

Fourth International

The 28th Anniversary of the Russian Revolution

An Editorial



Germany and the New Versailles

Behind the Argentine Crisis

The Big Five at London

November, 1945

25 Cents

Manager's Column

With this issue of **FOURTH INTERNATIONAL** we welcome two new literature agents. From Milwaukee, Carol Andrews writes: "First of all I would like to notify you that I have been elected the new literature agent for Milwaukee. We have been placing F. I.'s on a downtown newsstand every month. Each time selling out. I am planning on getting it on another newsstand, if possible."

Our new Pittsburgh agent, Leona Massey, is also starting off with plans for increased sales. In her letter announcing her appointment as agent, she says "Will you please send me ten more copies of the September issue and increase our regular bundle order by five copies monthly."

More news from C. M. Hesser, of Portland, Oregon, who has introduced the F. I. in that city. "Inclosed you will find check for \$2.00 on our F. I. bill. We will try and pay the rest up as soon as possible. We are in a state of growth with more going out—than in.

"We placed the F. I. on the newsstand as I told you in another letter—they have sold all the copies, so want to double the amount this coming issue.

"If we had a little more money to start with—am sure that we could sell twice that number by putting the F. I. on other stands—but everything in time.

"On the whole, we are having lots of good luck—with just a little bad."

New York continues to do well with sales at meetings. Sylvia Stein, agent, writes: "We, of Militant Labor Forum, are happy to announce to you that we sold five copies of the September issue of the F. I. at our first meeting this season. The chairman mentioned two outstanding articles, Guerin's *Introduction to Fascism and Big Business* and Trotsky's *Nationalism and Economic Life*." Trotsky's article was also reviewed by agent Dan Shelton before another group in New York. Literature agents can promote the F. I. through such suggestions to groups with gratifying results. Lou Cooper, another New York agent, based a lecture "The Invasion of Japan" on Li Fu-Jen's series of articles which appeared in the February-March-April 1944 issues of the F. I. Art Simmons, literature agent of the New York Trotskyist Youth Group, writes us that in preparing educational for young workers and students, the

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F. I. is largely used for material.

We would welcome letters from agents in other sections on the use they make of the F. I. for educational purposes.

* * *

Letters from new subscribers:

C. J. B. of Oberlin, Ohio, writes: "Enclosed you will find \$1.00 for a 6-month subscription to *Fourth International*. As I am a sympathizer I enjoy reading this theoretical magazine. I like the analysis of the

world situation in the light of the Marxist viewpoint the best."

A Maryland reader sends a suggestion to the editor: "The current (No. 24) issue of Scott Nearing's 'World Events' contains this statement: 'The Soviet Union has repudiated profiteering in both theory and practice.' I have in the past mailed you several issues of this World Events Sheet. In it, Scott Nearing as you will see, continually and consistently 'toots the horn and bangs

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the drum' for everything that Moscow does, or even threatens to do. To me it has become nauseating, and I am asking if it would not be splendid business for one of the staff of *Fourth International* to go through every issue of Nearing's 'World Events' (it's about 16 months old now) and take the thing apart, exposing it for what—to me—it obviously is . . . a mouthpiece of Stalinist policy here in this country."

* * *

More and more of our foreign readers are writing to us. A Dublin reader acknowledges receipt of the magazine and says, "The material sent to us is utilized in the best possible manner, and the quality of each successive publication of the U. S. party is phenomenal. The cessation of the war in Europe has not wrought any perceptible change in the general condition of the country. We here in Ireland will miss the turbulent period of reconversion presently being experienced by yourselves and the British comrades. On the other hand the impoverished European economy and Ireland's total dependence on same, places the rehabilitation of Ireland on the list, as a non-priority.

"Flowing from this, the present emergency restrictions will remain in operation, presupposing the wage freeze and the other anti-working legislation that maintains at a coolie level, the living standards of the workers. . . . In view of the foregoing there will undoubtedly be a radicalization of the masses here in Ireland. When the Irish workers consider that the economy was not devastated by the conflict raging on their threshold and the comparative easement of conditions in the rest of Europe has no counterpart in Ireland, the stage will be set for the emergence of a new socialist consciousness, and the development of the Trotskyist party as the combat party of the working class."

* * *

The manager invites comments and criticisms from our agents and subscribers on the contents and makeup of **FOURTH INTERNATIONAL**. We feel that now is the time to get the magazine into the hands of more and more people, who are coming to realize the bankruptcy of capitalism and are receptive to the Marxist answer. We for our part promise to study seriously all comments, suggestions and criticism that we receive. By joint effort we can make **FOURTH INTERNATIONAL** the magazine we want it to be: The authoritative theoretical journal of the American revolution.

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NOVEMBER 1945

NUMBER 11

REVIEW OF THE MONTH

The 28th Anniversary of the Russian Revolution—Gerald L. K.

*Smith and the Problem of Fascism—The Significance of the
British Dock Strike—Washington, Moscow and Japan*

On the 28th Anniversary of the Russian Revolution

NEW CHAPTER OF HISTORY

Today revolutionary militants the world over are celebrating the 28th Anniversary of the greatest revolution in history, the Russian revolution of 1917, when the workers and peasants under the leadership of Lenin and Trotsky seized power in czarist Russia, smashed the rule of the capitalist and landlord and opened up a new chapter in the history of mankind. For the first time, the body of socialist theory, developed from utopia to science by Marx and Engels, proved its correctness in action. The Russian revolution demonstrated, once and for all, that the working class can take power, reorganize the economy of the country for the benefit of the people and run society. The Russian revolution vindicated the lifelong struggle of Lenin for the building of a *Bolshevik* combat party, the only party in modern history that proved its capacity for seizing and holding power and mobilizing the masses for the herculean tasks of uprooting the old and building the new.

What a magnetic influence the Russian revolution exercised in its heyday! It stirred all of humanity to its very depths. It aroused new hope, new courage, new strength and heroism, especially amongst the youth. New vistas suddenly opened up before suffering mankind and offered a way out of the anguish, the blood, the hatreds and cruelties of the world war. The revolution inspired and lifted up to their feet the millions of down-trodden and despised. The working masses, especially of Europe, did not view the 1917 revolution as simply a Russian affair, but as the beginning of a world-wide offensive of the toiling masses to free themselves from the rule of the tyrants and exploiters and set up *their* workers' states just as the Russian masses had done. The conclusion of the first world war saw Europe swirling in revolutionary crisis. The revolutionary storm swept through one country after another. In Germany, Austria, Hungary, Italy the crisis reached great heights and the workers strove mightily, in instinctive fashion, to emulate the achievement of their Russian brothers. It seemed for a time as if nothing and nobody could halt the onrushing tide and that putrefying capitalism, which had brought on the outrage of a world slaughter, would at last, in all justice be vanquished and interred. It seemed as if humanity was about to take its next great step forward in the long, tortuous march of human progress.

But it was not fated to be. Unfortunately capitalism proved

too strong and the proletariat too weak, or more correctly, too unprepared. The path of human progress—one can complain about it if one so desires—is not easy, nor straightforward, nor smooth. Despite old Marx's hopes and expectations, the proletariat is taking many more years than he thought it would need to organize itself for the successful onslaught against the capitalist scourge.

RECESSION OF REVOLUTIONARY WAVE

For reasons that we have analyzed and explained many times, the revolutions after the first world war were all crushed or aborted. The revolutionary wave receded. Capitalism was permitted to regain its equilibrium. And after the further defeats of 1936 in Spain and France, the way was cleared for capitalism to plunge humanity into the second and far more terrible world slaughter. And by a peculiar and accidental combination of circumstances, the Soviet Union, the product of the glorious Russian revolution, was itself converted from the foremost exponent of world socialism into its diabolical opposite. Power in the USSR was usurped by a new bureaucracy which became the foremost agency combating socialist revolution everywhere. Thus, the Russian revolution which at first inspired all of toiling humanity with its promise of a better future, did not usher in the new society. Instead gangrenous capitalism was able to reassert itself. And finally, on top of all the other heartbreaking working class defeats, a new privileged bureaucracy arose on the backs of the Russian people, who were exhausted from three years of imperialist war and three additional years of devastating civil war and found themselves encircled by a hostile capitalist world. This reactionary bureaucracy proceeded to impose on the Russian masses a totalitarian regime, it killed off the whole generation of leaders who had originally led the revolution and forged a new alliance with the world capitalist rulers. The reaction in the USSR has proven more terrible and deep-going than the reactions that followed the French or English revolution. But thus far, as in the case of the great social revolutions of the past, the reaction has not swept away the fundamental conquests of the revolution; in this case, the new, more advanced property forms—nationalized property. These still stand, as a working class bastion and as living proof that the Russian revolution has thus far not been completely strangled; as living proof of the new higher form of society that the working class is destined to usher in.

TROTSKY'S STRUGGLES FOR INTERNATIONAL

It was in 1923, the year when the German working class suffered a new big defeat and reaction began to spread over the whole world, that Trotsky took up the cudgels for the regeneration of the revolutionary party in Russia and later for the rebuilding of the revolutionary vanguard on a world scale. The task of building the new revolutionary cadre was never undertaken under more difficult circumstances. It was a period when defeat after defeat rained down upon the working class. For over twenty years the Trotskyist movement had to wage an uphill fight, in the midst of triumphant reaction, catastrophic working class setbacks and unheard of betrayals. Small wonder that the Trotskyist ranks remained small, were decimated again and again and were unable to boast of any outstanding successes. And of course, as in every period of reaction, many exhausted by the fight, wanted to reject the whole concept of the proletarian revolution as well as the whole tradition of the Russian revolution and to turn their backs on the Soviet Union itself. The same wave of disillusionment and despair that the Russian Bolsheviks had to struggle against after the defeat of the 1905 revolution now hit the Trotskyist movement with even greater force. After the 1905 defeat in Russia, many revolutionists, under the prevailing mood of pessimism, even put forward a new philosophy of "God-seeking." The Trotskyist movement has forged its way forward in a period of worse reaction and of far greater defeats. It is therefore not surprising that after each new defeat with the regularity of a clock, a number of people would say: "why continue the fight? It is hopeless. You are just a voice crying in the wilderness. The world is passing you by. The proletarian revolution is a utopia." And others, under the influence of this petty-bourgeois pressure and despair would grow disoriented, would lose their heads and begin to shout: "our program, our ideas, our slogans are all false. Our whole course has been proven wrong. We need brand new ideas. We have got to start all over again." In the darkest days after the bloody strangulation of the Chinese Revolution, when discouragement and apathy was overcoming the workers everywhere and when revolutionists in Russia, in a delirium of despair, were capitulating to Stalin, Trotsky wrote an article: "Tenacity! Tenacity! Tenacity!" That was his answer to the wave of discouragement that followed the capitulation of Radek and others. A revolutionist, no matter how difficult the circumstances, has to keep his world perspective. No matter how serious the setbacks, he has to remain true to his ideas and he has got to hold on and fight. Hold on and fight—that was Trotsky's answer. In the struggles of those darkest days, the struggle against isolation, terror and calumny, was forged the original core of the international cadre of the new revolutionary movement.

* * *

Wars have often been the midwives of revolution. Because wars shake rotted regimes to their very foundations, weaken the hold of the ruling classes and strengthen the revolutionary tendencies of the oppressed. In the last slaughter, the Russian masses first broke out of the bloody ring in the March 1917 revolution and finished off the job in November of the same year. Thus the proletarian revolution broke through the imperialist holocaust after a period of three years. Trotsky expected this time, because of the worsened economic positions of the imperialist powers, including the United States, and the infinitely greater destructive power of war, a more rapid and more decisive revolutionary rise. But the revolutionary tempo has proven slower than he anticipated. Therefore? Therefore it

is necessary for the revolutionary vanguard to adjust its sights and regulate its tactics in accordance with the facts.

