According to Sternberg, before capitalism we had crises of under-production. Now we have crises of under-consumption. This "profound" contribution is even presented to us in a diagram on page 48 and 49. It is based on the entirely superficial observation that the hunger that stalked the land from time to time in pre-capitalist society was evidence of natural or social disasters that interfered with production. Thus, crises of under-production. Under capitalism, under-consumption follows peak production. Hence, crises of under-consumption. This doesn't bring us one jot closer to understanding the obscure reasons for interruption of production. We are left with the tautology that under-consumption causes under-consumption. Furthermore, he attributes this nonsense to Marx.

In periods of prosperity, commodities are consumed. The fact that workers under-consume is beside the point. The capitalists, whether in productive consumption or in individual consumption, are glad to compensate for this deficiency. As Marx put the problem:

"But if one were to attempt to clothe this tautology (i.e., the idea that crises are caused by a lack of paying consumers) with a semblance of a profounder justification by saying that the working class receive too small a portion of their own product, and the evil would be remedied by giving them a larger share of it, or raising their wages, we should reply that crises are precisely always preceded by a period in which wages rise generally and the working class actually get a larger share of the annual product intended for consumption. From the point of view of the advocates of 'simple' (!) common sense, such a period should rather remove a crisis. It seems, then, that capitalist production comprises certain conditions which are independent of good or bad will and permit the working class to enjoy that relative prosperity only momentarily, and at that always as a harbinger of a coming crisis." (Capital. Vol. II. p. 476.)

The "certain conditions" referred to by Marx are analyzed by him in Volume III of *Capital*. The continuously changing organic composition of capital results in the tendency of the rate of profit to fall. Sternberg once tried to explain economic phenomena with the use of this theory. His earlier German economic work, while not fully

Marxist, still represented an attempt at serious Marxist analysis. But in his contemporary work you will not find a single analysis based on Marx's theory of the crisis.

Along with the American labor bureaucracy, Sternberg belongs to the left-Keynesian school of economic theory. The trade-union officialdom, wishing to see a prolonged future for itself, thinks that all that is necessary to save capitalism is to raise wages. And they can't see why the capitalists, for their own sake, can't agree. If this theory were correct, the workers could never hope to escape from the exploitation of the capitalists. As production increased, living standards could also increase and everyone would get richer. While it might not be right for the capitalists to remain idle while everyone else worked, still things wouldn't be too bad.

But the history of capitalism, as well as Marxist theory, has proved that this is not the case, nor can it be. A wage increase is a precipitating factor in the development of the crisis. Increases in wages will always act to decrease the rate of surplus value, which in turn accelerates the tendency of the rate of profit to fall. When other factors that could compensate are closed off, the crisis cannot be allayed. The under-consumption theory of Sternberg and the labor bureaucrats suits their wishful thinking but it doesn't change the reality.

#### 4. Polarization of Wealth

The polarization of wealth, the result of the accumulation of capital, is of cardinal importance. It is the cause of the intensification of the class struggle, the guarantee of the proletarian struggle for power, and the premise for Marx's theory of the inevitabilty of socialism. Marx's formulation of this tendency as a law of capitalist society is one of the main targets of all his opponents. They don't want to admit that hand in hand with the accumulation of capital at one pole goes the impoverishment of the masses at the other.

Sternberg tries to refute this with figures that show an increase in the real wages of the working class in the period of the expansion of capitalism, roughly 1850 to 1914. To make it appear that he is battling Marx, Sternberg misrepresents Marx's position. He shows that the average income in-



KARL MARX

"Fascism and imperialist wars have written his theory of the polarization of wealth into the living history of our own epoch."

creased during this period. Then he triumphantly says:

"Now of course the 'average income' could also increase if the rich got richer and the poor grew poorer and poorer — if 'the accumulation of capital' on the one hand was matched by an 'accumulation of misery' on the other. In other words, the 'average income' could increase, whilst at the same time the broad masses of the people, and the working class in particular, grew more and more impoverished. But, in fact, this did not happen." (Op. cit. p. 27.)

Then comes the statistical proof. Real wages increased:

"If we take the level of real wages in 1913 as 100, then wages in Great Britain stood at 57 in 1850, but by 1855 they had risen to 63, and further increases, with setbacks, followed until the end of the century: 1860, 64; 1865, 67; 1870, 70; 1875, 89; 1880, 90; 1895, 88 and 1900, 100." (Ibid. p. 27.)

Very neatly done. You see the rich can get richer and the poor can get richer, too. Both profits and wages can increase, as Sternberg likes to point out several times in his book. (This is true; but other things being equal, wages and profits can increase or decrease only at the expense of each other.)

But wait a minute! Marx never said accumulation excluded an increase in real wages. What he did say was that exploitation increased with accumulation.

"The result is," Marx said, "that, in proportion as capital accumulates, the condition of the worker, be his wages high or low, necessarily grows worse... Thanks to the working of this law, poverty grows as the accumulation of capital grows. The accumulation of wealth at one pole of society involves a simultaneous accumulation of poverty, labor torment, slavery, ignorance, brutalization, and moral degredation, at the opposite pole — where dwells the class that produces its own product in the form of capital." (Capital, Everyman edition. p. 714. My emphasis.)

Relative to the wealth produced, wages did fall. Elsewhere in the book, Sternberg supplies the statistics that prove Marx was right even in this period of greatest expansion of capitalism. Wages in Great Britain increased from an index of 64 to 100. In that same period, industrial production, according to Sternberg, increased from 34 to 100. In other words industrial production increased 194% while wages increased only 56%. It would seem that the workers were getting a smaller and smaller part of the wealth they produced.

Later on Sternberg will explain to us that the increase in real wages in the period of imperialist expansion was made possible by the super-exploitation of the colonies. But Sternberg does not, then, correct his "refutation" of Marx's law of polarization of wealth, which like all economic laws applies most concretely in the most general phenomenon, i.e., world economy. On a world scale the law of polarization of wealth was confirmed even in this period of capitalist expansion.

Since 1914, the law of polarization has been confirmed absolutely even in the industrialized countries. The working class must include in the calculation of its standard of living the periods of unemployment as well as the years of labor. For Europe that means nine years of soldier's pay plus years of unemployment between the wars. American labor too must calculate its pay with war and depressions included.

Since Marx's time the law of polarization of wealth has been tragically demonstrated: (1) Between the classes within the nations. (2) Between the colonial and industrialized nations. (3) Between debtor and creditor imperialist nations.

Marx's description of future reality almost a century ago was more accurate than Sternberg's description of past and present reality. "Mass degradation" is not a matter of a few industrial cities during the period of the rise of capitalism. Today it is the degradation, pauperization, and mass extermination of the people on whole continents. Fascism, with its tens of millions of victims, imperialist wars, with the decimation of whole populations, have written Marx's theory of polarization into the living history of our own epoch.

Bernstein's revisionist attack on Marx's theory of polarization of wealth and poverty had some semblance of superficial reality during the period of uninterrupted capitalist growth. But Sternberg's rationalizations are merely crude Social Democratic apologies for a diseased and senile capitalism.

#### 5. The Revision of History

4.1

The re-writing of economic history requires the re-writing of political history. With the softening of the crisis, comes the slowing down and softening of the class struggle. In a section, "Socialism Underestimated Capitalist Strength," Sternberg tells us that increased living standards of the working class had so softened the class struggle that the "capitalist system revealed itself to be much stronger than socialists had thought, and although it was badly shaken, it was still strong enough to survive the period between two world wars." (Op. cit. p. 153.)

Capitalism did not survive the interim between the two world wars because of inner strength. Sternberg's "grand mural" of capitalism paints the mortal crisis of the post-World War I period in rosy colors. Actually it was a period of revolutionary storm in which capitalism survived only be-

cause of the treachery of the Social Democratic and Stalinist leaders of the workers organizations.

Out of the war grew the revolutionary crisis that brought the Russian workers to power under the leadership of the Bolshevik Party. Sternberg says, "... the spark of the Russian November revolution did not cause any sympathetic conflagration elsewhere." (P. 171.) And on page 191 he says: "There was no German revolution."

This is a lie.

In 1918 the revolution swept the Kaiser from power and brought German capitalism to the brink of the grave. The workers of Germany rallied to their socialist organizations and trade unions in the hope of a revolutionary victory. They were betrayed by Social Democratic leaders of the Noske, Scheidemann stripe. And now they are betrayed by the Social Democratic historian, Sternberg, who would efface the German revolution with a stroke of his pen: "Thus the war was ended, as it had been begun, from above and not from below." (P. 189.)

The German revolution involved the strongest proletarian force in the entire history of the working class up to that time. As the victory in Russia was the positive confirmation of Lenin's theory of the need for a revolutionary party, so Germany's defeat furnished irrefutable negative proof of the correctness of his views.

By saying "there was no revolution in Germany," Sternberg is relieved of the odious task of explaining its defeat under Social Democratic leadership. It is much easier just to deny it ever took place. He is then able to turn against Lenin who led the only successful revolution and denounce him as a splitter. "... the bolshevists deliberately perpetuated the disruption of the German working class." (P. 302.) What infamy! On the trail of the Social Democrats lay tragic defeat, incalculable suffering, and eventually Hitler's concentration camps. If the workers were to win their freedom they had to follow an entirely different road. Lenin was a splitter. But in order to break with the capitalists one had to break with their lackeys as well.

