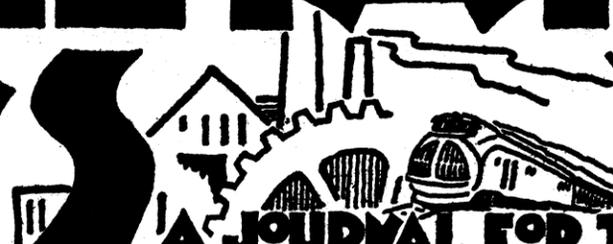


# PROLETARIAN NEWS



WORKERS OF THE WORLD UNITE!  
YOU HAVE NOTHING TO LOSE BUT  
YOUR CHAINS! YOU HAVE A WORLD  
TO GAIN! — Karl Marx

A JOURNAL FOR THE WORKING CLASS

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## Inflation Threatens Prosperity

It is now common knowledge that the dollar, like the old gray mare, "ain't what she used to be." Many quips have been hurled at it, like that one which goes: "Money talks. But in these days the dollar doesn't have enough cents to say anything worth while."

There is no denying it, the purchasing power of the dollar is far below what it used to be. This was borne out by the recent report from the U.S. Dept. of Labor (published thru the press generally) which showed that the dollar was so badly inflated that it is now worth only 50 cents as compared to the 1939 dollar.

But the "food dollar" is worse; it has even less cents, because its purchasing power has sunk to 42 cents as compared to the 1939 dollar. In view of this, trying to catch up with the high cost of living is anything but a happy pursuit for millions of workers. Even the lowly "hot-dog" (much liked and devoured by the American proletariat) has gone up in price. It is very difficult also to get a reasonably priced "do-nut," and when one does, quick disillusionment sets in because there is more hole than dough in it.

Inflation reflects itself in high prices of all commodities, and services also. Today we pay more for clothing, rent, transportation, hospital care and medicine (and as we mentioned, food also) than at any other time in the history of the United States. And yet there is a great abundance of all these necessities of life; in fact, in foodstuffs like wheat, a super-abundance!

It might be contended that it is natural for prices to be higher in periods of prosperity than at any other time. There is no denying that prices were higher in the prosperous 1920's than they were in the Big Depression days of the 1930's, when prices were very low indeed. However, the masses could not take advantage of these lower prices because many of them were unemployed. Even the worker who still had a job could not take advantage of the "wonderful bargains" offered, as much as he would have liked, because his wages were too low. No one cared about that depression period, and least of all the business men who yearned for the return of prosper-

ity with customers who had purchasing power.

Prosperity did come in, and with a "bang" (or is it "boom"), ushered in by the noise mainly from the bursting bombs of World War No. 2, wherein we had the "prosperous 1940's." But after Pearl Harbor (1941 to 1945) the worker did not feel too happy about war-prosperity. His wages were "frozen" as much as he was "frozen" to the job. True, with plenty of "overtime pay" the worker earned more than he ever did before. But his "money" could not buy as much

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## A Lesson From Hungary

When we read about the many Hungarian refugees and the continued resistance inside that nation in the form of recurrent strikes, and some armed remnants in the provinces, certain object lessons compel themselves. This experience, tho seemingly isolated, is part of the general pattern of the birth pangs of the new society. They are pangs of transition or conversion from one society to another, from capitalism to communism.

Pain and violence seems to characterize transitions generally, from one stage to another, be it natural

or social. The boy or girl changing from adolescence to man or womanhood, thence to middle age, all these are accompanied by pain, of change of life. Society, even more so than the individual, experiences much anguish in the course of its transformations.

Humans have the faculty of becoming set in their economic ways of life, entrenched in given ideas, class prejudices, traditions and religious beliefs, for the better or worse. To disturb and up root them from their old, fixed world outlook, to alter the existing property relations in favor of new classifications means an entire social revolution. That is most difficult. Some people think that revolution is for a day. That once the first battle is won and the class enemy is dispersed, victory is won and from then on the course for the new society is smooth sailing. But that is not so, as experience shows.

The old order dies hard. After the first flush of victory the old ruling class may seem to have been completely defeated but remains and memories linger on. These continue to operate clandestinely, growing and preying upon every weakness, sabotaging wherever they can, infiltrating under cover of acceptance, biding their moment. At all times they maintain international connections with the ruling groups of other nations, obtaining and utilizing every form of assistance against the new order.