SHACHTMAN AND THE PROMISSORY NOTE

But now comes Max Shachtman, Editor of the *New International*—and in his wake a number of other disoriented ex-Trotskyists—with a time note firmly grasped in hand and demands prompt payment on this as well as all other promissory notes that in his opinion have fallen due. "The war is over," Shachtman sternly lectures us. And still "The proletarian revolution did not come and did not triumph in Europe." (*New International*, September 1945). First, one must add an amendment to the statement that the war is over. One must add that Europe remains an armed camp, that the Far East is ablaze with national and civil wars, that the erstwhile Allies are preparing for an armaments race and that the United States is organizing a diplomatic offensive against the USSR. Secondly, it is not correct to state, strictly speaking, that the revolution did not come. There was a revolutionary wave in Europe, in Italy, in Greece, in France, etc. But the revolution "did not triumph." One can go further and say that this recent revolutionary wave that arose out of the second world war represented but a pale, an anemic counterpart of the really powerful revolutionary wave that swept over Europe in the course of and as an aftermath of the first world war. Furthermore the recent revolutionary upsurge was sidetracked and crushed by the imperialists in combination with their Stalinist allies with infinitely greater ease than a quarter of a century ago. Germany, the heart of Europe, which in 1918, blazed with revolution and threw up mass Soviets along the whole length and breadth of the country, today lies prostrate. The imperialists moved in from the west and Stalin's forces from the east; they hemmed in the German proletariat, they never gave it a chance. This proletariat, which has been bled white for years, first by the Hitler terror, then by the depredations of the war, is now literally crushed underneath the weight of sheer military power. The German proletariat—whatever contrary hopes we may have cherished—will need time to recover and to heal its many wounds.

So, does that mean that the battle is over, that we must throw overboard the proletarian struggle for power, which has proven its validity and practicability in the greatest laboratory on earth—the Russian revolution of 1917—and declare with the author of the notorious *Three Theses* and his fellow philistines, that all is lost and hopeless, that the proletarian revolution has been definitively defeated, that the European labor movement no longer exists and that the task of the hour is that the Fourth International "prohibits itself for two years (just as a test!) from even speaking of the 'proletarian' revolution." (*New International*, October 1945). Is that what we must do? And is that what we must teach the new militants who are joining our ranks full of hope and optimism for the future? Is that what is meant by "fresh thinking?"

Yes, the revolution hasn't triumphed in Europe as an aftermath of this phase of the war. Is it proposed therefore that we turn our backs on it? Are we now to reject all the teachings and lessons which Trotsky sought to burn into our consciousness—lessons gleaned and absorbed from all the tragic mistakes and defeats of the past; lessons learned after so many years of sacrifice and struggle? Must we now overthrow the "old," "hoary," "ritualistic," "stratospheric" notion, proudly inscribed for so long on the banner of Trotskyism, that what is on the agenda of this epoch is the struggle for proletarian power, for the socialist revolution, and now turn to "new ideas" and "fresh

independent thoughts" along the lines of concluding alliances with the "progressive sectors" of the bourgeoisie in the fight for a new "democratic revolution," as the *Three Theses* propose? Doesn't this wonderful new idea resemble very much the old formula of betrayal known as the Peoples Front, which was responsible for the tragic defeats of the last twenty years? Isn't this an attempt to sell us old poison in new bottles with new fancy labels? That is the way it appears to us.

PROLETARIAN DEFEATS NOT DEFINITIVE

We don't believe that the defeats of the working class are definitive. We don't believe the proletarian revolution is off the agenda. We acknowledge the setbacks; that is why we must regroup our forces, adapt ourselves to the new circumstances and prepare for the next stage of the battle. That is all. No one, in our opinion, has adduced sufficiently weighty evidence, however, to demonstrate that the working class has been *historically* defeated and that therefore the program of Lenin and Trotsky no longer holds. Trotsky warned the petty-bourgeois innovators about this very thing in 1939:

Marxists do not have the slightest right (if disillusionment and fatigue are not considered "rights") to draw the conclusion that the proletariat has forfeited its revolutionary possibilities and must renounce all aspirations to hegemony in an era immediately ahead. Twenty-five years in the scales of history, when it is a question of profoundest changes in economic and cultural systems, weigh less than an hour in the life of man. What good is the individual who, because of empirical failures in the course of an hour or a day, renounces a goal that he set for himself on the basis of the experience and analysis of his entire previous lifetime? In the years of darkest Russian reaction (1907 to 1917) we took as our starting point those revolutionary possibilities which were revealed by the Russian proletariat in 1905. In the years of world reaction we must proceed from those possibilities which the Russian proletariat revealed in 1917. The Fourth International did not by accident call itself the world party of the socialist revolution. Our road is not to be changed. We steer our course toward the world revolution and by virtue of this very fact toward the regeneration of the USSR as a workers' state.

* * *

Our unsparing critics have still another promissory note in hand which in their opinion has fallen due and on which they demand immediate payment. They will give us no further extension of time. Shachtman calls to our attention Trotsky's belief, as stated in his work, *The Revolution Betrayed*, published in 1936, that the Soviet Union would not survive the war, if imperialism remained victorious in the rest of the world. Thereupon he turns triumphantly to us and demands: "Has this been confirmed?"

First the question must be put correctly. In our opinion, the Trotskyist position on the Soviet Union has been brilliantly confirmed in its general, in all of its fundamental aspects. We go further and state that only on the basis of the Trotskyist analysis is it possible to make head or tail of the onrushing events and to properly appraise them. Only on the basis of this analysis can one provide the revolutionary vanguard with a correct guide to action. Elsewhere in this issue we announce a program of publication of a number of articles in which we will clearly demarcate the differences between the Trotskyist position and that of the Workers Party on this as on a number of other important questions. We will defer an extended discussion of the Soviet Union and the Stalinist bureaucratic caste until that time. Here we will confine ourselves to the narrow framework of the question that has been put to us.

Our general position and analysis, we repeat, has been

vindicated. Where is there any other theory outside of Trotsky's that explains the Soviet Union and the Stalinist development? The only other real theory we are acquainted with—Burnham's or Bruno R's theory of the bureaucratic state—has already been consigned to the garbage heap by the events of the war. In any case it spells the utter rejection of the socialist perspective, of the Marxist doctrine. Has Shachtman really improved matters by tagging on a Stalinist twist to Burnham's theory of the bureaucratic class as a world phenomenon and limiting this allegedly new historically necessary class "to one country?"

THE CHARACTER OF MARXIST PROGNOSIS

One should not demand of Marxist analysis more than it is able to give. Trotsky once wrote that a Marxist prognosis is not a check which can be cashed in a bank on a certain date. Marxist analysis gives us the general tendency, the general trends, the fundamental driving forces and lines. Marxism foresees events in their general outlines, not in their full empirical unfoldment.

Trotsky wrote in *War And the Fourth International*: "Every big war, irrespective of its initial motives, must pose squarely the question of military intervention against the USSR in order to transfuse fresh blood into the sclerotic veins of capitalism." Is anyone so rash as to dispute this general thesis, or to declare that it no longer holds true? No sooner did Hitler establish himself as master of Europe than he turned on his erstwhile ally. Today Stalin's new ally, U.S. imperialism, is already organizing a diplomatic offensive against the Soviet Union.

But let us forcibly press the problem into Shachtman's narrow framework. It is true that Trotsky thought that the Soviet Union would not survive the second world war if there was no proletarian revolution; that the Soviet Union would succumb to capitalism either through intervention from without or counter-revolution from within. It is also true that hostilities between the major powers, have for the moment ceased; that imperialism still rules on a world scale and that the Soviet Union still persists under the Stalinist regime. From this Shachtman draws the sweeping conclusion that "refuted . . . in our opinion, is the entire theory (of the degenerated workers' state) on which it (Trotsky's above stated opinion) is based." How? Why? How does this follow? Argumentation must have some kind of internal logic. The fundamental alternative which Trotsky analyzed as facing the Soviet Union: forward toward socialism in alliance with the world proletariat or backward toward capitalism, remains the only possible historical alternative. If one attempts to refute it by interjecting between the proletariat and the capitalists a new bureaucratic class, one must declare that Marxism, the science of socialism based on the internal contradictions of capitalist society, has been proved in the light of experience, a utopia. That is where Shachtman's "fresh thoughts" are leading him, if he wishes to be consistent.

All Shachtman has demonstrated, it appears to us, is that Trotsky thought—the tempo of development would be a little faster than it has proven to be. No more. Shall we therefore overthrow his basic conception which has been vindicated by the whole course of events? Marx thought the proletarian revolution would follow fast on the heels of the bourgeois democratic revolutions of 1848. But events moved more slowly. That did not invalidate the basic conceptions of the *Communist Manifesto*, did it? Marx thought the proletarian revolution would begin in France and the Germans would

follow. Instead, as we know, it was the Russians who began. Professorial pedants and petty-bourgeois philistines have adduced these "mistakes" time and again as proof positive of the bankruptcy of Marxism. But Marxists have shrugged their shoulders at such "arguments" and have remained unmoved even when the further accusation was hurled at them that they had adopted a new "religion." Why? Is it because Marxists cling to illusions and must needs spread illusions among others? No. Marxists—and we Trotskyists are the Marxists of today—honor the great masters of scientific socialism because they unravelled the mysteries of social development, correctly revealed its mainsprings and laid down a broad analysis that has been borne out in the fire of world events. Marxists do not demand of their leaders that they be soothsayers.

WE SEE THE WHOLE PICTURE

We see the picture whole. We see not only Trotsky's minor errors of judgment here and there. We see also that his fundamental analysis has been brilliantly confirmed and that this was the only analysis which explained the unprecedented events, the unique happenings of this absolutely novel phenomenon of the degenerated workers' state. It was on precisely this analysis that a whole generation of revolutionists was trained and solidified. Only because of this understanding, could they weather the years of defeats and reaction without losing either perspective or heart. Without Trotsky's analysis of the Soviet Union, we would never have the international cadre that we possess today. Those are the facts.

We view and study the Soviet Union and its evolution, or more correctly, its continuing degeneration, with our eyes wide open. We know all about the totalitarian filth and crimes. No one need lecture us on the counter-revolutionary character of Stalinism. We know all about that and were the first to expose it and to fight it, in the days when anti-Stalinism was not the popular parlor game in liberal circles that it is today. But we also see that despite almost a quarter of a century of Stalinist reaction, the more advanced property forms created by the 1917 revolution still persist. And we rejoice that the revolution has been able to survive, at least to this limited extent, and we defend this economic foundation when it is threatened by imperialism or internal counter-revolution. Any other course would not be worthy of a revolutionist. Those who surrender positions before they are lost, said Trotsky, will never be able to fight for new ones.

We see and understand the defeats of the working class better than all of our critics. And we don't deny them, or attempt to gloss over them or explain them away. But here again we see not only defeats. We see also the continuing cataclysmic decline of capitalism and the monstrous sharpening of its unsolvable contradictions. We see that it is in a blind alley and is growing weaker and more debilitated, from a historical viewpoint. We see that the basic task of our epoch has not been changed for the simple reason that it has not been solved. And we say with Trotsky that historical necessity will in the long run cut a path for itself in the consciousness of the vanguard of the working class. That is our perspective.

SHACHTMAN REFLECTS DEFEATIST MOODS

We are aware that a new wave of disillusionment is sweeping the petty-bourgeois circles as an aftermath of this war. One can study the fever chart from month to month by

reading such magazines as MacDonald's *Politics*. It is our impression that Shachtman indirectly reflects this defeatist mood when at this hour of the clock he begins to rush around, waving his arms and screaming at the top of his lungs: The Fourth International died during the war.

The facts speak to the contrary. In country after country, the Trotskyist movement has survived, despite Hitler, despite the war, despite the Stalinist murder machine and is today stronger than before. In India, in Italy and a number of other countries new sections were founded and built right in the midst of the war. A singular achievement that has great symptomatic significance. The American Socialist Workers Party (while it does not have any organizational ties or connections with the Fourth International) remains completely true to the program and traditions of Trotskyism, and is recording the greatest progress of its whole 17 years' history, recruiting workers more rapidly than ever before and sinking its roots more deeply in the mass movement. It is true that none of these parties are truly mass parties nor commands mass following as yet. But the way in which the Trotskyist parties have emerged out of the war holds great promise for the future. Show us another movement that after all the years of war and repression was able to demonstrate such all-round solidarity on the basic political conceptions and perspectives. (What differences developed are, so far as we know, of a purely secondary and incidental character.) Neither the Second nor the Third Internationals was able to achieve as thorough a political solidarity in their time. Show us another movement in which not one of its parties fell prey to chauvinism in this most terrible of all wars? Compare the Trotskyist movement with all the pretentious centrist groups which in the days past patronizingly lectured us on how to win the masses. Where are all these pretentious "left," "revolutionary" groups today? Gone with the snows of yesteryear. Where is Pivert's party in France? It cannot be found. It no longer exists. The Spanish POUM, the high point of centrism in Europe in the 30's, is splitting and its right wing is moving to organize a purely Catalan national organization, designed not to compete with the Social Democrats. The Lovestone organization in the U.S. dissolved shortly before America's entry into the war, etc., etc. No, gentlemen. You are blinded by your prejudice and by your hatred. The Fourth International has passed the test of the war and has thus far given a good accounting of itself.