#### 6. Capitalist Decline

In Pablo's haste to embrace the anti-Marxist, Fritz Sternberg, he misrepresents Sternberg's views so as to make them a little more palatable to Trotskyists. Pablo says: "Among the most interesting aspects, and also the most positive (!) of his work, one must consider the last chapters which treat of the changes produced by the second world war, the present situation, and its perspectives . . . He sees in a 'united socialist Europe' the best way of preventing the war and of facilitating the socialist evolution of all mankind. But he is afraid that Washington and Moscow would try to prevent such an eventuality even by war."

Now what can be wrong with that? Put in this abstract form Sternberg indeed appears to be an ally. But if Sternberg's views are presented more concretely, and therefore, accurately, we have an entirely different picture. Sternberg is for a united capitalist Europe, with capitalist state planning along the lines of England, which will "evolve" toward socialism, under the initial protection of U.S. militarism.

Sternberg says, "As far as the situation in Europe is concerned, the danger of war will decline, only if Europe finds a progressive solution —and today that means a democratic socialist solution — to its crisis." (P. 564.) And further, "If such a federation came about, and were protected from Russian military attack," after a while it would be secure and in a position to compete successfully with Russia for the allegiance of the working class. The pattern is set by England: "... after the second world war, for the first time in Great Britain and for the first time in the history of any big power, the political party of the working people obtained an absolute majority of the seats in parliament and proceeded to carry out a program which aimed at a socialist transformation of the British economic and social system on the basis of political democracy."

Sternberg confuses capitalist planning with socialist planning in order

1

to justify to the working class a non-revolutionary perspective. Pablo helps him in this by passing on Sternberg's "socialist" demagogy as good coin.

By 1914, world economy had reached the peak of the primary curve of the development of capitalism. Further accumulation and expansion would take place but, except for a brief decade in the United States, it would occur only with the direct subsidizing of large sectors of industry by the State. "Free enterprise," even in its monopolized form, was dead. The process of accumulation was no longer self-propelling. The historic need for socialism asserted itself, even when the proletariat failed to take power, by the fact that "planning" became a necessity even for the capitalist state.

This "planning," however, has nothing in common with socialist planning. In the essence of the matter, the capitalist state plan is dictated by the laws of capitalist economy, not by the needs of society. This is a greater difference than may be apparent at first. All plans are the work of man's brain. But the laws of capitalist economy operate beyond man's control and dominate him as long as capitalism exists. The need which the plan must serve therefore is a blind unconscious force. For this reason there can be no real planning. In socialist economy the plan is freed from capitalist economic laws. The socialist plan is based solely on society's needs.

The relatively easy passage from the Attlee government to Churchill's, which involved no fundamental social or economic change, demonstrates the basic capitalist character of the Labor Party's policies.

#### 7. Conclusions

In my letter criticizing the treatment accorded Sternberg's work by the Pabloites, I said: "The early part of the book is devoted to 'refuting' Marx's law of accumulation..." To this Harry Frankel replied: "Comrade Tanner apparently refers to Part I of the book, which does contain such an effort. But the inaccuracy here is the word 'devoted!' I fear that comrades who read the book may now skip this part on the strength

of Comrade Tanner's remark if it remains uncorrected. Part 1, covering the period up to the first world war, is about 120 pages long. Of this section, only a few scattered pages are 'devoted' to the attacks on Marx, Engels and Lenin, while over a hundred pages give a very good statistical review of the rise of capitalism from 1848 to 1914."

Let me remove from the discussion the question of statistics and whether the book should be read or not. Statistics are always valuable to Marxists whether compiled by Sternberg or the U.S. Department of Commerce. But the selection of statistics always serves the theoretical views of the economist. Sternberg's statistics are on the whole drawn from the surface phenomena of the market, and deal with results rather than causes. Lenin in his book Imperialism presents statistically the internal changes in industrial capital that operated as a cause for the phenomena that Sternberg only describes. By divorcing the result from its cause Sternberg draws a false picture of the result. Thus, describing capitalist expansion up to World War I we get an avoidable crisis instead of an inevitable one; a "stable" capitalism just on the eve of its world collapse, etc.

The Pabloites, by painting up Sternberg's book, assist him in this attack on Marxism. Frankel, for example, tells us that "only a few scattered pages are devoted to the attacks on Marx, Engels and Lenin." Clarke calls it an "aid to the study of Marxism." And Pablo, the head of the cult, calls it a "precious working tool."

It is not true that Sternberg explicitly polemicizes with Marxists in "only a few scattered pages." The underlying method and the whole edifice is built on reformist anti-Marxist theories. Sternberg doesn't consciously "refute" Marx's law of polarization in a few pages and then write 100 pages unconsciously showing how this law is demonstrated as the essential trend of capitalism in its 100-year history. Sternberg doesn't consciously "refute" Lenin's theory of imperialism, which explained the first major result of the laws of accumulation,

and then unconsciously demonstrate that imperialism is a necessary outgrowth of capitalist accumulation. Sternberg doesn't even bother to refute explicitly Marx's theory of the crisis, but every chapter of his book flows from the anti-Marxist, reformist theory of production-consumption relations.

Moreover, I haven't taken up his attacks on the "errors" of Marx and Engels on such questions as revolutionary optimism, colonial development, capitalist agriculture, the theory of the inevitability of socialism; nor his anti-Marxist view on the class nature of the Soviet Union, his Menshevik attack on the Bolshevik "dictatorship of the party," and his characterization of Lenin as a "modest dictator." I haven't answered his jingoistic support of "democratic" imperialism in the Second World War and his Rooseveltian "New Dealism"; nor his miserable cover-up of the Moscow Trials; and a host of other questions. I have dealt only with theoretical and political fallacies in Sternberg's work that are sufficiently fundamental to establish that the book has no real claim to "scientific solidity" and "objectivity."

For Pablo, the break with Trotsky-ism meant that a new atmosphere had to be created. Defenders of Marx against Sternberg, Deutscher and all other revisionists had to be denounced in advance as sectarian, doctrinaire or as Cochran called it, "Talmudic." Marx, Engels, Lenin and Trotsky are old-fashioned, out-moded by the "new reality." Pablo's haste to dump the orthodox doctrines of Marxism is so great that he refers contemptuously in quotes to the Marxist classics.

We orthodox Trotskyists see in the new reality the confirmation of Marxist theory. For us the validity of the theoretical system of Marx, Engels, Lenin and Trotsky is demonstrated in the *essential* line of historic development.

Revisionist Pabloism on the other hand, disoriented by the "new reality," becomes receptive to alien anti-Marxist currents flowing from the circles of reformist petty-bourgeois radicalism of both Stalinophobe and Stalinophile varieties.

## The Soviet Union Under Malenkov

#### by John G. Wright

HAT happened in the Soviet Union in 1953? Pablo and his followers pretend to have discovered a "new Soviet reality." The gist of it is that Stalinism is "dying" there. "For us," announced Pablo, "Stalinism began to decline before Stalin died." The originator of this view is not Pablo. It is the journalist Deutscher, who has peddled for some time the notion of the self-reform of Stalinism.

The whole wisdom of the Pabloites is to parrot Deutscher who wrote: "As one analyses Malenkov's first moves one can almost hear him pleading in the inner circle of the Kremlin: Better to abolish the worst features of Stalinism from above than to wait until they are abolished from below."

As late as August 1953 Pablo refused to see anything except "indecision" in the failure of the post-Stalin regime to revise the Stalinist criminal code which binds the worker to the factory, the peasant to the collective and imposes jail terms for tardiness or "absenteeism." This revision was originally promised "in 30 days." Pablo, the "theoretician," with a straight face posed the following alternative: Either there has been a "retreat" here or "are there interbureaucratic difficulties over the exact course to follow on this subject?" He rejected the first and affirmed the second. "We are rather inclined to the second hypothesis, and there will soon

be plenty of new developments on this subject." (La Verite des Travailleurs. Aug. 14, 1953.)

Seven months have elapsed since this Pabloite revelation. Malenkov has meanwhile tried and shot Beria and six of his alleged accomplices in the style of "the worst features of Stalinism." Pablo's comment? This apologist for Stalinism is still waiting, contentedly, for the promised revision of the criminal code, and still sees nothing but further "reforms" and concessions to the masses.

Deutscher and the Pabloites, are not alone in propagating this revelation of the dawn of a new era under the banner of Stalin's successors. There is a whole school of new apologists for Stalinism. Thus, the French journalist Alexander Werth hailed the initial post-Stalin maneuvers of the Kremlin as "a turn to the principles of habeas corpus and the Rights of Man." The notorious renegade from Marxism, Boris Souvarine, writing in Figaro, proclaimed "a total rupture with the policy of Stalin."

One hundred days of this new "liberal" regime had hardly passed when Malenkov arrested Beria, as an imperialist spy, an assassin, a wrecker and so on. Merely a "shakeup," concluded all the Pabloite sages.

By December Malenkov staged his frame-up trial. It was a blood purge precisely on the pattern of the Thirties. Among those who had confidently denied that this could ever happen, perhaps the most confident one had been Beria himself.