The fight on the ideological front presents an ever greater problem. It has to be waged against the old ideas and traditions, which "weigh like an alp upon the brain of the living." (Marx) This in reality is the hardest battle, the battle of ideas. To dislodge these it takes a good deal of time, patience, effort and education. It is a much slower process, enduring for many decades.

The primary lesson to be drawn is that the class struggle is an intense and prolonged one, enduring thru the entire transitional period of transformation. Because of its existence a well organized workers state, the dictatorship of the proletariat, is necessary during the transition period. It is the purpose

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## Foreign Policy

The vagaries of the Middle East crisis, in which the United States found itself in voting agreement with the Soviet Union against Great Britain and France in the United Nations may seem baffling, but a hard look at how foreign policy is determined will dispel the mysteries of diplomacy.

While everyone has a stake in some foreign policy decisions, as some of these may land the nation in an atomic war; it is only the leaders of the capitalist class who determine and formulate the foreign policies of the country. "Trust Ike" may sound patriotic but is it democratic to trust a mere leader? Is it wise? The Germans had faith in Hitler and the Kaiser before him and where did it get them? The American people had confidence in Franklin D. Roosevelt's foreign policies that eventually led to war.

It is not an Eisenhower or a Roosevelt, personally, who are to be feared, but the class they personify, the money kings whom they represent. It is the big bankers, captains of industries, whose wealth is far flung over the globe, who determine a foreign policy the government is to take. The heads of government make known the decisions and the masses support it, sometimes with their lives.

Foreign policies are not static, except in aim, that is to advance the interest of the class in power beyond the boundaries of the home country. Nor are allies fixed for all time. In the present Middle East crisis, America is at odds with Great Britain and France, with

whom it is closely allied in NATO. The oil-rich Middle East, long dominated by Britain and France, is struggling to break with that old overlordship. The Soviet Union sees in those nationalist uprisings a weakening of the imperialist front and it seeks to aid those nations to establish their independence, as a matter of principle and as a measure of weakening its mortal foes. The U.S., too, is an interested party. It seeks, on the one hand, to deny the strengthening of the Soviet Union's influence in that area and on the other hand, it aims to move and broaden its economic hold on that area, as Britain and France are forced to withdraw. Since World War Two, America's investment in oil holdings there has mounted in the billions. The U.S. share in oil holdings has advanced in Iran as against Britain and now it is cutting into other British and French economic spheres of interest. So while all three, U.S., Britain and France are united in NATO against the Soviet Union in Europe; they are at odds in the Middle East. Capitalist foreign policies are both uniting and at cross purposes, depending upon the economic and political circumstances of the time and place.

In World War Two, the U. S., Britain, France and the Soviet Union were allies against the axis powers of Germany, Italy and Japan. But allies are not fixed for all time. Today, the Soviet Union is named as the enemy of all those powers. In the past, before the

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## A LESSON FROM HUNGARY

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and necessity of such a state to build and liquidate at the same time; to build the new society and ideology while exposing the capitalist-class nature and backwardness of the old.

It is obvious that serious errors have been committed in this area. The Hungarian Government's failure to function in time of crises, and its Communist party, which should have been at the lead, couldn't cope with the situation, having failed to win the complete support of the working masses. To be at the head of government is one thing, to win the workers over to socialism, and enjoy their support and respect, is another. It is obvious from the above debacle that the Hungarian Communists governed too much from the top without establishing the necessary organic connection with the working masses, without which there cannot be a genuine people's rule.

It is patent moreover that some sections of the Hungarian masses were still imbued with fascist-capitalist and religious ideas. Now it may be said, and correctly so, that 10 years is a very brief period to accomplish the emancipation of the mind. Yet it appears that insufficient emphasis has been placed upon the enlightenment of the masses.