THE BATTLE LIES AHEAD

There is no other revolutionary cadre outside of the Fourth International. There is no other banner. There is no other tradition. Only the Fourth International has worked out a full, rounded program, or as Trotsky called it, a *finished* program, that answers the main problems posed by this epoch. Regardless of setbacks in this or that country or even on a whole continent, the revolutionary movement is bound to reassert itself again and again in other portions of the globe. And let us not forget that the issue of Socialism or Barbarism, the alternative of this epoch, will not be finally settled until the working class of the United States in alliance with the workers of the western hemisphere and the world, will have crossed swords with United States imperialism. The battle is not behind us but ahead of us.

That is why we turn to the workers of this country and the world, on this 28th Anniversary of the Russian revolution and say: organize yourselves, prepare yourselves for the socialist struggles that lie ahead. That is why our courage remains high and our optimism undiminished.

Gerald L. K. Smith and the Fascist Menace

FASCISM A SOCIAL NOT NATIONAL PRODUCT

The energetic attempts of Gerald L. K. Smith to build a popular base for his America First organization comes as a fresh and timely reminder that fascism is a social and not a national product. Fascism and its German counterpart, Nazism, were born, grew up and came to power in conditions of profound and ineradicable social crisis. It is true that the Fascists and Nazis endeavored to build similar, sympathetic movements abroad, including the United States. This was not because they were interested in spreading their political "philosophy" as such. They were concerned only to exploit political and social conflict in other countries as a means of weakening the opponents of the Axis imperialists in preparation for war. Only in this very limited sense could fascism be considered an "export product."

But since fascism in all countries arises from similar conditions and pursues essentially similar aims, there is nothing surprising in the fact that Gerald L. K. Smith's promotional and agitational campaigning resembles in its outstanding features the propagandistic efforts of the pioneers of fascism in Europe. We witness the attempt to exacerbate racial animosities. The middle class and the war veterans are incited against the labor movement. Social discontent furnishes the basis for a wild demagoguery in which the most fantastic "promises" are made to rid the people of their social ills if only they will follow the self-appointed "leader."

Fascism flourishes in the soil of social crisis and in no other. In America, the nascent movements of fascism, which in the beginning had the same kind of crackpot flavor which seemed to characterize the infant movements of Mussolini and Hitler, came on the scene during the late thirties, in the depth of the great depression. The CIO organization drives, marking the commencement of a new wave of labor militancy, gave fascist demagogues such as the Catholic radio priest, Father Coughlin, a chance to pose before the middle classes as saviors of society and to win a certain amount of popular support. It was during this period, too, that the peddlers of "export" fascism, represented by the strutting Fritz Kuhn of the Nazi-American Bund, enjoyed their heyday.

RETAINED FAITH IN CAPITALISM

Nevertheless, native fascism could not get a real grip. Devastating as the crisis was, with more than 10 million unemployed, there did not exist that utter social despair which is fascism's richest soil. Unlike its European counterparts, capitalist democracy in this country still possessed a certain viability. It could live on the accumulated layers of its own fat. By vigorous pump-priming, the Roosevelt administration was able to keep the sick economy going and prevent a social breakdown. Under these circumstances, the nascent organizations of fascism could make practically no progress in the building of a mass movement. Moreover, Big Business saw as yet no necessity for either financing or pushing the fascist movement forward. The lush subsidies paid by the industrial barons to the fascist movements in Italy and Germany were not yet forthcoming in this country.

Then, in 1939, came the war. The anemic internal market was revived by government war spending. The wheels of industry began turning at a fast tempo once more. The economic crisis was liquidated by the imperialist slaughter—even though only tem-

porarily. The army of unemployed disappeared. In the waste and welter of war American capitalism gained a new lease on life. The fascist demagogues, the Coughlins and their like, were compelled to crawl into their holes and await a more propitious time to build their movements.

Now that the war has ended, the fascist rodents are busy once more. The elements of a new and more devastating economic crisis were at hand the moment the last shot was fired. The full impact of the economic crisis will be felt later when industry has taken in the "slack" in the domestic market occasioned by the conversion to a war economy. The most optimistic spokesmen of capitalism predict that there will be an army of at least 8 million unemployed before another year is out. There will be millions of veterans, men trained to achieve their objectives with lethal weapons, who will be filled with despair and anger when they find themselves on the social scrap-heap. In this murky pool of social anguish the Gerald L. K. Smiths expect to fish with satisfactory results. This early reappearance of Gerald L. K. Smith on the scene can be accepted as proof positive that the class struggle will indeed be a stormy one in the days ahead.

ESTIMATE OF SMITH'S MOVEMENT

What does Smith's movement add up to at the present time? From all appearances, very little so far. He possesses, as yet, no popular mass following. His meetings are attended chiefly by old people, to a large extent members of "old age pension" and "Ham and Egg" movements. There have been rumors heard at different times of this or that millionaire or prominent industrialist supplying money to Smith. But obviously no important capitalist groups or circles are as yet financing Smith or any other fascist movement.

It must be remembered that the leading capitalist circles of Europe did not jump on the Fascist bandwagon out of volition but because of iron necessity. Fascism, it is true, saves and preserves their system but it imposes big costs and it entails great dangers as well. Trotsky stated that the capitalists no more like to lift up into power the Fascist "man on horseback" than a man with aching molars likes to go to the dentist. The capitalists cast the fateful die for fascism only when the crisis becomes unbearable and they can see no other way to save their system. The dolorous fate of German and Italian capitalism will, if anything, increase their caution in this respect.

It appears as if Smith is launching his furious organization campaign, running hither and thither and up and down the countryside, to impress, for one, the capitalist powers that he is the logical candidate for leader of any American Fascist movement, as well as to gain hegemony of it over all the other local fuehrers. As the class struggle grows in intensity in America, as it will; and as the strike wave rises, as it will, Smith may very well try his hand in active strike breaking and vigilante activities. He may attempt to build his storm troop movement in "struggle." Even before the war he made one or two abortive efforts to inject himself into strike situations and union organization campaigns.

The labor militants in the United States have reacted in an exemplary manner to Smith's initial campaign to organize a Fascist movement. They have correctly taken the offensive while the foe is still weak. They have demonstrated that they learned something from the tragic experiences of the German and Italian workers. In Los Angeles and Detroit, where the Trotskyists have influential organizations, they successfully aroused sections of the labor movement to the danger. In both cities, the CIO

was pressed into organizing effective counter-demonstrations against Smith and his movement.

Much of the credit for these militant actions goes to the Trotskyists (the Socialist Workers Party) who kept track of Smith's movements and sounded the alarm. By persistent effort they aroused the organized labor movement to a realization of the danger. The Trotskyists took their rightful place in these actions, demonstrating by example that they are in the forefront of the fight against Fascism.

HOW TO FIGHT FASCISM

In common with other labor militants, Trotskyists are courageous and fearless fighters for the cause of working class advancement. But Trotskyists are more than that. They are in addition trained and educated in the history and lessons of working class battles and experiences. The Trotskyists therefore approach the present problem of fighting Fascism in the United States in the manner of a General planning a well thought-out campaign. The Trotskyists, first of all, understand that fascism can be stopped and eventually destroyed, root and branch, only by the working class, acting as an organized force. The Trotskyists understand, too, that they cannot substitute themselves or their independent actions for the mass action of the organized working class. Acting on this simple but all-important principle, the Trotskyists see as their first task the need of arousing the organized labor movement to the meaning and danger of fascism, and pointing to militant mass action as the only effective method of fighting it.

The Trotskyists of Los Angeles and Detroit have demonstrated that they understand what the basic task is, and understand how to carry it through in practice.

Of course the splendid demonstrations of Los Angeles, Detroit and elsewhere represent only the beginning, the beginning of the big campaign of *genuine organization* of the *genuine struggle* against fascism, which is not divorced from the general struggles of labor, but, on the contrary, bases itself, first of all, on the all-round, day to day activity in the labor movement and the organization of a genuine left wing on a rounded militant program of class struggle. But it is a correct and effective beginning, and it is a beginning that gives hope that the outcome of the struggle will in the end lead to the pulverization of the Fascists and their big capitalist backers.

British Dock Strike and the Labor Government

LABOR HEADS FIGHT STRIKE

Under conditions of rapidly accelerating social crisis, Britain's Labor government is revealing on the home front what it has already revealed in its foreign policy, namely, that it is the willing tool of the British capitalist class. The important strike of British dock workers, who are demanding higher wages, a 40-hour week and other concessions, gave Attlee, Bevin, Morrison and company the opportunity to show on which side of the class barricades they stand. The British workers elected them to office and expected them to use their power to protect and advance the interests of the working class. But in this first battle between the workers and their exploiters, the Labor government came down squarely on the side of the exploiters. Instead of supporting the dock strikers in their just demands, these labor skates set out to smash the strike. Uniformed troops were sent into action to unload ships in London, Liverpool and other ports.

The dock strike is symptomatic of a new stage in the class struggle in England.

During the war, the union bureaucrats (as in this country) fastened a no-strike pledge on the workers, thus depriving them of the only effective means of defending their living standards and working conditions. While the capitalists piled up war profits, the workers suffered from frozen wages and the rising cost of living. Grievances accumulated. The union bureaucrats were not entirely successful in their efforts to keep the lid down on the seething cauldron of discontent. Strikes in 1943 and 1944 in the coal mining and engineering industries were harbingers of the coming revolt.

Even before the end of the war, the workers forced the Labor Party leaders to end their rotten coalition with the Tories. In July of this year the Labor Party was sent into office with a tremendous majority, pledged to carry out a program of radical reform which included the nationalization of the Bank of England, the coal mines, transportation systems and public utilities.

After two months in office, Attlee and company have nothing more to show than a bill providing for the nationalization of the Bank of England which will merely make its former owners shareholders in a government concern, with their profits guaranteed by the Treasury. All the urgent problems and accumulated grievances of the workers remain. The union bureaucrats, continuing the role they played throughout the war, can do nothing more than counsel the workers to be patient. But the workers' patience is beginning to run out. Between fifty and sixty thousand dock workers struck in defiance of their official top union leaders, tying up shipping in London and other large ports. And significantly, a strike leadership has emerged from the ranks, which is coordinating the dock workers' efforts on a national scale, and has thus far refused to send the men back to work despite the pleas and threats of the Labor government and trade union officialdom. The dock workers, who unquestionably reflect the feelings of millions of other British workers, believe first of all, that the Labor government should begin improving the lot of the working man and not continue running everything as before, in the interests of the capitalists.

BEVIN AIDS IMPERIALISTS

Britain's dock workers belong to the Transport and General Workers Union, of which Ernest Bevin, who occupies the exalted post of Foreign Minister in the Attlee government, was for long years the head. But now Bevin is busy helping the French and Dutch imperialists to recover their Far Eastern colonies, while the Labor government as a whole busies itself with administering capitalism at home. These labor skates actually denounced the strikers and set out to herd them back to work, their demands unsatisfied. In this they worked hand in glove with the union bureaucrats, one of whom, Arthur Deaken, went so far as to indulge in the usual type of red-baiting against the striking rank-and-file. Ignoring the genuine grievances of the workers, this official declared that the strikers were merely tools in the hands of the Revolutionary Communist Party, the British Trotskyist organization.

A revealing sidelight of the strike was the refusal of Aneurin Bevan, a kind of British Walter Reuther, to receive a deputation from the strikers. Bevan, who holds a minor ministerial post in the Attlee cabinet, is a Labor Party "left-winger" who, in the days of the Tory-Labor coalition government, attacked the conservatism of the official Labor Party leadership in an endeavor to build a reputation as a genuine workers' leader. But Bevan out of office and Bevan in office are not one and the same thing. The Bevan in office is now so weighed down with the responsibility

of administering capitalism that he has no time to receive the workers who voted him into office. Bevan's "leftism," it is now plain to see, was nothing more than leftist fakery. He and his kind merely furnished a radical cover for the more unabashed labor skates who form the official leadership of the Labor Party.

From the dockers' strike, first post-war action of the British workers, the rank-and-file of the Labor Party and the trade unions will draw valuable lessons for future struggle. Both the Labor government and the union bureaucracy are already beginning to reveal themselves as loyal lieutenants of the capitalist class. In fighting for their rights and for a socialist future, the British workers will more and more find themselves thrown into opposition to this whole crew of labor misleaders and betrayers. If the British workers thought that socialism could be achieved by simply voting the Labor Party into the government, they are now to discover that this was merely the opening gun in a long and difficult fight.