Deutscher is now busy apologizing that the Beria purge was, after all, only a "one-night stand." We may expect similar sooth-sayings, if any are forthcoming, from the Pabloites.

#### Three Purges in 1953

There occurred in 1953 not one purge but three purges in the USSR. First came the anti-Semitic purge, "the case of the Kremlin doctors," initiated by Stalin personally, and lasting until his death early in March. Mid-March to the end of June was the period of the counter-purge directed personally by Beria. July to December marked Malenkov's "purge of the purgers."

How explain these three purges? How understand them? Deutscher and his Pabloite admirers become hopelessly lost. Why? Because they have cancelled out the central contradiction of Soviet life, without which it is impossible to understand any major development in the USSR.

Soviet society is highly polarized. At one pole there exists a privileged minority of bureaucrats, a social formation, a barbaric vestige of the past, newly revived under the specific conditions in the USSR after Lenin's death in 1924. This bureaucracy is nationalistic; more accurately, Great Russian, narrow-minded, concerned first and foremost with its power, privileges, revenues. It pretends that it does not even exist. It must engage in social masquerade because of its counter - revolutionary nature. The Pabloites, like Deutscher, assist the Kremlin in this masquerade. They pretend that this bureaucracy is in a process of "self-reform," and one way or another is declining or disintegrat-

At the opposite pole in the USRR are the new property forms (nationalized industry and land), the new relations of production (planned economy) which this bureaucracy straddles and which it is compelled to maintain, in its own way, with its own methods, as the source of its power, privileges and revenues.

This central contradiction aggray-

ates all the others which exist in Soviet life. As Leon Trotsky long ago pointed out, the contradictions of Soviet society are deeply different from the contradictions of capitalism. But they are nevertheless extremely tense. And the tensest of them is represented precisely by a bureaucracy which, having arisen from Russia's backwardness, from the isolation of the first workers state in a capitalist environment, is the planter and promoter of material and cultural inequalities.

The new Soviet social institutions, on the contrary, provide the foundation for just the opposite, that is, for the spread of material and cultural equality. The one excludes the other. Hence the unheard-of ferocity of the regime, hence the method of the purge. Every purge, the purge of Beria as well as the preceding ones, is intended in the first instance to secure the bureaucratic autocracy, to perpetuate its rule.

The new social institutions and productive relations created by the 1917 revolution represent a great dynamic power, the greatest mankind has yet seen. They allow of tempos of growth of productive forces wholly unattainable under capitalism.

On the other hand, the existence of the multi-millioned bureaucracy, crowned by the Kremlin autocrats, finds its crassest expression in the disproportions and ills that afflict Soviet economy. The bureaucracy is not only costly, wasteful and inefficient. It is above all the implanter and promoter of material and cultural inequalities. What the champions of the "new Soviet reality" studiously ignore is that the stormy Soviet industrial progress has been accompanied at every stage not by a lessening of social inequalities, but by their multiplication and growth.

Each industrial success had widened the gulf between the privileged few and the unprivileged bulk of the Soviet people. Advocates of the theory of the bureaucracy's "decline" not only ignore it, they deny it. Instead of pointing to the growth of material and cultural inequalities these "realists" see only the tendencies toward the elimination of inequality. What a

mockery of Marxism! What a falsification of Soviet reality!

#### Abundance — of Demagogy

Malenkov's demagogy of abundance for the Soviet people is just that demagogy to hide the growing ma-



terial and cultural privileges of the bureaucratic usurpers.

Under Stalin, that is, up to March 1953, the Kremlin did not promise abundance some time in the future. Stalin claimed that abundance was already here, right now. The collectives were happy and prosperous. So were the workers. So were the "intellectuals." Life was joyous and abundant for everyone and would become increasingly so in Stalin's alleged "transition from socialism to communism."

The Kremlin proclaimed nothing but successes all along the line — in industry as well as agriculture, in consumer goods as well as in capital goods.

For a month after Beria was arrested there was still no mention of shortages, let alone any hint of difficulties in food supplies. The official mid-year report issued in July 1953, some four months after Stalin died, claimed a successful fulfilment of the 1953 plan in all major branches, including agriculture; it even recorded a new growth of animal husbandry, just as did every previous post-war report.

In August, at the session of the Supreme Council when Malenkov publicly assumed Stalin's mantle, he still talked about abundance and not about any shortages.

It was only in September that the tune was suddenly changed. For the first time came admissions of shortages and declines in crops, declines in livestock, fodder, fertilizer, potatoes, vegetables, etc. The privileges of the bureaucratic minority have been rendered all the more provocative because they exist not amid plenty, but amid growing shortages of basic necessities for the mass of the Soviet people.

It now turns out, by admissions of the Kremlin dignitaries, that agricultural shortages, except for grain and some technical crops, have been chronic for the last three or four years. For example, potatoes and vegetables have been available in cities at the height of the season, from August to December, only to disappear for the next 7-8 months.

The authority for this is Mikoyan, the recently appointed Minister of Home Trade. Discussing "many serious shortcomings in the trade of potatoes and vegetables," Mikoyan stated: "The basic mass of potatoes and vegetables is expended in the period from August to December, but from January-February this trade takes place with big intermissions" (*Pravda*, Oct. 25, 1953.) What else could happen after the "basic mass" had been expended?

So customary had these shortages become, that the Kremlin has not bothered even to maintain, let alone expand, the storage facilities for the crops. The available storage space for potatoes and vegetables is almost one-third less than in pre-war days, Mikoyan said. This means that even had there been bumper crops of vegetables and potatoes in the post-war years, there would still have been no place to store them! And potatoes and vegetables are by no means the only items for which proper storage facilities are lacking.

The shortage of basic foods in the cities is paralleled by shortages in the villages. The peasants find it difficult to obtain such items as salt, matches, kerosene, soap, cotton cloth, etc., in the rural cooperative stores. It seems incredible, doesn't it? Surely there cannot be shortages in the USRR of such items, Mikoyan assures us that there

is indeed no shortage. The storehouses are loaded with salt, matches, kerosene, etc. The hitch is that the peasants have no access to storehouses; they depend upon the bureacratized rural stores, if there are such in the vicinity. And these stores, "many of them," admitted Mikoyan, simply neglect to stock these items. This does not mollify the peasant, it only makes him angrier.

But even this is not all. Many key agricultural areas have been left without rural stores. In passing Mikoyan noted that the rural trade network still remains sharply below pre-war levels. In the Ukraine, for instance, there are only 88.3% as many stores and small shops as there used to be in 1940. In Byelorussia there are only 80.4% as many, while provinces like Smolensk have some 82%.

The "lag" is so serious, it will take several years to overcome it. Within "the next two or three years," promised Mikoyan, "the lag in developing the retail network in the village will be liquidated." And meanwhile? Meanwhile the peasant must put up with shortages.

The peasants are by no means the only ones in this plight. According to Mikoyan, in the first six months of 1953, i.e., amid the hullabaloo about material abundance, "there were closed for various reasons 1,940 stores" in various cities. The magnitude of this decline may be gauged by the fact that the 1953 plan for the expansion of the trade network called for 285 new stores in the whole of the Ukraine and 77 new stores for the whole of Byelorussia. More than five times as many stores were taken out of the Soviet trade network in a six-month period as were supposed to be added in a whole year in these two republics alone.

Mikoyan said that these were "intolerable facts." One can easily imagine how the Soviet workers and peasants feel about this bureaucratic performance.

#### The Peasants' Struggle

We have repeatedly stated that behind the unfolding farm crisis in the Soviet Union were the ruinous consequences of the bureaucratic method

of rule and administration. There has ensued a revival of the peasants' struggle against the state, marked by cuts in crops.

The Pabloites met this Trotskyist conclusion with yelps of displeasure and with denials. According to them the "new Soviet reality" excludes such a development. With an air of profound wisdom, they want to know what are the motives of the peasants. Are they political motives? Do the peasants want to do away with the collectives? Do they want to restore capitalism? Those who raise such objections only show how quickly they have discarded whatever Marxism they once possessed.

The peasant does not need a political motive in order to cut production. He cuts production not because he opposes the Kremlin's politics, not because he is opposed to the collectives, but because he does not like the bargain offered him by the Kremlin. In return for crops, the regime is unable to guarantee the countryside even such items as salt, matches, kerosene, etc. The peasant replies in his traditional manner.

The Kremlin pictures Soviet industrial growth solely through quantitative indices. Such a one-sided, mechanical approach naturally serves the Kremlin's needs. It serves to hide the terrible contradictions, disproportions and all the other evils Stalinist rule accumulates and aggravates. This quantitative approach to Soviet industrial growth has been borrowed from the Stalinists by Deutscher and the Pabloites. They accept uncritically and unthinkingly the Kremlin's statistics. And the Kremlin has long ago claimed that Soviet economy had reached "comparable levels" to those of advanced capitalist countries.

To be sure, from the standpoint of gross industrial output the Soviet Union is today second only to the United States. The Pabloites forget to add a trifle, namely, that in economics, as in politics, who does it is just as important as what is being done. Stalinist rule has left its indelible imprint on Soviet industrial growth. Here are some of the more important elements.