Another lesson to be learned is concerning the motivation of the masses. The average worker and peasant is not a Marxist or a theoretician. Neither is he interested so much in what the future holds for him. The primary motivation is his immediate needs. Unless, therefore, the new order can show him some improvement in his immediate lot, he is unwilling to make sacrifices for the building of the future society. To constantly keep putting on the pressure in industry and agriculture with a view to the future while neglecting the present, that is, giving him little or nothing to show for his increased effort is expecting too much idealism. The workers may be idealists (philosophically speaking) in their thinking, but they are very prac-

## Foreign Policy

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cold war, the U.S., as well as other capitalist powers talked about being on guard against "enemies" of their respective countries. Evidently modern diplomacy calls for naming the potential enemy, as for example, the Soviet Union is today. Hardly a week passes, without some TV program, picturing the Soviet Union as the villain in some vicious plot against the U.S. The people as a whole are being readied for a possible showdown with the Soviet Union. Such are the machinations of capitalist foreign policies. Back of the high moral tones in foreign affairs is the cold, hard, material interest.

L.B.

tical and materialistic in their actions.

The leaders in top government positions in drawing up their economic plans with a view to increased production as a basis for socialist society must face up to and carefully consider the human element, the desire for an improvement in their daily material conditions. This means that industrialization and collectivization cannot be a mechanically continuous and constantly upward course. It must rather take a dialectical course, which may include some zig-zagging, advances and halts, wherein the workers can see for themselves the value and benefits for their increased efforts.

We are not in possession of the facts to form final judgment but it appears logical to assume that the Hungarian Communists have erred in the application of the dictatorship of the proletariat. On the one hand there is evidence that they haven't exercised the necessary vigilance as regards the class enemy. On the other hand the reaction of the workers would indicate they have probably been pushed too hard and too quickly. All of which tended not to win the proletarian masses over to communism but rather to leave them open to discouragement and to capitalist propaganda.

One other lesson and an important one is this: not to wash one's dirty linen in public. Self-criticism is a socialist principle and a good one. It is thru such criticism, analysis of the past mistakes, that we learn and strengthen ourselves, make progress. But the application of any principle must be made in the light of practical considerations in which discretion plays a role. In conditions of class struggle, with the enemy constantly on vigil, criticism when applied should be done with caution and consideration for its effects. Otherwise self-criticism can turn into its opposite—self-annihilation.

It may be assumed that the wrong employment of this principle has been in good part responsible for the events that followed. For if all the Stalinists, so-called, did was error and brutal (which of course is pure idealism) then the next step logically led to the discrediting of communism as a whole. To the workers Stalin and Stalinism had previously been represented as the essence and best expression of communism. By such logic it is not difficult to understand the confusion set going in the minds of the workers. They just didn't know where they were at.

These and other lessons are part and product of the experiences of the working class movement. They are inevitable, yet painful and costly. To the extent that we digest them well it is possible to lessen the pangs and losses.

R. Daniels

## INFLATION THREATENS PROSPERITY

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as before, because it was so inflated, and furthermore most of the consumer goods were rationed. So great was the demand for products, that in spite of governmental price controls, the prices continued to go up.

The high prices not only prevailed during the post-war period but rose even higher. The aftermath of World War 2, its tremendous destruction, created a demand for all goods. It was mainly the United States (who fortunately escaped destruction) who could provide the nations of Europe with the goods and equipment essential to reconstruction. This demand caused prices to "reach for the sky" as the saying goes. Today the price of that metal, so essential to modern industry, namely, steel, is so high that it caused many small industries who could not afford to pay that price to fall by the wayside, or at least it contributed to their bankruptcy. Only the giants in industry could pay that price and remain in profitable production.

To circulate the immense amount of commodities, more currency, i.e., paper dollar bills, were printed by the government. But this "printing press money," as it has been termed, did not increase values, it did just the opposite, it reduced still lower the value, the "gold content" of the dollar. "Printing press money" more than any other factor is one of the main causes of inflation. Governments resort to it when in desperate need for cash with which to pay their debts. Following the first World War, the German government printed such huge amounts of paper marks, thereby stripping the currency almost completely of all value, that it required a bushel basket of marks to buy one loaf of bread. So far the American government has not been reduced to such desperate straits, but the threat is always there.