STORMY DEVELOPMENT OF CLASS STRUGGLE

The dockers' strike is the beginning of a new and stormy development of the class struggle in England.

As it unfolds, a sharp differentiation will take place in the ranks of the trade unions and the Labor Party. Increasingly the workers will discover the true character of the Attlee-Bevin-Morrison crew as servants of capitalism. A genuine left-wing movement will crystallize and grow. It will seek a new, vigorous and honest leadership which, instead of kowtowing before the Tory lords of Britain, will rally and lead the workers in revolutionary struggle. That is the only way the British laboring masses can work themselves free from growing economic impoverishment and degradation and begin to move toward the establishment of a Socialist Britain.

Precisely herein is seen the great forward step of the British workers' movement in putting into power the British Labor Party. The British labor bureaucrats can no longer—as they have for years—excuse their own policies of cowardice and betrayal by pointing the accusing finger at the Tories and their majority in Parliament. The British labor bureaucrats can no longer tell the workers that things will be different when *they*, the labor leaders, are voted into power. They can no longer talk in the abstract about the virtues of the *British way* of achieving Socialism by peaceful evolution via the ballot, as against the *bad methods of revolution* practiced by Lenin and Trotsky. Now the British labor leaders *are* in power. They have a large majority in Parliament. And now the workers expect them to produce.

But these labor fakery are bankrupt. They are merely servants of the Churchills and the British rulers. They cannot and will not produce. Thus they will expose themselves increasingly, by their own actions, before the British masses. And thus the workers will learn in action and through their experiences the necessity for a *revolutionary way* out of the crisis into which they have been thrust by the British imperialists.

Washington, Moscow and Japan

POLICY OF U.S. IMPERIALISM

The policy of U.S. imperialism vis-a-vis Japan, as we pointed out last month, is to preserve the institutions of Japanese ruling class domination as a safeguard against revolution, while introducing such modifications as may be necessary as a political safety valve. Japan's armed forces have been disbanded and the Imperial General Headquarters abolished. Censorship of the press has been ended. The odious

"thought control" and secret police forces have been liquidated. Political prisoners, including members of the Communist Party imprisoned since 1928, have been released. In order to scale down the power of the *Zaibatsu* (the great family trusts which have dominated Japan's economic life) their diverse interests are being decentralized and shares of stock in the numerous enterprises of the Mitsui, Mitsubishi, Sumitomo and Yasuda families are being offered for public subscription for the first time. Elections are projected and, by order of MacArthur, the Japanese cabinet has enacted a law giving the franchise to women. There are even persistent reports that Emperor Hirohito will abdicate in order to save the heavily-compromised and discredited monarchy.

All these superficial "reform" measures, which touch but lightly upon the fundamental structure of social relationships, are intended to fit into, and serve, the widely-ramified purposes of American imperialism in the sphere of international politics. In the period between the defeat of Germany and the surrender of Japan, the Wall Street brigands and their office boys in Washington made a startling discovery. The Carthaginian "peace" which they imposed upon Germany, involving the virtual destruction of what remained of the country's independent economic and political life, created an enormous vacuum into which, with a not unsurprising alacrity, the Stalinist bureaucracy of the Soviet Union proceeded to move. Europe's "balance of power," frequently upset in previous wars, was now totally destroyed.

The American imperialists recoiled in alarm before their destructive handiwork in Europe. Was the frightening pattern of the Old Continent to be duplicated in the East? Was Stalin to be permitted to fill a new political vacuum and become the dominant power in East Asia as he had already become in Eastern Europe? For a generation imperialist Japan had filled the role of "gendarme of the East" against the tide of Bolshevism. Why not make use of Japan, a capitalist Japan shorn of its challenging military might, as a bulwark and ally against Stalinist expansionism?

TWO POWERS— U.S. AND USSR

The advisability—nay, the urgent necessity—for a different policy with regard to Japan became apparent when the termination of the war made it clear that there are only two major military powers left in the world—the United States and the USSR. Even before the Potsdam Conference these two powers were snarling at one another over the division of the European continent. In the vast Pacific arena, where the imperialist destiny of the United States chiefly lies, the interests of the two powers clash even more sharply. The Soviet Union interferes with Wall Street's plans of hegemony in East Asia. Neither Washington nor Moscow doubts that, in due time, this irreconcilability of interests and aims must lead to war.

Washington's policy of preparing Japan for her future role as an ally of American imperialism is well understood in Moscow. On the very morrow of Japan's surrender, Japanese troops were used, and still are being used, to smash the uprisings of the Chinese masses and to defeat the independence movements in Indo-China and Indonesia. The imperialist ruling class of Japan, its great gamble for empire having failed, is content now to fill the role of a humble agent of the Wall Street brigands and to help them in establishing their rule in the Far East. American workers who were deceived into believing that the Pacific war was fought by the United States in order to liberate the eastern peoples from imperialist domination should take note of this class kinship between the bandits on both sides of the Pacific.

Moscow has not failed to take note of it. That is why Stalin's press has been sounding off about Washington's "soft" policy toward Japan. That is why, during the recent meeting in London of the Council of Foreign Ministers, the Kremlin demanded an end to the unilateral control of Japan by the United States and the setting up of an Allied Control Commission to determine policy. Moscow is also sending a token force to Japan to join the Allied occupation armies—in reality to keep a close watch on the American masters of the country.

U.S. ALONE CONTROLS JAPAN

The American imperialists, however, have no intention of relinquishing any part of the control they have gained by military action. In reply to Moscow's demand for an Allied Control Commission, Washington countered with a proposal for an Allied Advisory Commission to "advise" MacArthur. Washington's proposal represents nothing but window dressing. Japan remains subject to

sole U.S. control and becomes, together with the Philippines and other bases close to the Asiatic mainland, part of the new American Empire.

The conversion of Japan into an ally of American imperialism is, of course, only in the beginning stages. Nor is it certain that the process will ever be completed. The Japanese masses have yet to speak their word. These workers and peasants have paid a terrible price for the unbridled imperialist ambitions of their rulers. Will they tamely submit to turning their country over to the Wall Street gang so that it may become a staging ground for another fearful war? There are signs pointing to the contrary. The Japanese labor movement is reviving and strikes are reported in different parts of the country. Growing hunger is stirring the peasants to renewed revolt. Demands are heard for the overthrow of the monarchy, the expropriation of the capitalists, the return of the land to those who work it. The victorious American imperialists are sitting on a social volcano which may erupt at any time.

The New Tax Bill

Through two important actions in the past two months Congress has exposed itself as the venal tool of the capitalist masters of the United States. In September the Democrats and Republicans combined to kill all unemployment compensation legislation. This brutal refusal to vote a single additional penny for relief to the millions of discharged war-workers was directly instigated by Wall Street which aims to keep unemployment compensation at starvation levels as part of its plans to depress workers' wages and living standards.

In October, Congress showed how differently it proceeds when it comes to providing "relief" for the rich. No sooner had Congress delivered a body blow to the workers than it rushed through the legislative mill a new tax bill tailored to suit the most exorbitant demands of Big Business. This tax bill is without question one of the most outrageous instances in American history of Treasury looting by the capitalist plunderbund. Thanks to their political deputies at Washington, the robber barons of Wall Street, already overloaded with war-profits, are going to heap up more billions at the public expense.

The new tax schedule—the first general tax-cutting measure in 16 years—calls for total tax reductions of \$5,920,000,000 in the next year. This is about a billion more than the generous reductions proposed by the Treasury Department. The major slice is accounted for by the repeal of the excess profits tax which will enrich stockholders of the big corporations by the sum of \$2,555,000,000. In addition Congress handed out two smaller bonuses to Big Business by slashing corporate surtaxes \$347,000,000 and removing the \$234,000,000 capital stock and declared value excess profits tax. These gifts made a grand total of no less than \$3,136,000,000.

The two houses of Congress vied with each other to see which could contribute the greater gratuities to business. When the Senate insisted upon immediate and complete abolition of the excess profits tax, the House, not to be outdone, demanded that corporate taxpayers outside the excess profits brackets also receive substantial reductions. As Chairman Robert L. Doughton of the House Ways and Means Committee put it: "We felt that if you were going to knock out the excess profits tax you had to do something for the corporate taxpayers not subject to that tax." Whereupon the Congressional conferees promptly agreed

to reduce normal and surtax rates on corporations without "excess profits" to the tune of \$347,000,000. This thoughtful gesture enabled all corporations, large or small, earning normal or excess profits, to get their snouts into the Treasury trough.

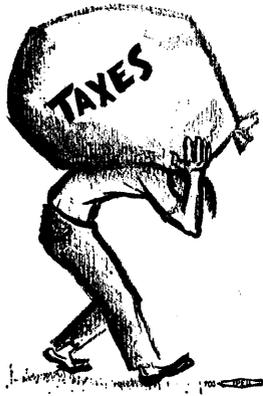
This outrageous piece of legislation, approved and signed by President Truman, guarantees unheard of peacetime profits for Big Business. "Treasury experts put corporation income in 1946 (before taxes) above \$18 billion in preparing revenue estimates in Vinson's tax plan," wrote *Business Week* on October 6. "If the excess profits tax is repealed as expected, corporations would take home more than \$11 billion, higher even than this department's prediction that the figure would top \$10 billion."

The sweeping elimination of these taxes upon the corporations has sent the Stock Market shooting upward. The investment sharks are licking their chops at the prospects of lush pickings ahead. Here is an example of what is taking place: there has been a spectacular rise in the stock of the outstanding distilling companies. Schenley for instance has doubled its price in the past period and the other liquor corporations are not lagging far behind.

The reason is obvious. Schenley has been paying around \$20 per share in excess profits taxes. Now that this tax has been wiped out Schenley can continue to collect this amount from the consuming public for its stockholders instead of the government. No one expects this corporation to reduce the price of its whiskies. It is in business for profit, not philanthropy. Whiskey is scarce and in great demand. Schenley is out to grab all it can while the grabbing's good.

All the other corporations are going to do the same thing. Thus the repeal of the excess profits tax does not mean the wiping out of excess profits. Quite the contrary. Its abolition bestows upon business an extended period of super-profits. Is it any wonder stocks are booming in 1928 fashion?

But that is not the whole story behind the current boom. Even those corporations whose profits fall below wartime standards have been well cared for under previous tax legislation passed by Congress. Through the carry-back provisions of the present tax laws business can collect huge refunds from the government on excess profits taxes they paid during wartime.



Corporations are guaranteed a refund of 10 per cent of all excess profits taxes. If, during the five years following the war, their profits fall below pre-war average, or if losses are sustained, the government will refund additional excess profits taxes to cover the deficit. If the corporations lost money before the war, a "normal" profit is computed and guaranteed.

Under these conditions the corporations cannot lose. If they earn excess profits next year, they can thumb their noses at the Treasury and keep all they rake in above the normal 35 per cent tax. If they don't have any "excess profits," they can claim a refund on the excess profits taxes paid during the war. If they actually lose money, they can collect refunds not only out of excess profits taxes but also on normal wartime taxes. They can recoup up to 85 per cent of their losses out of the U.S. Treasury!

Industry is so well protected by the carry-back refunds that many companies are assured of high profits no matter how little they produce. Bethlehem Steel Corporation, for example, reported a deficit of \$27,218,333 for the quarter ending September 30. Yet, thanks to tax refund credits of \$34,980,000 from the government, Bethlehem paid out a \$2.05 per share dividend to its stockholders. U.S. Steel received a Federal tax credit of \$2,000,000 for the same period. The tax laws have been so rigged that the corporations can play a pleasant game of "heads I win, tails you lose" with the U.S. Treasury at the expense of the people.

And, in addition to all the bounties showered upon the corporations, Congress did not forget to assure the individual wealthy taxpayers of a nice fat reduction in *their* income taxes for next year amounting to \$563,000,000. By adding a 5 per cent across-the-board tax reduction for individual income taxpayers on top of other reductions, Congress saved million-dollar taxpayers \$44,218 each while cutting the small taxpayers an extra \$1 each. The reductions finally approved grant the very rich a 60 per cent increase in income after taxes.

Now what did Congress do for the vast mass of taxpayers in the lower income groups? It exempted 12,000,000 low-income taxpayers who don't make enough to pay regular income taxes, or even enough to live on. Of course, that was the minimum Congress could do in order to push through its "relief for the greedy" tax bill. Congress however provided the biggest tax cuts for the 4 million taxpayers in the bigger income brackets, running up to 4 percentage points for millionaires. The 32 million taxpayers in the lower brackets got far smaller reductions.