Bureaucratic rule and management

is expressed in the low coefficient of effective use of machinery. It is evidently lowest in Soviet agriculture, where two-thirds of the machinery, by official admission, remained idle, failed to fulfill daily shift-quotas. Technology serves a primary purpose — to save labor time. Soviet labor productivity lags sadly behind "comparable levels" of the more developed countries, with the lag, again, most acute in agriculture.

Stalinist rule is expressed in the aggravation of another key problem of production — quality. Leon Trotsky pointed out that it is "a unique law of Soviet industry that commodities are as a general rule worse the nearer they stand to the mass consumer." This holds with as much force today as in the pre-war days when Trotsky made his analysis. Why? Because the mass consumer is still completely without rights. Behind the problem of quality stand not merely questions of technical improvements. It goes far deeper. "Under a nationalized economy," correctly said Trotsky, "quality demands a democracy of producers and consumers, freedom of criticism and initiative - conditions incompatible with a totalitarian regime of fear, lies and flattery." These are timely words today.

#### **Bourgeois Norms**

Bureaucratic rule finds its expression in the methods of distribution. It employs methods which Trotsky scientifically characterized as bourgeois. Under Stalinism this conflict between bourgeois distribution methods and nationalized economy has led to an unheard-of aggravation between city and country, a monstrous disproportion between production of mass consumer goods and the production of capital goods. As we shall presently see, not even the Stalinists are able today to deny it.

The Pabloites blot out all these elements of Stalinist rule because they do not conform to their scheme of "new Soviet reality." Yet they are as important a part of Soviet economic life as the quantitative indices of industrial growth.

- The bureaucratic rule also finds its

expression in the character of Soviet domestic trade.

In every developed country the bulk of trade consists of manufactured goods. Under Stalinism just the opposite is true. Today as in pre-war days, agricultural products account for the bulk of Soviet trade.

Take a recent boast of Mikoyan about "the serious improvement in the structure of our trade turnover." What does this improvement consist of? "In the pre-war days manufactured goods took 36.9% of the trade turnover of our country, but in 1953 it is - 45.3%," stated Mikoyan. In other words, at a time when industrial production as a whole has more than doubled, the production of manufactured goods for city and country has stagnated, registering a rise of less than nine percent; agricultural products still remain the bulk of "retail goods" available to the population.

Mikoyan's boast about Soviet trade turnover indicates in reality that for the mass of the Soviet workers, whose numbers have grown by tens of millions since pre-war days, there has been no marked improvement in living standards. As we know from Mikoyan's and Khruschev's admissions, the position of important peasant layers, especially among the oppressed nationalities, has actually worsened in the meantime. But for the bureaucracy, especially its upper echelons, the case has been otherwise. The biggest post-war growth in "manufactured goods" has been recorded precisely in items available exclusively to the bureaucrats, such as autos, champagne, woolen and silk cloth and similar items.

#### City "Aristocrats"

The widening gulf between the relative comforts of city life and the deprivations of rural existence has created ironical difficulties for the Kremlin. The privileged layers in the villages gravitate toward the urban centers; the bureaucrats, nesting in the towns, resist transfer to the villages. Paralleling the huge turnover of personnel of the Machine and Tractor Stations, collective-farm directors and other administrative functionaries, there is the resistance of "specialists" to ac-

cept permanent assignments in the countryside. Those forced to go, cling to the nearest town, "commuting" to the collectives or the MTS, transacting their affairs by phone, by speedy auto tours and the like. Needless to add, the incumbent rural bureaucrats are not happy either about these newcomers from the cities.

Simultaneously with the executions of Beria and his aides, the Russian press launched a campaign against "aristocrats," singling out, under this heading, agronomists, zoologists, technicians, collective-farm directors, regional party secretaries, and others who are balking at transfers into the villages.

The aggravation of the Soviet farm crisis finds its reflection in the constant revision of personnel allocations for "improving" the work and leadership in agriculture. The decrees of Sept. 1953 envisaged sending 100,000 specialists by spring 1954; 6,500 engineer-mechanics and technicians into the MTS "in 1954-55"; and less than 150,000 newly trained skilled machine operators to expand the permanent MTS personnel "in 1954-57."

Since then *Pravda* has announced that "over a million" trainees are to be sent into the MTS this year alone. And on Jan. 26, 1954 *Pravda* stated that in the period since last September: "Into the MTS have been sent more than 21,000 engineers and technicians. To service the collectives, 104,000 agronomists and zoologists have been directed into the MTS." And this is not hailed as a solution of the targets set but merely referred to as an "aid in raising the work of many MTS."

The Kremlin's revelations since last September make it clear that the current farm crisis has been chronic in the post-war period. We did not await these disclosures to point out the situation.

Back in May 1953 we said that "before Stalin died the columns of the Soviet press were dotted with warnings of 'serious shortcomings,' 'oversights,' 'pilferings,' etc. in state-farms, in collective-farms, in spring sowing, preparations of MTS, the lumber industry, the paper industry and so on. The post-Stalin press has multiplied

these 'alarm signals' in agriculture. The new, consolidated Ministry of Agriculture and Agricultural Stocks, under Minister Alexei I. Kozlov, is intended to solve this ticklish situation in Soviet agriculture... The regime was caught by surprise in 1928-29; another shock is in store for the Kremlin incumbents." (*The Militant*, May 11, 1953.)

In 1949-50 the policy was followed of amalgamating the collective farms. The chief aim was to do away with the individual peasant land-strips and midget economies. The peasants were to be made dependent for all their income upon the amalgamated collectives, the so-called agro-gorods or agricultural cities. Nikita Khruschev, the incumbent first secretary of the Russian party, was a prime sponsor of this policy. This adventurist measure collapsed because it was purely administrative. The peasants were not supplied with either an efficient management or the requisite flow of manufactured goods.

In September 1953 this same Khruschev presented an agricultural program based on the most sweeping concessions and encouragement since 1924-28 of private, individual peasant households. In other words, from the previous *adventurist* economic policy, the Kremlin, as it did in the past, has switched to an *opportunist* economic policy.

Stalin's death was an incidental factor in this switch. The primary factor was the growth of peasant resistance, marked by admittedly calamitous declines in cattle herds, fodder crops, vegetables and potatoes, etc. At the same time, the lag in consumer goods production became more accentuated because even the miserly targets set under Stalin were not being fulfilled. We are now in position to confirm this by an admission made by Mikoyan in the report we have already quoted.

In the first quarter of 1953, i.e., from January to March, "there took place," admitted Mikoyan, "a sharp lag in the fulfilment of the adopted plan of trade turnover, which was fulfilled only 94.9%." This "sharp lag," further admitted Mikoyan, was not made up in the second and third quarters of 1953, despite the emer-

gency measures taken by Malenkov and Co., "and likewise not fulfilled were the supplementary tasks regarding the trade turnover."

In this annihilating admission we get an instructive lesson of how false is the Pabloite attempt to judge Soviet industrial growth by quantitative indices alone, without considering the other factors such as, the effective use of machinery, the quality of products, especially consumer goods, the methods of distribution, and above all, the nature and role of the Stalinist bureaucracy. These newly fledged apologists for Stalinism know little and understand less about the true Soviet reality.

#### The Farm Crisis Deepens

Since October the crisis in agriculture has worsened because of an unexpected early winter and severe frosts. Malenkov's struggle for abundance today comes down to the struggle to save the 1954 crops and prevent even worse shortages than those of recent years. No sooner was the opportunist economic policy proclaimed than it boomeranged. The peasants hastened to save their own crops and cattle at the expense of the collective crops and herds. Since December, Pravda has been "signaling" reports about "alarming" and "downright criminal" neglect of crops and cattle and machines in one region after another.

The Russian press now talks openly about the "renovation" of collective farm administrations, of leading MTS personnel and the introduction of a "new structure of rural regional committees of the Communist Party of the Soviet Union." (*Pravda*, Jan. 11, 1954.) References to the "days of the Thirties," that is, the struggle in the countryside in connection with the "wholesale collectivization," have become a commonplace in major Russian periodicals.

Talk is reviving of "splinters of hostile classes," a marked departure from the long-standing Stalinist boast of "the complete elimination of capitalist elements." Following the blood purges of the Thirties, the Kremlin has talked of bourgeois survivals only "in the mind," in attitudes and habits; i.e., as a psychological remnant

of the past. Significantly, attacks on "bourgeois nationalism" are once again being coupled with charges of "cosmopolitanism," which in Stalin's day were synonymous with the propagation of Great Russian chauvinism, anti-Semitism, and an anti-nationalities attitude generally.

The Kremlin's theoreticians are now openly admitting that "under the conditions of socialism the contradiction between production and consumption remains operative," and furthermore that "contradictions exist and arise between the productive forces and the productive relations." In other words, the Kremlin's academicians are being permitted to recognize "in theory" the grim facts of Soviet reality. They recognize these contradictions only promptly to resolve them "without conflict." The contradictions do not "arrive at conflict thanks to the correct policy of the Communist Party." (Pravda. Dec. 7, 1953.) The Stalinist theoretician, it will be noted, skips from economics to politics the moment he touches an admitted contradiction. He takes refuge in the "wisdom" and "authority" of the Kremlin.

#### The Malenkov Cult

This is the doctrine of individualistic fetishism Stalinism has always artificially inculcated. Under Malenkov, as under Stalin, the sources of success, both real and pretended, are invariably located in the extraordinary quality of the leadership, and not in the conditions of socialized property created by the 1917 revolution.