The huge U.S. government debt of approximately 275 billions of dollars, for which quite a number of billions of dollars in interest must be paid, constitutes another inflationary threat to the nation's economy and well-being. This debt will not be reduced, but will increase in direct proportion as more money is spent on arms and preparations for war (or "defense" as it is called). The 1956 "defense budget" totaled \$36.5 billion, but a goal of \$38 billion for the year 1957 beginning July 1st has been established by the Administration, as reported by the New York Times of Dec. 16th. Yet without this "defense" prop to the nation's economy, there is no doubt that prosperity would be badly dented if not altogether ended. Such is the contradictory nature of the "free enterprise" system!

Although the government is con-

cerned about the rise in prices, yet it fears any drop in prices. Especially is this true in farm produce, wherein the Administration is up to its neck in propping up the price structure by loans to farmers and price subsidies to the tune of over 8 billions of dollars. It costs the government a sum of approximately one million dollars daily for storage purposes alone, for such surplus products as wheat, corn, etc. Again there is no doubt, that "prosperity," at least for the farmers, would come to an end without such government support.

The government is worried also about the rise in private debt. For example, "installment credit" has been reported to be running now at the annual rate of over 40 billions of dollars. Credit buying on autos alone is close to 16 billions of dollars. Those who buy on credit are mainly workers, and steady employment determines whether they will be able to meet the payments when due.

Fear is expressed by government officials that when the market becomes fully saturated with commodities, production will be curtailed, workers will be laid off, and therefore unable to pay for what they had bought on the installment plan. The result would be a tremendous loss of billions of dollars to the capitalists — but worse still it would be the beginning of a depression, or at least a severe recession in business generally. A preview of such an economic disaster had actually occurred in the auto industry, due to overproduction, early in the year 1956. (No one dares predict how good, actually, business will be in the year 1957, except for the "hopeful optimists," who hope prosperity will prevail.)

The government is trying to cope with inflation by its "tight money" policy, that is, increasing the interest rates on borrowed money. This is an effort to discourage "buying on credit," enough at least to keep the installment debt from going higher.

But most of the business men are opposed to this government regulation of money. They contend that this will not prevent inflation but will only aggravate the problem by discouraging buying, and discouraging investing for business expansion as well, thus creating a recession in business.

On one score, both business men and governmental officials agree, and that is, in blaming organized labor's wage demands for "causing" increased prices of commodities. In rebuttal, however, organized labor defends itself against this capitalist charge by pointing out that workers only make demands for increased wages in order

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**1956, AN EVENTFUL YEAR  
AND OUTLOOK FOR 1957**

During the past half-century there have been many eventful years, some of which, in time to come, will be regarded as very outstanding. Even today, people look back to such years as 1914 and the outbreak of World War I, or to 1917, with its great upheaval in Russia, the beginning of world Proletarian Revolution.

In American history, 1929 is a memorable year, with its "Black Friday"—the Stock Market crash—which marked the beginning of the "Great Depression." Just ten years later, 1939 saw the launching of World War II, with such tremendous consequences. We could name other years of advance, or retreat, depending upon how we evaluate events.

While 1956 may not measure up to some of those years, it certainly has been stormy enough, and, in a social sense, eventful, to say the least. For one thing, it has been a "brink of war" year, and, as it draws to a close, the leading nations are in a state of jitters.

At the close of 1955, a new form of worldwide struggle was commencing, which is now known as "competitive coexistence." The nations of the capitalist world found that the Soviet Union and its associate nations were making heavy inroads upon the world market. The spokesmen of "free enterprise" did not like so much free competition. They expressed resentment against this "unfair competition" with nations that had dispensed with the luxury of landlords and capitalists.

In Asia, the pace of progress was accelerated considerably as a result of the Bandung Conference of April, 1955. A measure of unified purpose was achieved and, since then, several of those reorganized nations have stepped up their productivity and have achieved a greater degree of national self-reliance. They aim to completely liquidate colonialism and capitalist imperialism.

It is true, however, that for both camps the international class-war has not been one-sided. While the workers' world has made gains, it also has met with set-backs and much disturbance, and, as we draw toward 1957, the world situation is fraught with frustration and potential explosion. Britain and France are now carrying a load of trouble, and the structure of the capitalist world has been weakened.

In the latter part of 1955, the Egyptian government succeeded in negotiating an arms deal with Czechoslovakia, through the Soviet Union, taking cotton in exchange. This created a rift between Egypt and the western imperialists, especially with Britain and France. In some quarters, that purchase of arms has been referred to as the Soviet Union "jumping the barrier" in the Middle East, a region which the big capitalist nations had come to regard as their exclusive field of imperialist operations.