A single person without dependents making as little as \$1,000 a year or less than \$20 a week, will still have to pay almost ten per cent of his income to the tax collector. A married person without dependents earning \$2,000 a year is liable for \$190 in taxes. The excessively burdensome wartime taxes on wages have been cut only 3 percentage points after exemptions plus an additional 5 per cent on the total amount. This means that the personal income taxes which soared to undreamed-of heights and slashed so deeply into the paychecks of the workers during the war years are to be maintained at excessively steep levels. The average rates of reduction still leave income taxes far above pre-war years. Here, for example, is how the 1946 tax on the income of a married man without dependents making \$5,000 a year compares with taxes in previous key years.

1913	\$ 10.00
1918	180.00
1929	5.62
1941	110.00
1943	894.00
1945	975.00
1946	798.00

Observe that 1946 taxes will be seven times higher than five years ago! This gigantic tax jump is closely connected with a parallel increase in the national debt which has also multiplied sevenfold during the same period.

The income tax was originally imposed to limit the rich man's wealth. That was supposed to be its purpose. Now it has been progressively extended until today it is paid in large part by the lower-income wage earners. Six years ago some 3,000,000 persons paid personal income taxes totaling about \$1 billion. The number of payments rose to 20,000,000 by 1942 and 42,000,000 by 1943. Whereas in 1941 the government took only 2.2 per cent of the \$5,000 a year income of the married man cited above, by 1945 it was taking 19.5 per cent.

The costs of militarism have inflicted these back-breaking taxes and have made them a permanent scourge on the American people. In a Labor Day speech at Peoria, Secretary of the Treasury Vinson declared that the tax load must remain "relatively high" because of the \$5.5 billion annual carrying charges on the national debt. This along with other "necessary expenditures" including the upkeep of the world's greatest military machine would require "for a long time to come" a Federal budget of at least \$25 billion a year.

Congress is also keeping in force the system of deducting income taxes directly from the workers' paycheck which was introduced under the pretext of wartime necessity. This vicious system of withholding taxes converts every employer into a tax-collector for the government. While businessmen and coupon-clippers are permitted to compute and pay their taxes on an annual basis with plenty of loopholes for evasion, the workers are compelled to pay their taxes by the week. This class discrimination further enables employers to use these tax funds for their own benefit before they are transmitted to the Treasury.

Congress displayed its callousness toward the masses in still another instance by refusing to repeal the wartime sales taxes, even although their elimination was recommended by the Treasury and approved by the House. Only in a bid for the servicemen's vote, did Congress give a few minor concessions by remitting taxes on the service pay of non-commissioned officers and enlisted men and permitting officers to amortize their taxes over a three year period without interest.

To sum up: from top to bottom the present system of taxation favors the rich at the expense of the poor. During reconversion the corporations are entitled to receive billions in tax refunds but the millions of wage workers who have lost their jobs and income through the cancellation of war contracts have no such privileges or protection. The workers have no right to apply for rebates on the extortionate taxes deducted from their pay envelopes during wartime to tide them over their difficulties. Congress, as we stated, even refused to vote them adequate unemployment relief.

Not since the days of Harding and Coolidge have the moguls of vested wealth manipulated so



shamelessly the public exchequer for their selfish aggrandizement. Wall Street is solidly ensconced in the Treasury Department and dictating the financial policies of the administration. The big business press acclaims Vinson as the greatest Secretary of the Treasury since Andrew Mellon gave the keys of the public funds to his fellow millionaires in the 1920's. "No Secretary of the Treasury has demonstrated more tenaciously the courage of his convictions in respect to the welfare of the nation's business, than has Secretary Vinson in the matter of the prompt elimination of the excess profits tax," exclaimed Godfrey N. Nelson, the enraptured tax expert of the *New York Times* on October 28.

Indeed Truman's man Vinson has already made Harding's Secretary of the Treasury Mellon look like a slow-coach and piker. After World War I the Wall Street freebooters had to wait three years before ridding themselves of the excess profits tax. This time Truman and his Democratic Congress scrapped it within three months of the war's end. Under Mellon's regime the corporation stockholders saved \$1.5 billion. Vinson has just doubled that. Where the Republican Mellon ladled out public funds to the corporations through tax remissions and reductions, the Democratic Vinson is now scooping them out with steam shovels. Thus "progress" can be recorded all along the line!

* * *

The capitalist government is impudently continuing in peacetime the same policy of pampering the profiteers that gave the corporations record earnings during the war. Between 1939 and 1944 corporate profits more than doubled after taxes. The monopolists piled up another \$26 billion in undistributed profits. If postwar profits should happen to drop below 1936-1939 levels, carry-back credits assure the corporations another \$30 billion.

A recent OPA report estimates that industrial profits next year should reach the highest point ever attained in the country's history—\$11 billion. The manufacturing industries alone would coin \$7.5 billion, or several times what they realized prior to the war.

Compare these colossal profits with the wage cuts coming to the workers. The average worker in the manufacturing industries faces an annual average wage of \$33.96 a week. Allowing for the increases in prices, but not in taxes, this provides three per cent less purchasing power than the average wage of \$26.64 in 1941, according to the CIO figures.

The situation in the steel industry, as pictured by the United Steelworkers of America in a recent pamphlet, is typical:

Never before have the steel companies been so rich. For five years of war production the steel industry has charged the American people over two billion dollars in open and concealed profits. About one billion of these war profits have been kept by the industry—added to its total financial resources, while other millions have been concealed. \$765 million additional dollars—*more than three-quarters of a billion*—have been paid out to stockholders.

Contrast this with the financial position of America's 475,000 steelworkers. In five years of war work they have accumulated only a total of \$285 million in savings, or \$600 a worker.

For every dollar the steelworkers have been able to save after meeting the high cost of living, the steel industry has accumulated almost four dollars after meeting the high wartime rates of taxation. In addition, the steel companies will receive over \$200 million dollars in statutory refunds of excess profits taxes. And they can obtain refunds from the Treasury if their operations drop to the break-even point, and even larger refunds if they suffer operating losses—refunds that are very much greater than the \$115 million dollars in net profits after taxes they averaged before the war.

These facts and figures prove conclusively, of course, that industry is well able to pay sizeable wage increases to the workers, and still maintain big profits. But they also show that the employers occupy extremely powerful fortified positions in their present campaign to repulse the demands of labor for higher wages. The CIO has correctly charged that industry is engaged in a "sit-down strike" against collective bargaining. Many companies are holding up expanded production until 1946 so that they can get the full benefit of the tax cuts. The radio industry trade papers openly admit that parts manufacturers are waiting to extort higher prices from the OPA. The big corporations are able and willing to delay reconversion and sabotage production because they are guaranteed profits regardless of the rate of production.

Industry's Position

Murray and the other trade union officials complain bitterly about this state of affairs. But all this whining doesn't mean much nor count for much. The present administration and Congress which enriched the corporations and placed the Treasury at their disposal so that they could fight labor without financial loss to themselves was elected with the support of Murray and the rest of the top trade union officialdom. This Congress however contemptuously brushed aside the protests of CIO representatives against the new tax grab. The voice of organized labor, numbering 14 million members and their families, counted for less in the halls of Congress than the dictates of the selfish minority of profiteers, stock-market speculators, and parasitic coupon-clippers.

Could there be a more graphic illustration of the utter bankruptcy of the official union policy of relying upon capitalist "friends of labor" to safeguard the interests of the working class against the depredations of Big Business? The multi-millioned labor movement did not have a single representative of its own to resist this bare-faced looting of the public funds. This is the result of the failure of the unions to organize their own independent labor party which can fight for the worker's paychecks as energetically as the Democrats and Republicans protect the fortunes of the plutocrats.

FASCISM

- WHAT IT IS
- HOW TO FIGHT IT

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The Big Five at London

By WILLIAM F. WARDE

On October 2 the first peace conference of the Second World War broke up in utter collapse. For twenty-two days the Foreign Ministers of the five greatest Allied Powers met in almost continuous session to grapple with the problems of making a peace. Their deliberations culminated in a hopeless deadlock. Weary, bitter, pessimistic, these representatives of the world rulers finally agreed to terminate their talks. This was the only thing they could agree upon.

It was freely admitted that this first Council of Foreign Ministers had accomplished nothing, had even given a severe setback to enduring peace. C. L. Sulzberger who covered the conference for the *New York Times* called it "an abysmal fiasco." In Moscow *Izvestia* wrote on October 5: "The first session of the Council of Ministers of Foreign Affairs ended without result. No decision whatsoever was adopted. Not even a communique which could have explained why the Ministers' Council failed was issued." The exalted participants could not even agree on the official minutes of the proceedings. Not a very auspicious beginning for the radiant new world that was supposed to issue from the war for democracy!

The Big Three had set up the Council of Foreign Ministers at Potsdam in July to draft peace treaties with the defeated Axis nations and in general to work out detailed solutions of the political, territorial and strategic problems posed by the war. The London Conference was the first of a series of projected meetings expected to be drawn out for over two years. At London the Foreign Ministers of United States, Great Britain, the USSR, France and China undertook to devise peace settlements with Italy, Finland, Hungary, Rumania and Bulgaria.

The previous conferences of the Big Three held in wartime had been conducted in complete secrecy and their decisions withheld on the false pretext of military necessity. Since the Ministers' Council at London met during peacetime, this excuse was obviously invalid. Yet these meetings too, which were deciding the fate of millions, were conducted in as much secrecy as the Foreign Ministers could manage. In a moment of candor C. L. Sulzberger of the *New York Times* voiced the mounting suspicion of the people regarding the real reasons for this secret diplomacy. "The general public which fought and won this war," he wrote on September 30, "has an uneasy feeling that the only excuse for this closed-door business, now that the war is over and secrecy is no excuse, is that there must be something smelly going on."

In fact, as reports of the haggling and bickering leaked out, the stench emanating from this cesspool of power politics became overpowering and impossible to suppress. At the moment, American imperialism sees no need for covering up the conflicts between the "United Nations." As a consequence, the capitalist press has become brazenly cynical in its comments. Here is a typical paragraph from the typewriter of William Philip Simms in the September 27 *New York World-Telegram*. "There were power politics and bargaining behind closed doors. Nations without any interest in certain problems were invited in. Others, vitally concerned, were barred. For sordidness this first peace parley made the 1919 Paris peace conference look like a thing of sweetness and light."

All pretence of observing the declarations about self-determination of nations in the Atlantic and San Francisco Charters was thrown aside. Not one of the peoples whose lives and futures were at stake were even formally represented. Their wishes and welfare were neither consulted nor considered. Australia's Foreign Minister Evatt acidly commented that 43 of the 48 lesser members of the United Nations who had come together in San Francisco last spring were shut out. Even the crowned puppets of Anglo-American imperialism, Kings George of Greece and Peter of Yugoslavia, complained because they were not permitted to intrude upon this exclusive gathering. Inside the conference room on most of the main issues the Council of Five was reduced to Three—and in essence this trio narrowed down to a contest of strength between the United States and the USSR.

Almost every point on the agenda precipitated a conflict which served to expose the predatory aims of the participants and the utterly reactionary character and consequences of the war. Molotov demanded \$600,000,000 in reparations from ruined Italy. The British also wanted heavy payments. Byrnes flatly refused to go along, not out of humanitarian motives, but because he said the United States would foot the bill for these indemnities in the long run.

Further haggling and maneuvering ensued when Italy's colonial empire was placed on the auction block. Britain sought to safeguard her imperial lifelines in the Mediterranean from the threat of Kremlin encroachment by placing Italy's colonies under international trusteeships, which meant domination by the Anglo-American bloc. Russia thereupon put in a bid for Tripolitania and for bases in Eritrea as well as the Dodecanese Islands claimed by Greece. Here too the dear "Allies" found themselves deadlocked.

Next came up the question of treaties with Rumania and Bulgaria. But the United States and Great Britain flatly refused to approve draft treaties with these two countries until their Kremlin-controlled regimes were "democratized." In retaliation Molotov caustically criticized the dictatorial regime propped up by Anglo-American bayonets in Greece. He did not refer to the actions of these "defenders of democracy" who are engaged in suppressing the insurgent peoples fighting for national independence in Java, Burma, Indo-China and Malaya. But near the end of the conference Molotov was reported to have remarked to one English diplomat: "Byrnes wants to push democracy in the Balkans to see how it works there before he tries it in South Carolina."