Failures are unloaded on scapegoats. The Pabloites have had much to say about the Kremlin's cynical disclaimers of "the cult of the individual," but not a mumbling word about the equally abominable cult of the Malenkov-led Central Committee.

This same lengthy *Pravda* article, a condensation of a lecture on dialectical materialism delivered by theoretician Stepanyan before the Academy of Social Sciences attached to the Central Committe of CPSU, contains, ironically enough, a veiled polemic against the Trotskyist program of political revolution in the Soviet Union.

"The new system," argued Stepanyan, "free from national and racial oppression, secures the equality of people in all spheres of social life. In these conditions there falls away every ground for political revolution and there is created the possibility and necessity, as already Lenin foresaw, for the economic and cultural re-education of the new society in the spirit of communism." (Same source.)

The latest apologists for Stalinism—from Deutscher through Pablo to Cochran—have arrived on the scene precisely when the Kremlin is crawling out of its skin for plausible arguments in favor of "reform" and "reeducation" as against—political revolution. There is no irony more savage than that of history.

The discoverers of the "new Soviet reality" find the ground for the "liberalization" of the post-Stalin regime in its demagogy of abundance, its promises of material concessions. Just the contrary is true.

Every effort of the regime to bridge the "gap" between production and consumption must be accompanied by intensified pressure on the mass of the workers and the peasants to increase production. The Russian press is now harping on "increased production from the existing productive areas" in industry. This squeeze for more production takes place amid growing shortages of foodstuffs and consumer goods. It does not remove but renders more urgent the need for administrative measures, for repressions,

The regime has brought Soviet economy to the brink of cleavage be-

tween the city and the village. The farm crisis has already turned into a crisis of the fifth Five Year Plan. Production targets have been revised not only for light industry but also for all the branches of heavy industry, including the defense and aviation industries. This does not reduce the Kremlin's need of repressions, but increases it.

Finally, the promises of material concessions are not as benign as they seem. First, it is necessary to safeguard against mass reactions to actual performances as against the glowing but false promises. In the second place, the regime plays with fire in unveiling even a little corner of the true conditions in consumer-goods production. Leon Trotsky explained this many years ago.

"The ulcers of bureaucratism," he wrote, "are perhaps not so obvious in the heavy industries, but they are

devouring, together with the co-operatives, the light and food-producing industries, the collective farms, the small local industries — that is, all those branches of economy which stand nearest to the people . . . It is possible to build gigantic factories according to a ready-made Western pattern by bureaucratic command — although, to be sure, at triple the normal cost. But the farther you go, the more the economy runs into the problem of quality, which slips out of the hands of a bureaucracy like a shadow."

Only the intervention of the masses can really solve the problem of quality of consumer-goods supply. The bureaucracy knows this and is determined to avert this mass intervention at all costs. Hence the continued ferocity of the regime.

Placed in its real context, Stalin's anti-Semitic purge discloses itself as a projected mass blood-letting to cope

with the unfolding farm crisis, the threatening cleavage between city and country, the growing peasant resistance and the growing workers' discontent. Events have proved that the post-Stalin regime, given its counterrevolutionary character, has no other recourse

Stalin's death confronted his "heirs" with the crisis of succession amid an already critical domestic situation. The greatest threat to them was the emergence of the Soviet workers as an independent force. To forestall this it was urgent to create an illusion of self-reform, of a "liberalized" regime ready and willing to make more and more concessions to the masses. Not the least crime of the Pabloites is that instead of exposing and denouncing this vile deception, they are aiding the Kremlin, as best they can, to promote it.

January, 1954

### Social Relations in U.S. Today

By ARNE SWABECK

(Although the first part of the following article appeared in the last issue of Fourth International, we are reprinting it in this issue. We feel that comrade Swabeck's contribution is of such importance that our readers will appreciate its availability as an integral unit for future reference. — Ed.)

From his fundamental social and economic studies Marx drew the conclusion that all human relations are rooted in the material conditions of life, or more specifically, in the prevailing mode of production and distribution of each historical stage of development. This is the basis for the existence of social classes and it gives rise to class antagonism and conflicts as well as to consciousness of class position.

"It is not the consciousness of men that determines their existence, but on the contrary, their social existence determines their consciousness."

Economic conditions are not the sole determining factor. They form the basis for the political and legal superstructure with its philosophical, cultural and religious attributes. But between all of these there is reciprocal interaction with a fundamental economic necessity which in the final analysis always, asserts itself.

Since the beginning of civilization human society has developed on the basis of dominance of class contradictions and class struggles. Whenever new productive forces were attained the mode of production was altered and social relations changed correspondingly. New classes appeared in place of the old; and the social contradictions and conflicts became the motive power of all historical development.

This holds true for each historical stage, to which capitalism forms no exception. On the contrary, capitalism has intensified these contradictions and enlarged the scale of conflict.

From these contradictions, constantly transformed from one series of connections into another, Marx formulated the objective laws of development of the capitalist system. And he found that the very forces which operate to yield an equilibrium of its elements generate counterforces which disrupt that equilibrium. These contradictions and their reciprocal interactions, expressed in violent conflicts, crises and wars, account for the instability of the system. Historically, its character is transitory. The ever-expanding productive forces and their ceaseless revolutionization of capitalist society prepares the way for new and higher social forms.

While material conditions of life have thus made necessary a certain order of things during the historical stage of capitalism, they make equally necessary another order into which these must inevitably pass over at the next historical stage.

This we accept as our fundamental concept. It enables us to understand the variations and changes of social relations at each successive stage of development. It enables us also to understand the corresponding changes in the reactions, the moods and the consciousness of the working class. And the application of this concept provides the key to a correct appraisal of the future course of development.

#### American Capitalism

The analysis made by Marx of the objective laws of motion of capitalist society is most fully confirmed by the evolution of its American sector — its most highly developed expression. The history of the United States is the history of capitalism in its most modern and its most advanced form.

Since its birth the United States has been built on a capitalist foundation from its economic substructure to its philosophical and religious summits. American history reveals an abundance of bold ventures, great spurts, and revolutionary leaps. Its outstanding phenomenon is the remarkably compressed character, and unexampled speed and tempo, of social development. Within this framework American capitalism displayed its special traits of audacity, aggressive enterprise and ruthless pursuance of its struggle for class supremacy.

As is well known, the secret of its success lies primarily in the unique position enjoyed by American capitalism during the earlier and greater part of its development. It had possibilities aplenty for sustained expansion on a virgin continent rich in natural resources. This provided the essential prerequisites for technological advance. Rapidy growing labor productivity created abundant surplus values to furnish the life blood of an ever greater accumulation of capital, all of which existed alongside of an organically expanding internal market. As it unfolded, this process was interrupted periodically by crises and panics, yet in its dialectic interactions it became a self-sustaining process.

The United States became the land of plenty and of opportunity. Its ever-mounting wealth enabled American capitalism to give greater concessions expressed in a relatively higher standard of living for the population and greater degree of formal democracy than was the case with capitalism elsewhere.

These unique possibilities available to American capitalism set its definite seal upon the corresponding social developments. While the working class movement often challenged the capitalist drive toward complete class domination, its own evolution during this early state followed an irregular pattern. Robust and militant from its inception, it forged ahead in turbulently explosive struggles, especially during each boom period, to retreat and almost disappear for a time. But it rose again to make further gains. Bold venture and revolutionary leaps became a distinguishing characteristic also of the early American labor movement, reaching its highest point during the upheavals of the eighties of the past century.

The equilibrium of class relations suffered rude shocks, sometimes merely causing a shift of fighting advantage between the opposing forces, at other times, however, having a sufficiently shattering effect to necessitate its reconstitution on a new plane.

Such a reconstitution took place after the explosive period of the eighties. A relative stability of class relations ensued, but it was attained primarily by narrowing the scope and influence of the unions to the skilled sector at the cost of keeping the great mass of the labor population unorganized and helpless. Finally the unions were in actuality divorced from mass production industry. And as American capitalism, still enjoying the fruits of its unique possibilities, advanced toward its most healthy prime in the boom period of the Twenties, the labor movement retreated and lost ground.

#### The Great Depression

With the great depression the unique position which American capitalism had enjoyed came to an end. The long-term factors of organic expansion of its internal market had been exhausted. But exhausted also were its historically progressive qualities. The great depression marked the end of one era and the beginning of a new.

Since the crash of 1929 the social and economic structure of the United States has been subjected to a transformation which is qualitative in its content. Correspondingly, certain important functions of the political superstructure have been altered. As a consequence, social and class relations exist now on a foundation which is also qualitatively different. A new molecular process was set into motion; and the mutual interaction of these basic changes will influence decisively the course of future development.

Several features of this transformation stand out in bold relief and warrant careful examination. Let us consider first among these what an inventory of national wealth reveals.

1. A study of income and wealth published by the National Bureau of Economic Research presents illuminating facts and figures. Estimates of this study are carried through from the year 1896 to 1948. But their real significance lies in the sharp contrasts revealed by the two periods, before the depression and after. The figures given in constant dollars based on 1929 prices read as follows:

From 1896 to 1929, both inclusive, national wealth rose from \$164 billion to \$426.3 billion with a fairly regular upward curve of an increasing ratio, and amounting to an average annual rate of growth of about 3 percent. From 1929 to 1948, however, the figures present an entirely different picture. The rate of growth of national wealth now becomes highly irregular. Starting from a total of \$426.3 billion in 1929 the increase over these years is very slight; the actual total of 1948 is only \$461.8, or an average annual gain of less than one-half percent (to be exact, 0.45 percent).