Consequently, the Middle East became a cock-pit of disturbance which finally exploded into the most outstanding event of the year, namely, the imperialist onslaught upon Egypt by Britain and France. This action, in view of subsequent happenings, may be considered the top blunder of 1956. It forced the Arab states

to draw closer together, strengthening their stand against colonialism and imperialism. They have united to a considerable extent around Egypt, and its militant premier, Gamel Abdel Nasser.

This costly and futile adventure of Britain and France, and their little cat's paw, Israel, for a time threatened a general outbreak of war in the Middle East. The result of their high-handed action has been most injurious to the economy of the countries of western Europe. Under their proclaimed objective of keeping the Suez Canal open to world trade, they succeeded in shutting it off completely, and, to some extent, it broke the unity with the United States, and also turned world opinion against them. At this time of writing, December 15th, the end of the adventure is not in sight.

The closing of the Suez is forcing a number of nations to restrict the sale of oil, rationing it in some instances. Britain's financial status was given a further set-back. Its gold reserve has been reduced to the danger point, throwing it to a still greater extent upon the economic mercy of America. Its Labour Party took a firm stand against the invasion of Egypt, roundly condemning that act of aggression. It called for Eden's resignation and forced the administration to a test vote of confidence.

France also has had a tough year. What with its continued harassment in Algeria, and its joint adventure in Egypt, the class struggle has sharpened and deepened. Its Socialist party, which provides the Premier and is part of the coalition government, finds itself in trouble with the "Socialist International" which disapproves of the aggression against Egypt. And, of course, it is at loggerheads with the British Labour Party for its condemnation of that action, and whose denunciation of the Eden government also, by implication, brands the French Socialist Party for its support of the Anglo-French aggression and destruction of Port Said.

The year, 1956, is also going to be remembered for what took place in the U.S.S.R. In February the Twentieth Congress of the Communist Party was held, but its constructive accomplishments were completely overshadowed by the sensational "revelations" concerning Joseph Stalin, now referred to as his "degradation." "The cult of the individual," which the Soviet people had raised to great heights, was vigorously repudiated and replaced by "collective leadership," was the claim of the present administrators of the U.S.S.R., whose new top leader is now N. S. Khrushchev. This action has had far-reaching consequences, and unexpected demoralizing effects upon the various Communist Parties throughout the world, including the American C.P.

The formal merger of the A.F. of L. and the C.I.O., which was accomplished last year has given the American workers potential power, with a membership of fully 15 millions. A worth-while advance. During this year, some independent unions joined up, and, no doubt, others, in due course, will follow that lead. The direction of its policies and actions, however, are still in the hands of capitalistic lackeys and political opportunists who support reaction and resist all revolutionary progress instead of fighting against the exploitation of the workers. Big business and big profits are safe, as far as labor's leadership is concerned.

Other things have been happening in the "Land of the free" which have reacted upon the "American way of life." Pressure from various parts of the world, continuous pointing by the Soviet Union and the progressive forces in Europe and other parts of the world, exposing the shabby treatment meted out to the American Negro people, finally forced the Government to decide upon **desegregation**. The attempt to apply this U. S. Supreme Court endorsed measure brought on an upsurge of Southern

chauvanism, a resistance to **desegregation**, of which we have not heard the last.

And, altho of relative unimportance, we should not forget that it was a Presidential election year. What characterized it was the amount of artificial stimulants, of various sorts, that had to be applied to work up interest in its noisy campaign. This was mainly from lack of real issues. Both major parties put forth shallow generalities.

The Democrats had an able enough candidate in Adlai Stevenson, a "left-conservative" champion of capitalism. The campaigning he, and his party, engaged in was without real issues. His opposition to President Eisenhower had to be based upon his claim to be able to do a better job of the Presidency and the promise of a more consistent foreign policy, plus Ike's state of health. In fact, he offered so little, that the electorate saw little reason for transferring their support from Ike, with his "peak-prosperity—Never had it so good" line, plus his chip-on-the-shoulder attitude toward the Soviet Union in World affairs which apparently was a winning program for General Ike and his "boy" Dick.