In their rush for spheres of influence, colonial outposts, military bases and lines of communication the five powers bared their fangs and snarled and snapped at each other like beasts of prey. They fought over whole countries and chunks of continents. The knives of the Big Three have already carved up the living body of Europe. But they find themselves unable to underwrite each other's plunder.

These "Allies" have no trust or confidence in each other. Neither the United States nor Great Britain hide its hostility toward the USSR. At one point of the conference Bevin accused Molotov of employing Hitlerian methods and retracted these words only when Molotov threatened to walk out of the parley.

At another point Molotov's request that Russia have the right to share in the control of Japan provoked such a sharp rejoinder from Byrnes that it likewise threatened to break up the conference then and there.

Molotov argued for revision of the treaty governing the Dardanelles, saying that Russia needed complete and free access to this strait which at present keeps the Russians locked up in the Black Sea. Byrnes and Bevin flatly opposed this in the guise of defenders of Turkey against the unreasonable coercion of the USSR. Thereupon, according to Drew Pearson, Molotov said to Bevin: "How about discussing the Suez Canal and our relationship to it?" Bevin became furious at the suggestion. Then turning to Byrnes, Molotov said: "Well, let's discuss the Panama Canal and its relationship to the United States." This enraged Byrnes, who indicated to Molotov that the Panama Canal was none of Russia's damn business. To this Molotov replied that if the Suez and the Panama were none of Russia's business, the Dardanelles were none of the United States' and Great Britain's business! And in the hands of these brigands lies the fate of the peoples!

These masters of world destiny could not even manage to get together on the future of the city of Trieste, which is a bone of contention between Yugoslavia and Italy. Molotov backed Yugoslavia's claim while Byrnes and Bevin insisted that Trieste remain in Italian hands. The question of Trieste has disturbed the peace of Europe for over thirty years. It has been a constant source of irritation between the nations, a breeding ground of war. Now after two world wars the victors are still incapable of cleaning up this plague spot. Trieste remains a hopeless tangle which continues to create fresh antagonisms.

Thus even on the smallest questions the architects of peace could find no formula for settling their disputes, for maintaining peace amongst themselves. "What had been foreseen as a meeting to draft treaties of peace for the defeated powers, starting with Italy, turned into a meeting overwhelmingly occupied by the attempt to establish a peace between the principal members of the United Nations," remarked Hugh R. Wilson, former U.S. Ambassador to Germany. On the other side of the Atlantic the *Daily Herald*, organ of the British Labor Party, exclaimed: "The world is heading with its eyes open for another war."

Behind the Breakdown

Each side of course has tried to unload responsibility for the failure of the conference upon the other. Byrnes blamed its breakdown upon Russia's unreasonable demands. Molotov hastened to explain that the real reason for the London fiasco consisted in the divergent interpretations of the Berlin agreement signed by Truman, Stalin and Attlee.

These diplomatic excuses touch only the surface of the situation. The fact is that the London conference served to lay bare the real relations among the Allied powers which military necessity had compelled them to camouflage during the war. The fundamental interests and aims of the Big Three do not coincide but conflict to an ever-increasing degree. Their divergent and antagonistic purposes engendered the disputes which deadlocked the conference.

In his victory address on September 2 Stalin declared: "Now we can say that conditions for the peace of the World have already been won." This is as cynical a falsification as the similar "peace" statements Stalin made after the signing of the Soviet-German pact in 1939. The present imperialist peace has not diminished, let alone eliminated, the sources of armed conflict in the world. It has instead immediately produced

sharpened friction between the Anglo-American bloc and the Soviet Union.

The London meeting itself provided the best demonstration of this development. Its atmosphere was saturated with fear and suspicion. "Russia began with her fear of isolation and her suspicions of Western democracies," noted the *New York Times* correspondent Herbert L. Matthews. "Now these fears are stronger than at any time since before the war. The Western powers began with their fears of Russia and other profound objections to the Eastern bloc which Russia has created in her frantic search for security. Those fears are also stronger than ever."

The Anglo-American imperialists dread the extension of the Kremlin's power in Europe and Asia. Their diplomatic efforts are directed toward curbing and confining the spread of Soviet influence. The Anglo-American insistence upon intervention in Eastern European affairs is motivated by the desire to secure points of support for themselves in these countries, which Moscow has marked out for its own. The disputes over Rumania, Hungary, Bulgaria do not revolve around the question of "democracy," as the official propagandists present it, but around the struggle for power over these nations.

At Yalta, Stalin and Churchill with Roosevelt's blessing concluded an agreement—one of many such secret deals—to divide Europe into two spheres of influence. Eastern Europe and Germany up to the Elbe was to go to the Kremlin while England was to be sovereign over the countries bordering the Mediterranean, Italy, Greece, etc. According to the rules of power politics, agreements of this kind are made to be bent, if not broken. Each side strives to outwit, to overreach, and outmaneuver the other. So it has been in this instance.

Through their puppet monarchs and friendly political agents, by means of diplomatic pressure and manipulations behind the scenes the United States and Great Britain have been seeking to penetrate the Kremlin's allotted sphere of domination. In retaliation, through the EAM-ELAS in Greece, through the powerful Stalinist parties in Italy and France and through diplomatic counter-pressure and intrigue the Soviet Union interferes with England's preserves.

Underlying this struggle among the Big Three for spheres of influence and aggravating the conflicts between them is the social-economic antagonism between the capitalist world and the degenerated workers' state which still remains rooted in the nationalized property of the USSR. The Soviet occupation and domination of Eastern Europe disrupts and menaces capitalist property relations although the Kremlin has evidently thus far limited itself in the occupied countries to social reforms and has brutally suppressed the attempts of the masses to overthrow capitalism and place the workers in power.

The Russian Menace

Nevertheless this critical situation creates a permanent state of instability and unrest throughout Eastern Europe. Moreover, Stalin's Red Army marauders have not shown much regard for the properties owned by Western capitalists in the Rumanian oil-fields, in Austria, Germany and elsewhere. Unrest in Eastern Europe, if it persists, will inevitably communicate itself into Western Europe. Present Stalin-controlled Eastern Europe represents therefore a social danger to capitalism and cannot be accepted by Anglo-American imperialism as a long-lasting solution. That is why the "Russian menace" is again much discussed nowadays in the ruling circles of Washington and London. The social question still lies at the root of the growing political and territorial conflicts.

The problems posed by the "peace" are necessarily leading to a realignment of forces on a world scale. The United States and Great Britain are promulgating the idea of organizing a Western bloc designed to encircle the Kremlin's sphere of influence in Europe, to check its expansion, and, at a later stage, to push it back. (In exchange for concessions from Washington and London.) DeGaulle aspires to have France play the leading European role in the organization of such a projected anti-Soviet diplomatic combination. The world press is already openly discussing this unfolding cleavage between the powers. "Everyone knows," cabled H. L. Matthews from London to the *New York Times* on September 24, "that the continuation of present trends will inevitably bring about a division into an Eastern bloc dominated by Russia and a Western one dominated by the United States and Great Britain. . . . It is fully realized that problems of frontiers, colonies and the like are completely dwarfed by the one great problem of whether the East is going to line up against the West."

A parallel process, it can be observed, is taking place in Asia. There the United States and the USSR have both rushed forward to grab all they can in order to promote their strategic interests. In addition to the bases it has seized in the Pacific, United States forces have occupied Japan and Southern Korea. Washington plans to use the docile governments of China and Japan as agents in its encirclement of the Soviet Union and its further penetration into Asia.

At the same time the Kremlin has taken over southern Sakhalin, northern Korea and the Kuriles. By treaty with Chungking the USSR has gained a foothold in Manchuria and obtained access to its chief ports, Port Arthur and Dairen, for naval purposes. These moves and counter-moves by the two leading world states are obviously directed against each other as insurance in case of eventual conflict. This was explicitly referred to during the discussions on Japan at the Big Three conference.

A Ring of Steel

Drew Pearson wrote that Byrnes explained at the conference that the United States had great need of a chain of Island bases in the Pacific as security against Japan. Molotov laughed at this feeble argument and hinted strongly that Russia felt the United States wanted the bases solely for use against the Soviet Union. "OK," he is reported to have said, "you've got your naval bases in the Pacific. Then we want Paramushiro. If you're going to have your ring of steel, we'll have ours."

Each of the great powers is busily engaged in forging the links in its own "ring of steel." Meanwhile the propaganda machines on both sides are trying to cover their real aims by accusing each other of aggression. In September, Pravda attacked the French Socialists for trying to recreate the old *cordon sanitaire* against the Soviet Union. The Anglo-American big business press along with its liberal and Social Democratic echoes keeps howling that the USSR acts like a "totalitarian dictator" in Europe and Asia. In his speech broadcast after returning from London Secretary of State Byrnes charged that Moscow was trying to "dictate terms of peace to its allies."

The Kremlin is unquestionably striving to get as much as it can and to stretch its influence as far as it will go. But the ambitions of the expansionists in Moscow are already beginning to sharply clash with the aims and interests of the Anglo-American imperialists throughout Europe and Asia. At London, the United States and Great Britain served warning that they would not agree to converting Eastern Europe to a private

preserve of the Kremlin. They went further and undertook a vigorous diplomatic counter-campaign to halt any further advances by the USSR and to girdle its domains. Stalin, as a matter of fact, would not at all be averse to dividing the world into mutually agreed-upon spheres of influence on a "live-and-let-live" basis. The Kremlin's diplomacy is in fact shaped to arrive at an understanding with Washington along these lines.

Wall Street and Its World Plans

But the Wall Street agents in Washington have more ambitious plans. Nothing in history compares to the enormous explosive force of American imperialism which in the brief period of the past few years has penetrated into all corners of the world. America's monopolists cannot and will not tolerate, in the long run, a Soviet Union which dominates half of Europe and Asia.

The present hue and cry against the expansionism of the USSR serves the purpose of distracting public attention from Wall Street's drive for world domination. This drive proceeds uninterruptedly under the most misleading disguises and hypocritical slogans: freedom of trade, freedom of the air, freedom of elections, etc. The foremost slavemaster decorates its predatory program with all the garlands of liberty. This accords with an established tradition of the American ruling classes. The Southern slaveholders likewise embellished their society with the trappings of democracy; bragged of their devotion to freedom; and finally launched a counter-revolutionary rebellion in the name of "free trade, free men and a free South."

The truth is that the would-be peace-makers have little or no confidence in the prospect of a lasting peace. In their eyes the present period represents an armed interlude, a breathing-spell for the war-wearied nations. Under the guise of a peace settlement the diplomats of the ruling powers are actually making preparations for the next war. In his recent Biennial Report, Chief of Staff George C. Marshall virtually admitted that America's militarists regard a new war as inevitable. They are preparing for a new war and yet they are deathly afraid of it.

The fear of a third world war hung like a dark and foreboding cloud over the London conference. The Foreign Ministers were aware that their unresolved disputes contained the seeds of another bloodbath. This restrained them from precipitating any showdown. The Kremlin, especially, is mortally terrified of another war. Stalin knows how exhausted the USSR is, how mighty the U.S. military machine is. The atomic bomb may not have been mentioned but this terrible engine of destruction monopolized at present by the United States was suspended over the heads around the conference table.

Nor is Washington in a mood to wage war. The tide of events is now running in the opposite direction. Reckless militarists and impatient mouthpieces for imperialism are agitating for an attack upon Russia before it acquires the secrets of atomic bomb manufacture. But the people here and throughout the world are not only sick of war but shudder at the thought of unleashing a third world war which can demolish civilization and destroy humanity. This growing revulsion against war bridles the war-mongers.

Moreover America's capitalist rulers have their own material reasons for wishing peace. The recently concluded war was a costly as well as risky enterprise for them. They have not even begun coping with its consequences. They look forward longingly to the *Pax Americana* in which they can rule and exploit the world to their pocketbook's pleasure. They want now to cash in on the imperialist peace.

That is one set of reasons why, despite their differences, the representatives of the great powers limited themselves to a "war of nerves" at the London conference. Having sparred a bit to feel each other out, the contenders have retired to their corners to consult with their managers on the tactics for the next round.

The Fear of World Revolution

But there exists an even stronger brake upon the war-making propensities of the powers: That is their common fear of the world revolution. The colonial slaves in Asia and Africa are rising up as an aftermath of the war. The peoples in Europe are restless and poised for revolutionary resistance. This fear of the rising revolutionary temper of the masses unites the Big Three in an unholy counter-revolutionary alliance. It restrains their representatives from accentuating differences too deeply and pushing their conflicts toward the breaking point. Stalin remains a firm ally of the Anglo-American imperialists in stamping out the revolutionary movements of the masses.