Projections made of the above mentioned study by U.S. News and World Report, carried through 1951, reveal the fact that while we have a plethora of automobiles, radios, televisions and innumerable gadgets, the total value of home buildings, measured in constant dollars on a per capita basis, is today 13 percent below that of 1929. These projections summarize as follows: "Even now, big as the U.S. wealth has become, the country is still a little below 1929 in real wealth, population growth considered."

The basic trend revealed by these estimates is clear and beyond dispute. It does not conceal the fact that the American bourgeoisie has become fabulously enriched by vast profits made in peace-time as well as in war-time. But the twofold effect of ravages of depression, and a vast scale of arms output in place of production of use values, during this latter period, created a different reality for the American people. Relatively the country as a whole is now poorer than it was in 1929. In terms of population growth this relationship becomes absolute.

What does this basic trend portray if not a system in decline? The powerful internal dynamic once generated by American capitalism, out of its past unique position, to be sure, and not out of any inherent quality, this internal dynamic is now being rapidly dissipated. American capitalism now squanders, recklessly, the wealth accumulated by past generations. This is the surest indication that it has in actuality entered the state of decline of its world system as a whole.

2. A second feature of the transformation carries implications of more immediate and more basic concern. The great depression revealed the fact that American capitalist economy had lost its capacity to operate as a self-sustaining process. In place of an ever-growing market, keeping abreast of the expanding productive forces, a yawning disproportion appeared. The whole process had been thrown into reverse; it could no longer proceed unaided and on its own momentum. Artificial stimulants had to be injected to keep the economy a going concern.

At first these stimulants took the form of simple "pump-priming" through public works expenditures as an effort to close the gap between production and consumption. But the efforts of the first phase quickly proved insufficient. They were superseded by war and armaments expenditures together with foreign economic and military grants.

Thus, while in 1929 expenditures for the armed forces amounted to less than one percent of the gross national product, in 1944 at the height of World War II expenditures, these were not less than 45 percent. Today the arms program accounts for 20 to 25 percent of the gross national product.

#### The Arms Program

War and armaments production became, and has since remained, a sector of decisive importance to the whole economy. It was decisive not only in the sense of its central imperialist aim to which all other economic efforts had to be subordinated. It was, and remains, decisive also in the sense of maintaining a balance in a precarious economic equilibrium loaded with explosive elements of crisis.

While the armaments program represents a terrific burden of overhead expense on the nation as a whole, its real paradox lies in the fact that the economy under capitalist relations of production could not be sustained without it. This has already become a demonstrated fact, it is the fact of a qualitative change. The truth is that this economy is no longer expanding organically in the sense of either rapidly enlarging old industries

or creating new ones. Those of the latter category which have appeared during the period under consideration, such as radio and television, do not absorb a sufficient part of the immense productive capacity to provide a serious impulsion to the economy. Hence only arms production remains to provide an artificial stimulant. In the absence of an organically growing market these components of the economic structure lay the basis for more devastating crises to come. Thus all the factors which in the past stimulated and strengthened the prodigious growth of the American economy are either disappearing or turning into their opposite.

3. Alongside these changes in the economic foundation and closely integrated with them should be noted the vastly enlarged scale of function of the political superstructure. The paralyzing effect of the great depression made necessary a much more direct state intervention in all aspects of social and economic life. Beginning with the New Deal, this intervention continued through the Fair Deal and it will, all appearances to the contrary notwithstanding, become more complete under Eisenhower.

Greater and more direct intervention in social and economic relations is an outgrowth of, and at the same time a particularly distinguishing characteristic of, the capitalist world system in its stage of decline. Its appearance in the United States serves to underline the fact that basic elements of decline have also reached these shores.

Increasing anarchy of production in general, pushed to its extreme by the greater concentration of monopoly capital, generates ever more malignant elements of economic crisis. Complexities of international relations, expressed in wars and revolutions, and reflected as well in the astronomic costs of the war program, tend to invest every manifestation of economic crisis with a distinct social and political character. They tend to become manifestations of crisis of the bourgeois regime. The combination of these factors has necessitated constantly more direct state intervention in an attempt to preserve the social stability of the regime.

World War II, the Korean war, and the continued war program have brought this intervention to its highest form of development in the United States. The government became the centrally directing force in all social and economic activity. Major risks of capital investments in the war program were assumed by the government with guaranteed lucrative profit returns for the big monopoly concerns. The government took charge of labor relations and set patterns of wages and working conditions. Through heavy taxation, the government controls an increasingly large share of the national income. This constitutes its operating capital — social capital — which is used primarily to promote imperialist aggression in an effort to keep the economy on an even keel and safeguard capitalist profits.

On the whole, the powers of the political state are strengthened immeasurably; its preponderance, however, renders the political state so much more vulnerable to the tremors and eruptions of social and economic relations with which it is now so thoroughly integrated. The impact on the future political life of the nation will tend in this sphere also to bring forth new and higher forms of development.

4. Yet the most important aspect of the transformation of the American social structure since the depression is the change that has taken place in the relationship of class forces. While the outward stability of its social fabric still remains, this relationship now rests on an entirely new foundation. The working class has emerged as a distinct social force foreshadowing today its great potentialities of tomorrow.

From the lowest depth of its long period of ebb-tide the labor movement advanced in one mighty leap. A volcanic eruption climaxed the long accumulated pressures of capitalist exploitation which were intensified by the mass unemployment and destitution of the depression days. From virtual atomization the working class went ahead and built the most powerful union movement in the world. In the process of growth, quantity changed to quality. Union consciousness, cohesion and militancy replaced the diffusion, inertia and backwardness of the past.

The hitherto prevailing equilibrium of class forces was shattered and it could be restored only on an entirely new basis: on the basis of recognition of this new power. For the American social structure this change of relationship more than any other development signifies the end of an era and the beginning of a new.

Outwardly this new equilibrium still remains relatively stable. The opposite and antagonistic class forces have maintained a certain balance of power. How was this manifested in actual life? In the first place, the war and the arms economy provided a guaranteed market, relatively free of competition, for the products of capital investments. But it permitted also a vast expansion and a greater utilization of the available productive forces which in turn permitted a more complete realization of surplus value. On the whole this made possible the continuation of a measure of concessions to labor. Through full employment, including overtime, and the winning of several wage rounds, the working class standard of living maintained a rising trend. Out of these concessions the so-called Welfare State gradually evolved.

Conservative tendencies within the working class grew and became more pronounced as a result of these conditions. And the labor bureaucracy, supported tacitly by the rank and file union members, drew closer to the government, seeking its protection against the power of monopoly capitalism. In effect this new relationship took on the form of a political coalition, not formally recognized of course, but existing in fact. The government needed the collaboration of the labor leaders to assure the indispensable prerequisite of mass acquiescence in its war program; the latter wanted to maintain the benefits of the "Welfare State." This was the essence of the political coalition which served as an essential prop for

the relative social stability that prevailed through the New Deal and the Fair Deal period.

Working class acquiescence in the imperialist war program became an established fact, not to be disturbed seriously even by the unpopularity of the Korean war. Now the Korean war has come to an end. This, of course, does not signify a change of the fundamental course of American imperialist policy. Its essence remains global war of undisguised counter-revolution; war for the survival of the capitalist system.

#### Washington's Problems

But the war plans elaborated by the Washington strategists are now badly disorganized: their time-table is upset. Defeat in Korea underlines the power and sweep of the colonial revolution. Increased working class resistance to Washington policies in the European metropolitan centers unfolds alongside the mounting difficulties, insecurity and crisis of their bourgeois regimes. The overall effects cause hesitation and muffled resistance also by the latter and introduce paralysis into the NATO structure. Not because these bourgeois regimes, like, for example, that of the British Tories, are less imperialistic or less counter-revolutionary than their more powerful Washington allies. No, the real reason is the impact of more clearly defined and sharpened class relations on Tory home grounds. Stronger than the pressure from Washington is the more immediate and direct threat to Tory class rule coming from the growing consciousness and political advance of the British working class which, moreover, is displaying its hatred of imperialist war. Tory hesitation and resistance reflect their awareness of that danger.

This is paralleled by significant changes in the Soviet Union since the death of Stalin; and the totality of these developments has introduced further modifications in the world relation of class forces which compel a considerably slower tempo of the imperialist war drive. In turn these modifications, together with the change of tempo, tend to aggravate the contradictions of the American social and economic structure. The artificial stimulants which had operated to yield an equilibrium of its elements generated counterforces which threaten to disrupt that equilibrium. Out of their mutual interaction elements of crisis once again become predominant.

A twofold dilemma confronts the American bourgeoisie. In the field of foreign policy the relationship of class forces, on a world scale, is evolving more distinctly to the disadvantage of its projected counter-revolutionary strategy. Internal policy faces the beginning of economic decline which is fraught with serious consequences for the stability of the social structure. Dynamic forces have been set into motion in both fields which easily pass beyond the control of policy makers at imperialist head-quarters. Both pose problems of social crisis.