Reports from various parts of the world, throughout the year, clearly demonstrated substantial progress, especially with the newer nations, such as Peoples China, and other Asiatic nations that have cast off the yoke of western imperialism. The gulf between the East and West has deepened and widened. However, there has been disturbances of serious nature on the working class side. Dissatisfaction in Poland, and a certain amount of rioting, undoubtedly was caused by the administration taking too much out of the working class for national transformation, and expansion of the industries, although the anti-Stalin line favored reaction.

In Hungary the counter-revolution undoubtedly started from working class dissatisfaction with living standards, as in Poland. The indications are that those countries were expanding their economy too fast, taking too much out of the workers, but the general nature of the struggle showed plainly that other factors entered into the rebellion, such as the let-down that came with anti-Stalinism. There were also many hidden elements left over from the Horthy period of fascism, and some Nazism from the period of the Hitler occupation. Then, there were the declassed elements of landlordism and capitalism. There were apparently sufficient numbers, although divergent, to unite in the attempt to overthrow the Peoples government. And, to all these can be added, "Catholic action," which is always ready to raise its head for dark reaction. Its presence was demonstrated early in the rebellion by the releasing from prison of Cardinal Mindzenty, who expressed willingness to serve in a cabinet of a new government, provided it would be Christian Democrat (Catholic). That he later had to take refuge in the American Embassy indicated that he realized that the rebellion had failed.

There has been much weeping and wailing among those good pro-capitalist Christians over the blood-letting in Hungary, but not so much was said about the action of their imperial friends who blasted the Egyptian city of Port Said and killed and maimed so many people. Premier Eden yelled about the Soviet interference in Hungary, while British and French forces were invading Egypt, and certainly not by invitation. President Eisenhower, also, while not condoning the aggression on Egypt, got in a few digs at the Soviet Union for supplying troops at the invitation of the Hungarian government, to crush the insurrection. And, America is not entirely blameless. At tremendous expense, the "Voice of America" (really the voice of Wall Street) has been arousing the

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## 1956, AN EVENTFUL YEAR AND OUTLOOK FOR 1957

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people of central Europe to "fight for freedom" (meaning capitalism) for a number of years.

One of the casualties of the Egyptian invasion fiasco seems to be the North Atlantic Treaty Organization (NATO). If it has not been

wrecked, it, at least, has been badly dislocated.

Human progress is not a one-way street, nor is it a straight one. There are many twists and turns, and set-backs, in the forward march, but the coming year, 1957, bids fair to make substantial contributions to the onward advance of the world's workers. The nations of Asia are at peace and they are making tremen-

dous progress, economic and otherwise. They are drawing closer together, while the capitalist nations of the west, due to conflicting economic interests, are drifting further apart. There are strong indications that further progress toward a classless and warless world can be achieved in 1957.

John Keracher

## IS COMMUNISM A FAILURE?

After his trip to the Hungarian border in December, Vice-President Nixon was reported to have said that "international communism has suffered a mortal blow from which it can not recover, it has been exposed as a gigantic failure."

Regardless of how many would be inclined to agree with the Vice-President, it must be acknowledged that there is plenty of vitality left in communism in spite of the obvious set-back it received in Hungary. Of course, the capitalist press version of the Hungarian "revolt" was bound to have an adverse effect on communism in the eyes of many people, particularly inside America. Nevertheless, communism is far from a failure, capitalist politicians of the Nixon type notwithstanding. With them "the wish is father to the thought" as the saying goes.

A brief analysis of communism is in order at this time. Communism is, in the first place, a revolutionary movement of the workers against the system that exploits them, capitalism. It is the direct product of the class struggle between capitalists and wage-workers, between the exploiters and the exploited. The realization on the part of the masses that they can never have real economic security under capitalism causes them to organize and rebel against that system. That is how the Soviet Union came into being in 1917, thru a social revolution. And that is also why there has been, ever since, an intense hatred against it on the

part of the capitalist class the world over.

In the next place, communism is a new social order based on the common or collective ownership of industry—and as with any social system it takes time, years in fact, for it to develop. In its beginning there is a "transition period," as Marx long ago pointed out "the revolutionary dictatorship of the proletariat." This workers' state is necessary mainly to keep the overthrown ruling class from coming back to power, but it also regulates production and enforces the law that only those who work shall eat.