But the fierce struggle for hegemony between the powers is placing Europe on the rack and tearing it to pieces. The entire continent writhes in agony while the Big Three quarrel over the division of the spoils. The peoples of Europe who are the principal victims of Big Three power politics are groping for a way out of their terrible predicament. Some seek salvation through alliance with the Eastern bloc under the Kremlin; others through collaboration with a Western bloc managed by the Anglo-American imperialists.

Experience has already proven that both of these courses will propel Europe deeper into the abyss. Either singly or in combination, the present conquerors cannot lead Europe out of its blind alley by reorganizing its economy and state relations. They come only to carve up, strangle, rob and further degrade the continent. They cannot even give tortured Europe bread, shelter, work or peace.

At the beginning of the London conference, *New York Times* correspondent H. L. Matthews cabled: "Already there is a striking parallel to Versailles in 1919. The grab for colonies is no different than it was in those days. One finds here now the same struggle for economic mastery in such questions as the Ruhr and the Rhineland, the clash of two great ideologies, the intense national rivalries, the secret treaties secretly arrived at, the spirit of revenge and domination."

After 33 sessions marked by incessant conflict the London conference arrived at a stalemate. Its collapse signifies how far the disintegration of the capitalist world and the demoralization and disorientation of its rulers has proceeded since Versailles. The peace settlement of the victors in the first imperialist slaughter brought humanity in the following years a world depression, fascism, and a Second World War.

Now the victors of this war are at each other's throats before they can conclude the first treaties of peace. Can anyone capable of learning the lessons of events expect better results from the Big Five peacemakers of 1945 than from their Big Four predecessors at Versailles in 1919?

The New Versailles and the German Revolution

The following article was written by an old German Communist, at one time a leading member of the Communist Party of Germany. As his article indicates, he has broken with Stalinism and has come over to the position of the Fourth International.

The article was written in March 1945, before the final downfall of the Nazi regime. It is interesting to note how accurately the author predicts the ensuing events. His broad outline of the tasks facing the German proletariat retains all of its importance today. Our translation is based on the French text, printed in the March-June 1945 number of *Quatrieme Internationale*, organ of the European committee of the Fourth International.

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Whichever way the war ends, one thing is certain: judging from the plans and intentions that are known up to the present time, the Versailles treaty will appear as mere child's play, in comparison to the "peace" that is being prepared. It is true that threats are hurled at the German fascists, but the decisive measures on the social and political plane, such as the dismemberment of Germany, reparations and deportations, are directed against the German people themselves. These measures unequivocally prove that the German masses are to be made to pay for Hitler's crimes. Once Hitler is beaten on the military plane, he will disappear as the slave-driver of the German people in the service of German finance capital, but only to be immediately replaced from without by the new imperialist slave-drivers. A change in slave-drivers, that is what the new "peace" will bring the German people.

In the propagandist preparation for this "peace" it has become the fashion to portray the German people as utterly contaminated by Nazism. To assure justification in advance they

must make the German people responsible for all the fascist crimes.

There is nothing abnormal in such practices on the part of the imperialists. Far more important and dangerous is the fact that the official Communist parties and the Soviet Union, under the guidance of Stalin, no longer make any distinction between Hitler and the German people and take no further interest in the German revolution.

At the time of the Versailles treaty there was at least the Communist International which made it obligatory for the Communist parties of the victorious powers to unceasingly struggle against the imperialist exploitation embodied in that treaty. But to clarify the situation for the proletariat today it is necessary to carry on a difficult struggle against the chauvinist current of the official Communist parties. The international working class must understand thoroughly the tremendous importance of a German anti-fascist movement and of a German revolution in spite of the sabotage of the official Communists. We must condition the international proletariat so that it will fraternize with the German proletariat not only against Hitler but also against the imperialist slave-drivers of tomorrow, against the masters of the second super-Versailles treaty now in preparation.

For what follows in this article it is necessary to call to mind certain historical facts. In the first place it must not be forgotten that the German proletariat bled terribly in its numerous heroic attempts at revolution in the period between the two world wars and one must not make an attempt to picture a

homogeneous German people which is confounded with Hitlerism.

The German militants were the first to know the horrors of Hitler's domination.

To ignore, for example, the thousands of revolutionists who were shot, beheaded or killed in the concentration camps by the fascists, would be to insult the dead.

These innumerable martyrs who have done—and are still doing today—their proletarian duty to the end, are they not the best proof that there was a popular anti-fascist movement in Germany, that Hitler and the German people cannot be considered as one and the same thing?

One could, of course, sympathetically analyze the faults and weaknesses of the German workers' movement with the intention of doing better and of discovering the causes that gave rise to the victory of Fascism. One might blame the Social Democracy for the methods of Noske and for its coalitions with the bourgeoisie which were a betrayal of the working class. One might reproach German Communism its failure to avoid a schism in the German working class by a united Front truly capable of combatting fascism. But to simply ignore the anti-fascist movement of the German workers and to picture the German people as entirely influenced by Hitler, is to aid Goebbels, the chief liar of the Reich.

Confronted with this situation, surely one cannot blame the author of these lines if at first he feels himself obliged to recall certain elementary Marxist truths concerning the birth of fascism in Germany and the unleashing of the second world war.

It is of course completely false to consider German fascism as a specifically German phenomenon. To pretend as much would be to indulge in racialism pure and simple. In reality the German people is neither better nor worse than other peoples. Only the particular economic and political circumstances of Germany brought in their wake fascism as the historical result. Within the limited scope of this article we have to content ourselves merely with mentioning that the national unification of Germany, its capitalist evolution and its appearance on the world market was belated. But Germany very rapidly caught up with and surpassed its competitors, developed in the most striking manner a monopoly capitalism endowed with formidable expansive power, and by virtue of this became the most aggressive of the imperialists clamoring for a division, and after Versailles for a re-division, of markets and spheres of world influence. Herein lies the principal cause of German militarism and its aggressive character, and not in the militarist character of the people, as those who take the outward form for the real cause would have us believe.

It is incontestable that Hitler as the representative of a famished imperialism which was forced to expand because of its high degree of technical and organizational development, but curbed by Versailles, provided the pretext for the second world war. But that does not convert the other imperialists into "peace-loving democracies." If in 1939 the American, English and French imperialists appeared more pacifistic the reason is that satiated and feeling themselves sure of their possessions, they were not disposed to risk at that moment a new world war for a new division of the world.

The world war has lasted long enough to have demonstrated meanwhile the equally imperialist character of the "Allies." The bloody conflict we are witnessing is in effect nothing but an attempt to obtain a new division of the capitalist spheres of interest. The imperialist rivalries among the "Allies" are already becoming quite clearly outlined for example on the question of the partition of Germany.

The "democrats" are in no mood for joking whenever their interests appear to be menaced by proletarian action, or even by genuine anti-fascist action. The bloodshed perpetrated by the English "liberators" in their semi-colony Greece proves this.

In short, it must not be forgotten that fascism is nothing but the legitimate child of capitalism, even though in this case German fascism appears as the aggressor, as the principal culprit.

Capitalism Engenders Fascism

Capitalism engenders fascism as well as war. Consequently it would be a dangerous illusion to think that there will be no war danger if only German fascism is beaten. Wars will disappear only with the disappearance of the capitalist order. As long as this order exists a relapse into fascism is inevitable.

This is one more reason why the international proletariat should not only fight for the overthrow of German fascism, but must combine this struggle with the struggle against every other fascist tendency, against every reactionary attempt, against every imperialist enterprise of its own bourgeoisie.

If we want to understand why fascism attained its most perfected form in Germany, we must take into consideration its specific economic development. In Germany the normal road of fusion of banking capital and industrial capital into finance capital of a monopoly character was particularly devious. There was a wide breach between social production and private appropriation. On the one side there was the overwhelming and incontestable majority of the whole people, on the other side an ever diminishing layer of bankers and industrialists, that fused more and more with the government and showed ever clearer its parasitic character, collecting ever higher monopoly profits at the expense of their own people.

Bourgeois democracy and liberalism corresponded essentially to a capitalism of free competition. Hand in hand with monopoly capitalism went the abolition of democracy and parliamentarianism, the invention of the theory of the master race, social and political reaction all along the line. To the same degree that the governing minority of monopoly capitalists became less numerous, decrees and measures of compulsion were applied and all democratic rights were abolished. Dictatorship, totalitarianism and finally the totalitarian state of Hitler are only the political consequences of monopoly capitalism pushed to the extreme.

Of course, this capitalist evolution toward fascism was not fatalistically determined in advance. A force existed which could have swerved this evolution toward socialism: the German proletariat. But the German proletariat was beaten. The formidable sacrifices in human lives of the German workers were in vain, for the following reasons: division in the working class, reformism, treachery of the Social Democracy, decapitation of the Communist vanguard, and later, the incapacity of a mass Communist party and of the Communist International to form a workers' united front capable of struggling against fascism.

Moreover, every new defeat of the working class represented for the bourgeoisie an opportunity (which they learned to appreciate more and more) to reinforce their fascist guards, the S.A. and the S.S., and to even create a fascist mass movement, composed of elements from the lumpen-proletariat, certain layers of the petty bourgeoisie and of the peasantry. Until the moment when the greatest catastrophe that ever occurred in the history of the international workers' movement became a reality: the advent of Hitler.

Hence, if one wants to talk of the responsibility of the German people for fascism, one would have to consider in an

objective manner all the reasons for the defeat of the German proletariat. But to look for the causes of fascism in the character of the German people itself is the last word in absurdity. We must look for the cause of fascism in the specific development of Germany. This fascism has all the less affinity with the German people as a whole, since it is on the contrary the most brutal, most reactionary, technically and organizationally the most perfected tyranny that any small group of exploiters ever exercised against the German people.

The Causes of Fascist Resistance

But, if this is the case a new problem immediately arises. Why did the German people tolerate for such a long time this bloody tyranny of a minority, why did it not overthrow fascism and why did it not attempt at least to escape from the frightful butchery of the last round of a lost war at a moment when the military defeat of Hitler was already certain?

If such questions are posed, we must ascertain first who poses them and why he poses them. If militarists and imperialists such as the English capitalist lords, who acclaimed the advent of Hitler and who supported German fascism for years on end, today speak of the necessity of overthrowing Hitlerism, it is of course clear that they envisage something quite different than a real extermination of the fascist system. This kind of anti-fascist has already proven in Greece, Belgium, Italy and France—and they will yet prove it in other countries—that they are above all against the popular masses, when the latter are really determined to root out fascism once and for all. The slogans of these “democrats,” allegedly aimed at provoking the fall of German fascism, are in reality merely a weapon for the realization of their own militaristic and imperialist aims. Their reproach to the German people for still tolerating Hitler is sheer hypocrisy, for at bottom they are basing themselves exactly on this supposed alliance between Hitler and the people in their preparations for the punishment of the German people and the installation of their imperialist exploiting power over all of Germany.

But we are obliged to provide clarification on the problem in question if it is the popular masses of all countries who pose it. In that case we must say: if one wanted to explain why the German people have not yet driven out Hitler and why up till now there are only small groups and isolated individuals who have sacrificed themselves in the struggle against Hitler then one must make a profound analysis of the destruction of the German workers' organizations, the systematic annihilation of the revolutionary vanguard of the German proletariat, the enlistment of the popular masses in technically perfected fascist organizations, which did not permit anyone in Germany to live outside their radius of operation, the effect of the social demagoguery of Hitler (at least during the period preceding the war) and above all the effect of the most formidable, brutal and technically perfected police apparatus, developed constantly by the greatest war machine in world history, both of which hold the German people as in an iron straitjacket.

It is precisely this confusion of Hitler with the German people, maintained by the official Communists as well as by the most reactionary imperialists, which prevents the overthrow of Hitler by the German people. And if there are groupings which pretend to desire the fall of German fascism, as for instance the “Free German Committee,” could such an organization, which is completely denuded of principles and comprises generals and marshals who pretend to have discovered their anti-fascist sentiments during captivity, find an echo among the anti-fascist popular masses in Germany itself? It is self-

evident that this question must be answered in the negative.

But are there not in Germany several million deported workers of all countries? At least one will not suspect them of having a natural penchant for fascism. Why do not these millions revolt against fascism? Because they too are caught in the same iron grip. In the first place Hitler's gigantic machine of repression has up till now always succeeded against the German people, and at the same time against the foreign workers, in crushing the slightest anti-fascist activity.