At the imperialist home base the program of arms production did not mitigate, let alone remove, a single one of the basic causes out of which crises arise. Not

only did these persist, but they have grown more malignant. This can be illustrated quite simply.

Commodities produced in a normal peace-time economy for the most part return to further sustain that economy. By and large they return either in the form of capital goods employed as means of production, in the form of raw materials of production, or in the form of means of consumption to sustain the labor force. In this manner they serve to build up and strengthen the economy and increase national wealth. The output of war material, on the other hand, is in its entirety unproductively consumed. Arms production on the present scale, therefore, constitutes a terrific drain on the economy and on all the resources of the nation. The debt load, both government and private, has reached astronomical proportions; credit inflation extends its disintegrating influence into every pore of the economy; heavy taxation cuts deeply into the lowest income brackets. And yet a serious reduction of arms expenditures would spell disaster to the economy.

But the program of arms production promotes also the exactly opposite tendency. Military needs, stimulated by the ravenous appetite for imperialist conquest, demand an accelerated and unrestrained expansion of productive capacity which quickly surpasses the absorbing ability of the market. Precisely this is now the case. Elements of a crisis of overproduction appear alongside of, and in spite of, the leverage of vast arms expenditures. It is clear now that the war and the armaments economy tends to push all the contradictions of the capitalist mode of production to the extreme. Tendencies toward crisis, merely held at bay by the injection of artificial stimulants of arms expenditures, are now due to erupt. Their explosive fury tends to become greater because of the consequent unrestrained expansion of the material forces of production.

#### Depression or War

The basic transformation of the economic structure now reveals its real nature: economic decline amidst an enormous armaments production. Indeed, this poses more sharply the terrible alternatives: depression or war. Any other course is definitely excluded. And implicit in both alternatives is the social and political crisis of American capitalism. Its decadence is approaching a deadly climax.

Once again the Marxist analysis of crisis arising inevitably out of the many-sided contradictions between the productive forces and the productive relations of capitalism finds its verification in the actual march of events. But these relations of production, as Marx made equally clear, are capable of final explanation only in terms of the social relation of classes and the position they occupy in the process of production. In other words, all these developments can be interpreted only in the sense of their dynamic interplay with existing class relations, or they cannot be interpreted at all. The reaction to these developments by the contending class forces therefore becomes the decisive question. What the power-drunk bourgeoisie intends to do is already clearly indicated. Its

course of action is determined by its economic and political needs as a class owning and controlling the means of production.

Economic decline imposes serious restrictions on the full and complete realization of surplus value. While the magnitude of the latter must inevitably diminish, the magnitude of arms expenditure remains, and it will eventually increase. Yet these terrific "overhead costs" of Wall Street's program of world domination can come from one source, and one only: national income.

Concerned first and foremost with profits and its accumulation of capital, the bourgeoisie, therefore, plans to effect a drastic redistribution of national income. It will not tolerate concessions to labor that approach anywhere near the previous scale. It needs an ever greater part of the purchasing power of the workers to finance the tremendous costs of armaments production. At the same time the bourgeoisie is less and less disposed to tolerate a social relationship in which the labor movement holds a certain balance of power. And in order to strengthen its own class position it is equally determined to change this relationship. Nothing less will satisfy the American bourgeoisie as a minimum prerequisite in preparation for the next stage of aggressive moves in its predatory war plans. As these unfold, the titanic immensity of the contemplated desperate venture would cut the working class standard of living to the very bone and tax the manpower requirements to the point of virtual slave labor.

From these general considerations a two-pronged attack on labor unfolds. Instead of the measure of concessions previously granted, the chiefs of big business and finance are now determined to reduce the workers' share of the national income, while they themselves plunder the nation's resources. Austerity will replace prosperity.

But this part of the program cannot be carried out successfully unless it is combined with measures to curtail the power of the trade union movement in order to assure complete command for the capitalist monopoly concerns. The witch hunt, attempts at thought control, together with repressive and union-busting legislation are being fitted into the whole pattern of attack. Step by step these measures can be expected to unfold alongside of the production decline and the consequently more abundant supply of labor power. Flank attacks at the initial stage developing to a full-scale offensive for which all of the essential groundwork has been laid down carefully and consciously: this is the real significance of Eisenhower's Millionaire Cabinet.

#### Anti-Labor Program

The political coalition between the government and the trade union bureaucracy has been brought to an end. It was terminated, not on the initiative of the labor leaders, but by the very same chiefs of big business and finance who have taken charge of the execution of the anti-labor program. Now the political coalition has been replaced by open, unabashed and completely unchallenged control of the government by monopoly capital-

ism. Its first objective is to carry the anti-labor program through to the end. Indeed, state intervention in social and economic relations will become more complete under the Eisenhower regime.

Even in this most highly developed capitalist nation, no clearer proof has ever been provided of the real role and function of the political state as an instrument of class rule. It was to be expected, of course, that this should become more pronounced as fissures of decline and decay begin to crack the capitalist foundation. Increasing state intervention in social and class relations arises, on the whole, out of the reactionary necessity to prevent the disintegration of the old order, to hold the working class at bay and to preserve the bourgeois relations of production. State intervention can therefore occur only on behalf of the interests of capitalism, whose class rule it symbolizes and translates into action.

But the relationship of class forces is not at all as favorable to the boungeoisie as may appear on the surface. By virtue of its economic and social weight the working class is in possession of a far greater power than that of its adversary. It is now a class socially transformed to the highest level of union consciousness and organization. And the trend toward economic crisis together with the two-pronged attack on labor will tend to alter correspondingly the further course of the class struggle.

A downturn in production leads to a worsening in the economic outlook and a degradation of the living conditions of the workers. The combination of unemployment, elimination of overtime, wage cuts, job reclassifications, further speed-up to lower production costs, price and rent gouging, heavier sales taxes, cutting deeper into the lower income brackets, will exert a downward pressure on living standards and aggravate feelings of insecurity. Together with mounting attacks on the unions, the totality of such a situation is bound to stimulate the spirit of working class resentment and resistance.

Conservative tendencies, which are still predominant, will quickly prove to be relative and transitory in nature. It is true that for a considerable period worker militancy abated, but it was not subdued. The power of the labor movement was held at bay, but it was not impaired. On the contrary, as all the facts of life demonstrate, the American workers have become more conscious of the need to defend and preserve the standard of living already attained, and to preserve their democratic rights.

Confidence in capitalist prosperity and its automatic recovery from crisis, predominant among the workers during the boom period of the twenties, is now non-existent. Their thinking in this respect has turned into its opposite. Now the workers display their suspicion and distrust; they will be so much more readily impelled into action. And one thing is certain, regardless of the handicap of its present conservative and supine leadership, the nature and scope of working class action cannot fail to reflect the immense power of an organized movement eighteen million strong.

Viewed superficially, the outlook and actions of the

American workers appear to follow strictly along the path of deeply rooted empirical considerations. This is true to the extent that they remain relatively oblivious to any theoretical concepts and generally advance step by step following the rule of practical experience.

#### Labor's Power

But these workers have also shown themselves to be capable of making dialectic leaps into new and revolutionary methods of struggle, and toward new and more effective forms of organization, uncharted by previous experience. The enormous gains made by the forward leap which gave rise to the CIO, has made an indelible imprint on the working class as a whole. There need be no doubt that it has today a far greater sense of its power. Moreover, this power is not marred by any demoralization of defeats, nor is it infected with the debilitating poison of reformism — either of the classic "socialist" variety or the latter-day Stalinist brand. And the American workers are today also much more keenly aware of what they consider to be their right to a high standard of living.

The movement now toward merger of the AFL, the CIO and the independent unions into one united federation, if and when successfully consummated, despite certain inevitable negative features, will tend to stimulate further this awareness and this sense of power.

How will this be translated into action? Facing a hostile administration and a hostile Congress, the workers assume already a more critical attitude toward government policy on domestic issues. They will soon question also the disastrous consequences of foreign policy. Politics and economics have become much more closely integrated due to the growing state intervention in social and economic life. In the minds of the workers the government is held increasingly responsible for the welfare of the people. Any failure in this respect will, therefore, be charged directly to government policy.

As a result, all the problems of the social and economic structure are more readily translated into terms of political action. Out of sheer necessity this will be further reflected in sharpened and more determined struggle for influence over and control of the government. Resistance against attacks on their living standards and on their unions is sure to impel the action of the workers in that direction. And inevitably so, for this will become the decisive battlefield at the next historical juncture.

Moreover the conflict of class interests in political action, hitherto muffled, will stand out more clearly defined. And it is reasonable to assume that the American workers will not be slow to learn that political power is implicit in the mighty forces of organized labor.

With the breakup of the political coalition between the government and the labor bureaucracy an important element of social stability has been negated. With this also the stage is being set for mass struggles of an unprecedented nature and scope. And the dynamic components, inherent in this whole situation, will act as a mighty catalyst propelling the working class forward in another historic leap.