The highest stage of communism, however, is possible only with a most modern industry when the machinery of production is so highly developed that it can assure the masses real security and a high standard of living. The Soviet Union has not quite achieved this, but is getting closer to it every year. The discontent in Hungary would not have occurred if that unfortunate country had a modern industry. For then there would have been enough for everybody, "from each according to his ability; to each according to his needs." Some day, in spite of all their "growing pains," the working class nations, including Hungary, will achieve that goal.

Communism, both as a movement and a social order, is far from the failure that the capitalists wish it to be.

A.W.

## INFLATION THREATENS PROSPERITY

(Continued from page 2)

to keep up with the high cost of living. The workers truthfully contend that the necessities of life are constantly going up in price, always ahead of the price of their labor-power, wages. That, if they did not get wage-increases, they, in effect, would be suffering from wage-cuts.

On the other hand, the capitalists, in defending their "wage-price spiral" argument, contend that they have no other alternative but to raise prices of their commodities in order to compensate themselves for the rise in the cost of production due to wage-increases. However, they cannot arbitrarily raise prices, because the unwritten but all powerful economic law underlying capitalism decrees that the price of a commodity is determined "by the competition between buyers and sellers, and the relation of the supply to the demand, of the bid to the offer." This brilliant discovery was made by Karl Marx over a hundred years ago.

Some might point to the steel industry as a refutation of this Marxian contention, but actually it is further proof of the latter. One must remember that the price of steel was raised only after the surplus of steel was reduced thru a prolonged strike, hence creating a demand for that product. The steel corporations took advantage of this very favorable market (the demand) by raising the price of steel.

In concluding this article we can lay down this axiom for the functioning of modern capitalism, namely, that in periods of its prosperity the prices of commodities will increase, but the value of what is commonly called "money" (but is actually currency) will decrease. This is inflation and its greatest threat is to the standard of living of the vast majority, the wage-workers, because the price (wages) of the only commodity they possess, labor power, always lags far behind all other prices.

There is no solution for this problem within the confines of capitalism. Inflation will only disappear when its cause is abolished, namely, the capitalist system. This in turn could only be achieved thru the organized, political action of the vast majority, the working people, that would have for its goal a new social system based on production for the use and needs of the whole people instead of as at present for the profit of a handful of rich parasites. There is no other solution but that one.

Al Wysocki

## THUMBNAILS

NEEDED—A REVIVAL!

Not a report or discussion in sight on the most basic Socialist demands—"Workers of the world, unite." This slogan was laid down (and must always remain) a fundamental building block for a new world under socialism.

To support the division of workers into little knots of people called "autonomous nations" may be practical for the moment (as a compromise with the past) but to continue to apply and foster nationalism in the building of Socialism is to betray the working class movement.

Nationalism (that is, the doctrine that national interests, security, etc. are more important than international or world considerations) is a tool of the ruling classes of various countries used to gain their ends in competition with rival rulers. It becomes historically dead with the death of Capitalism. Socialism must start to demand of the grave diggers of capitalism that they also dig a hole for nationalism.

WORK TO BE DONE:

Marx once said, "The tradition of all past generations weighs like an alp upon the brain of the living." We say it's going to take a heap of spade work to remove all that dirt, so join in and lend a hand!

LEST WE BE FOOLED:

A great whitewash job was attempted by the U.S. press to cover up violence and destruction wrought on Egypt and its people by British, French and Israelian invaders. We saw few shocking pictures and heard no gruesome reports in the Capitalist press from that quarter. What is shamefully referred to as "Briton's misadventure" is here treated as a schoolboy prank. We are sorry to report that this well oiled machine continues to enjoy the distinction of fooling almost all of the people all of the time.

FORKED TONGUE:

Following Russia's action in Hungary the honorable delegate from Cuba suggested the U.N. should demand free elections in Hungary. When this suggestion met with favorable response the Indian delegate, V. K. Krishna-Menon was forced to remind his colleagues of the embarrassment such a procedure would cause. This is especially true for revolt-threatened Cuba where voters have the privilege of choosing from one candidate only, namely, dictator Fulgencio Batista.

L.D.

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