Engels said somewhere that the most significant leap of all time was the leap from inorganic matter into organic life. A transformation from a simple organization of atoms into molecules of chemical complexity, combustible, and of high energy content, which are the chief characteristics of all life. These permitted the almost infinite variability of organic matter capable of reproducing itself. From these characteristics emerged the cell as the unit from whose multiplication and differentiation the whole plant and animal body develops. Through the endlessly repeated cycles of interaction between inorganic matter and organic life, evolution made possible another historic leap — the transition from our simian ancestors to conscious man, from beastiality to humanity.

#### **Approach of Turning Point**

Forward leaps recording a change from quantity to quality are characteristic of human history as well as of nature. In the realm of human society such transformations arise out of causes that were prepared by the previous march of events. They occur as specific climactic points in the constant process of evolution; the outcome of the cumulative action of contradictory forces at work. Moreover, these transformations arise out of a fundamental economic necessity which in the final analysis always asserts itself. Precisely this is confirmed, above all, by the history of the United States. And it will be confirmed again by the events to come.

For the American working class it can be asserted, with the greatest confidence, that all the elements are now in the making for a new historic leap reaching, this time, a grander scale and a qualitatively higher level than that which brought the CIO into being. This time it will rise to the level of political class independence most likely expressed in the formation of a Labor Party.

Once started on the road to independent political action the workers will move forward with hurricane speed and power. They will move massively because the more profoundly life is affected by a given historical activity the greater will be the amplitude of the mass that is engaged therein. Their present immense powers, firmly established, will tend to reduce all time-intervals. And we shall witness on the North American continent a great working class transformation from political backwardness to political consciousness and action.

The American working class is thus approaching a decisive turning point which will prepare the ground for a revolutionary leadership. Its further advance and its historical action is marked out clearly and irrevocably by its own position in life and by the whole organization of contemporary American bourgeois society. It is the only force that can defeat the imperialist monster whose power, while predominant throughout the capitalist world, is concentrated in the United States.

The transformation of the American social and economic structure has made more certain that this historical action will be carried to its completion. In the process

a more harmonious rhythm will be established between the revolutionary potential of the American working class, already clearly demonstrated, and the tasks imposed upon it by history. It can be expected to march forward, to reach vistas and to scale heights of triumph never witnessed before, thus preparing the way for a new social order.

For the fate of mankind this will be decisive, because "in the last historical analysis all the problems of our planet will be decided upon American soil."

#### From the Arsenal of Marxism

#### "It Is Necessary to Drive the Bureaucracy and the New Aristocracy out of the Soviets"

#### By Leon Trotsky

NOTE: The following article was written in 1938 by Leon Trotsky in reply to objections by Joseph Carter to the demand: "It is necessary to drive the bureaucracy and aristocracy out of the Soviets" put forward in the founding program of the Fourth International. Trotsky defended this slogan as an essential part of the program of the Soviet workers for the revolutionary struggle against the totalitarian Stalinist bureaucracy. His remarks on the nature and necessity of the political revolution in the Soviet Union have a special timeliness today in view of the challenge to the traditional Trotsky-ist concepts by the Pabloite revisionists.

On the subject of the slogan which appears at the head of this article I have received some critical remarks which are of a general interest and therefore merit an answer not in a private letter but in an article.

First of all let us cite the objections.

The demand to drive the bureaucracy and the new aristocracy out of the Soviets disregards, in the words of my correspondent, the sharp social conflicts going on within the bureaucracy and aristocracy — sections of which will go over to the camp of the proletariat as stated in another section of the same thesis (the draft program).

The demand (to drive out the bureaucracy . . . ) establishes an incorrect ("ill-defined") basis for disfranchisement of tens of millions — including the skilled workers.

The demand is in contradiction to that section of the thesis which states that the "democratization of the Soviets is impossible without the legalization of Soviet parties. The workers and peasants themselves by their own free vote will indicate what parties they recognize as Soviet parties."

"In any case," continues the author of the letter, "there do not appear to be any valid political reasons to

establish an *a priori* disfranchisement of entire social groupings of present day Russian society. Disfranchisement should be based on political acts of violence of groups or individuals against the new Soviet power."

Finally, the author of the letter points out also that the slogan of "disfranchisement" is advanced for the first time, that there has been no discussion on this question, that it would be better to defer the question for thoroughgoing consideration subsequent to the international conference.

Such are the reasons and arguments of my correspondent. Unfortunately I can by no means agree with them. They express a formal, juridical, purely constitutional attitude on a question which must be approached from the revolutionary-political point of view. It is not at all a question of whom the new Soviets will deprive of power once they are decisively established; we can calmly leave the elaboration of the new Soviet constitution to the future. The question is how to get rid of the Soviet bureaucracy which oppresses and robs the workers and peasants, leads the conquests of October to ruin, and is the chief obstacle on the road to the international revolution. We have long ago come to the conclusion that this can be attained only by the violent overthrow of the bureaucracy, that is, by means of a new political revolution.

Of course, in the ranks of the bureaucracy there are sincere and revolutionary elements of the Reiss type. But they are not numerous and in any case they do not determine the political physiognomy of the bureaucracy which is a centralized Thermidorian caste crowned by the Bonapartist clique of Stalin. We may be sure that the more decisive the discontent of the toilers becomes the deeper will the differentiation within the bureaucracy penetrate. But in order to achieve this we must theoretically comprehend, politically mobilize and organize the hatred of the masses against the bureaucracy as the rilling caste. Real Soviets of workers and peasants can come forth only in the course of the uprising against the bureaucracy. Such Soviets will be bitterly pitted against the military-police apparatus of the bureaucracy. How then can we admit representatives into the Soviets from that camp against which the uprising itself is proceeding?

#### False Criteria

My correspondent — as stated already — considers that the criteria for the bureaucracy and aristocracy are incorrect, "ill-defined," since they lead to the a priori rejection of tens of millions. Precisely in this lies the central error of the author of the letter. It is not a question of a constitutional "determination" which is applied on the basis of fixed juridical qualifications, but of the real self-determination of the struggling camps. The Soviets can arise only in the course of a decisive struggle. They will be created by those layers of the toilers who are drawn into the movement. The significance of the Soviets consists precisely in the fact that their composition is determined not by formal criteria but by the dynamics of the class struggle. Certain layers of the So-

viet "aristocracy" will vacillate between the camp of the revolutionary workers and the camp of the bureaucracy. Whether these layers enter the Soviets and at what period will depend on the general development of the struggle and on the attitude which different groups of the Soviet aristocracy take in this struggle. Those elements of the bureaucracy and aristocracy who in the course of the revolution go over to the side of the rebels will certainly find a place for themselves also in the Soviets. But this time not as bureaucrats and "aristocrats" but as participants in the rebellion against the bureaucracy .

The demand to drive out the bureaucracy can in no case be counterposed to the demand for the legalization of Soviet parties. In reality these slogans complement each other. At present the Soviets are a decorative appendage to the bureaucracy. Only the driving out of the bureaucracy, which is unthinkable without a revolutionary uprising, can regenerate the struggle of various tendencies and parties within the Soviets. "The workers and peasants themselves by their own free vote will indicate what parties are Soviet parties" — the thesis says. But precisely because of this it is first of all necessary to banish the bureaucracy from the Soviets.

It is, moreover, untrue that the slogan represents something new in the ranks of the Fourth International. Possibly the formulation is new, but not the content. For a long time we held to the point of view of reforming the Soviet regime. We hoped that by organizing the pressure of the advanced elements, the Left Opposition would be able with the help of the progressive elements of the bureaucracy itself to reform the Soviet system. This stage could not be skipped. But the further course of events at any rate disproved the perspective of a peaceful transformation of the party and the Soviets. From the position of reform we passed to the position of revolution, that is, of a violent overthrow of the bureaucracy. But how can the bureaucracy be overthrown and simultaneously given a legal place in the organs of the uprising? If we think through to the very end the revolutionary tasks which face the Soviet worker and peasant the slogan which stands at the head of this article must be recognized as correct, as self-understood and urgent. That is why the international conference, in my opinion, should sanction this slogan.

July 4, 1938

Fourth International 116 University Place, New York 3, N.Y.
I want to subscribe to Fourth International. Enclosed is ( ) \$1.25 for 4 issues; ( ) \$2.50 for 8 issues.
Name
Street
City
State

#### Four Important New Publications:

## The Case of the Legless Veteran



by James Kutcher
178 pages \$

### America's Road To Socialism



by James P. Cannon
National Chairman
Socialist Workers Party

80 pages 35 cents

- For the real meaning of McCarthyism
- For a working-class program to fight it

## McCARTHYISM: American Fascism On the March

A compilation of articles from THE MILITANT

16 pages

10 cents

and now, ready April 5, a new pamphlet

## Stop McCarthyism! Your Stake in the Fight

16 pages

10 cents

Order from

PIONEER PUBLISHERS

116 University Place

New York 3, N. Y.

#### Four Important New Publications:

## The Case of the Legless Veteran



by James Kutcher
178 pages \$

## America's Road To Socialism



by James P. Cannon
National Chairman
Socialist Workers Party

80 pages 35 cents

- For the real meaning of McCarthyism
- For a working-class program to fight it

## McCARTHYISM: American Fascism On the March

A compilation of articles from THE MILITANT

16 pages

10 cents

and now, ready April 5, a new pamphlet

## Stop McCarthyism! Your Stake in the Fight

16 pages

10 cents

Order from

PIONEER PUBLISHERS

116 University Place

New York 3, N. Y.