But one day this dam will break. And the day of the break-through will be brought all the closer if the wall of non-comprehension and chauvinist hatred, that they are trying to systematically build up between the German people and the popular masses of the other countries, will be destroyed.

The Imperialist Plans

Here is the situation as it presents itself today: independently of any attempts at revolt against Hitler that might still occur at the last moment in Germany itself, the “Allied” imperialists want to finish off this business exclusively by military means. Their plans are the following: after unconditional surrender they would in the first place like to keep the German people from all possibilities of self-government and themselves exercise governmental power through the intermediary of a military regime or rather a dictatorship of generals. They envisage at the present time the division of Germany into four parts—a Russian zone in the east, an English zone in the northwest, an American zone in the southwest and a French zone in the south. It is interesting to note that as yet it is not definitely known for whom the most important morsel—the Ruhr—is reserved.

As regards the plans concerning the social and political structure of vanquished Germany the following solutions, all equally monstrous, are proposed: The Englishman Vansittart demands the complete dismemberment of Germany; the American Morgenthau recommends the transformation of the industrial German state into a purely agricultural country; and Varga, the “eminent” economist of Stalin, proposes a combination of these measures; dismemberment of the territory, de-industrialization, payment of many billions in reparations and the deportation of at least 10 million German workers to the east.

And what is happening to the abolition of the racial laws, the punishment of the S.S. hangmen, the dissolution of the National Socialist organizations, the punishment of the innumerable war criminals? We still hear, though less loudly, whispers of such propaganda but on the other hand information reaches us at the same time from the Russian, American, English and French front according to which it is strictly forbidden for soldiers to respond to attempts of fraternization by the population, that is to say, to any anti-fascist activity. A communication from the Moscow press informs us that when workers in upper Silesia attacked the palace of the Nazi bigwigs the Russians hastened to re-establish order. This was justified about as follows: the supposed anger of the people against the fascist hangmen was nothing but a maneuver of the Germans to escape from being held responsible for all the fascist crimes.

All these signs are only forerunners of the situation to come. But today we can already conclude that there will be no rooting out of fascism, no punishment of Nazi hangmen and war criminals, no destruction of the Gestapo and of the S.S. unless the anti-fascist forces of the German people themselves are mobilized and organized. And this is a very difficult task.

Without ambiguity, all the imperialist plans, aiming at dismemberment, deportations, payment of reparations, etc., stand in

the way. These plans call for a population of slaves without power or will and not for a free and proud people capable of freeing itself from fascism. After a few measures intended to throw sand in the eyes, we must even expect that the new slave drivers of the German people will employ a large part of the old fascist State apparatus and police in order to oppress the popular anti-fascist masses. If what the Swiss press has reported during the last few days is correct, that the Americans are holding re-education courses for the S.S., one can already form an opinion on what is going to happen. In any case, the new wielders of power, like Hitler, will see the main danger in the internationalism of a proletariat which consciously fights for socialism to escape from the hell of a new super-Versailles after the hell of Hitlerism.

One can already predict today what lying propaganda will then be given to the world. They will babble about neo-fascist influences, they will suspect the German workers of working again for a national renaissance, and for a resurrection of German militarism. It will be up to the German proletariat to prove through action its internationalism and its disdain for all racialism. It will not be the fault of the proletariat but of the "Allied" occupation authorities if many fascists escape punishment and even attempt to penetrate into the ranks of the proletariat. To drive out these provocateurs can be the task only of the proletariat, the organized proletariat which has learned to handle the weapon of internationalism. But—we cannot repeat this cardinal point too often—this proletariat must find aid and assistance in the international working class itself.

The Question of the Revolutionary Party

Just as after the first world war the Versailles treaty and its consequences (Hitler's advent to power included) could have been prevented only by a German proletarian revolution, so this time only a victory of the proletariat and a federation of socialist peoples can prevent the second Versailles with its germs of another world war. Where are we so far as the preliminary conditions leading toward this goal are concerned? And what are the perspectives especially for the German proletariat in its two-fold struggle for the wiping out of German fascism on the one hand and against the new imperialist exploitation on the other hand?

In general, one can immediately state that the objective conditions for a German revolution are absolutely favorable, maybe even over-ripe. This holds good from every point of view; whether one considers the inevitable economic post-war crises in the era of a new super-Versailles, or whether one takes into account the fact that radicalization today takes place much more rapidly than in 1918 and on a world scale, or whether one simply limits oneself to the technico-organizational development of German capitalism to ascertain that the concentration of German monopoly capital and its close relationship to the state organs have laid the first foundations for a general socialization.

It is manifestly the subjective factor which lags furthest behind. Not that there is in Germany still a fascist majority or even a strong fascist minority. From now on it is absolutely certain that the experience of the masses under fascist domination and above all the terrible sufferings brought on by total war, have isolated Hitler and his clique for all time from the overwhelming majority of the German people.

The subjective factor should rather be understood as the organizational forces, the leading elements, which could lead a mass movement towards the socialist goal.

It is certain that, tomorrow in Germany, after such a blood-

letting, profound apathy and equally great fatigue will reign, but also that desperate revolts will break out at times which will have as their point of departure the social consequences of the second Versailles. It is possible that even neo-fascist tendencies will become mixed up in these outbreaks of despair. It is consequently all the more important that there be forces which will know how to immediately eliminate the harmful elements and which moreover will know how to coordinate the isolated struggles and give them a class meaning and a socialist leadership. In other words: tomorrow's situation in Germany will demand the creation of a true revolutionary mass party with a clear program corresponding to the situation. That is to say, a real communist party, a party which knows how to fight in the spirit of Liebknecht and Luxemburg and which can apply the teachings and experiences of Lenin.

What remains of this party in Germany? It is true that small groups still exist which work according to the method of total decentralization corresponding to the most complete illegality. But let us have no illusions: in Germany the Communist Party must be completely rebuilt. The old experienced revolutionary cadres have been almost completely liquidated. They died under the axe of the executioner, they perished in the concentration camps, they disappeared in the general butchery of this war. To the physical extermination one may add—an even worse thing for a party—the spiritual degeneration in emigration. Torn from their country, the remainder of the leading cadres of the party became more and more the victims of political corruption. Whatever still exists of them no longer counts in the history of the German revolution. They are easy clay for the chauvinist hand of Stalin to mold. It is only too natural that those who remain no longer bear the name "communist" but ally themselves, in the framework of a "free Germany," with old generals and marshals of Hitler.

Thus, just as in 1918, when the communist party under Liebknecht was represented above all by the working class youth, must we again make a vibrant appeal to this youth. But at this point still other problems arise which will not be easy to solve. The youth more than anyone else in Germany has been the victim of National Socialist propaganda, corruption and violence. Spartacus and the young Communist Party was the party of the young revolutionists. This time fascism has had a monopoly on the youth and a considerable process of re-education and clarification is first necessary before the youth can again lead a real communist party and thereby the proletarian masses. But we must not depict this process of re-education in the petty bourgeois manner or in the manner in which the imperialists today talk of the re-education of the youth. The school we have in view is the struggle itself. The masses learn at a thousand times faster rhythm in the course of revolutions than in periods of stagnation. This will considerably facilitate our task of winning the youth and organizing a Leninist revolutionary party.

The creation of this party obviously constitutes the first and most important paragraph of the program for the Germany of today and tomorrow. For a revolution does not come of itself, it is organized; and a party whose revolutionary theory corresponds to revolutionary practice—and vice versa—is the most important lever of this organization.

If we seriously reflect on all this, one cannot have a short perspective so far as Germany is concerned. And indeed, although objectively everything speaks in favor of an accelerated revolutionary process, there are subjective factors which hold it back. We must clearly analyze them and view them correctly in order all the better to neutralize them.

Nevertheless it is necessary to return anew to a question we have already mentioned several times in this article. That is the question of internationalism. Whoever has lived through the year 1917 and knows the radiating power of October cannot underestimate the importance of a truly internationalist sentiment for the development of all proletarian revolutions inside national boundaries. But where is this all-powerful pole of attraction today which could attract and fertilize the revolutionary movement in Germany and in the world? True, even in Germany there is still a vestige of revolutionary faith based on the work of Lenin. But what will the situation be when under the leadership of Stalin the land of the October revolution will punish the workers for Hitler's crimes by forced labor and mass deportations, in the manner of all the imperialists? How could the idea of the October revolution develop in such an atmosphere, an idea which radiated throughout the world?

To pose such questions is to answer them with the declaration that the German revolution is not only in urgent need of a communist party, but also of a genuine communist International. The Third International was dissolved after all the ideas of Lenin had been extirpated from its ranks. It is the great historical merit of the Fourth International to have again lit the spark of the International of Lenin which was about to be extinguished. Even if we German communists encounter in Germany a certain discouragement on the question of aid from a real International we will not have to hang our heads. On the contrary, we will be able to say: the International lives, in spite of Hitler, the war, imperialism, the degeneration of the party and in spite of Stalin; the International lives and wants to help you, you German workers, so that you may at last fight victoriously for your October! We can be almost certain that the foreign workers in Germany will be messengers of the internationalist idea as soon as they return to their countries. They have been in contact with the German proletariat and for that reason are in a better position to evaluate the lie that is being spread about the alleged common views of Hitler and the German people. This will be of great aid to the German proletariat, in the absence of an international pole of attraction.

If we must now formulate the second paragraph in the program of the German revolution, we can say without hesitation that it should extol the existence and the ever-widening and deepening influence of a true Communist International such as Lenin envisaged it.

Perspectives of the Revolution

The objective conditions are so ripe that it is hard to imagine that after the fall of Hitler anything else could occur in Germany but the seizure of power by the proletariat. But due to the specific circumstances under which the fall of Hitler will take place, his fall and the German revolution will not coincide. Probably Hitler will fall as the result of military defeat, i.e. he will not be overthrown by the conscious revolutionary action of his mortal enemies, the German proletariat, but by his rival class brothers of the other countries. Immediately a new system of imperialist exploitation will replace the dictatorship of Hitler. Then the conditions for a German revolution, under military occupation and in a dismembered country, will certainly mature. Hence, the third great paragraph in the program of the German revolution will then be to launch slogans that must correspond to this particular situation. That is to say above all slogans impregnated with internationalist spirit. Already today it is time to make the proletarians in uniform who occupy the different sections of Germany understand that they should not

lower themselves to playing the role of executioners of the German proletariat.

It is equally necessary, and on an international scale, to undertake a struggle against the dismemberment of Germany and against the other imperialist measures of colonization which are aimed not at fascism but at the German people. This struggle for the preservation of the economic and political unity of Germany is for the German proletariat not only a means to prevent the resurrection of a new chauvinism and militarism, but it above all offers a chance for the victorious revolution to win a large country for socialism.

The program of action itself, designed for the struggle on the plane of internal politics, must have a transitional character. After the fascist dictatorship the masses in Germany are looking for a democratic way out. The question is to help them overcome as quickly as possible certain vague illusions about the possibility of creating under the imperialist yoke something that would be a true democracy.

Real action against the fascist executioners, real punishment of the crimes of the Gestapo and the S.S., complete purge of all elements infected by fascism, real confiscation of the fortunes of the Nazi Bigwigs and their utilization for the social aims of the proletariat, all this will constitute the main school of the German proletariat. The question is to lead the masses to the point where by their own action they will begin to understand the necessity of seizing power. This will be achieved all the more quickly since they will soon become convinced that punishment of Nazis and war criminals, promised by the imperialists, will end as soon as the occupying powers begin to direct their main attack against the proletarian danger.

The struggle against deportations will undoubtedly play a big role. If the proletariat does not as yet have the forces to prevent them directly, slogans of the following kind should be launched: fair pay, trade union organization, individual freedom, humane treatment, etc.

While they still had to fight their rival Hitler, the imperialists proclaimed that they would reestablish all democratic rights in Germany. They will be taken at their word, although no democracy can exist under an imperialist yoke. Consequently the German proletariat will again take up the struggle for true freedom of the press, of assembly and of speech, for the right to form political parties, trade unions and the right to strike. The motive force will be the struggle against rising prices by means of control organizations, against fascist sabotage by means of surveillance committees, against capitalist anarchy by means of factory committees, against technical sabotage and for a purge of fascist elements from the factories by armed factory militias. Demonstrations against famine, strikes etc.—such will be the main weapons in this struggle.

Finally, an important task will be to take hold of the promise of the imperialists to destroy fascism and the causes of war in Germany. But only in order to demonstrate that the foreign imperialists prefer to align themselves with the German capitalists against the proletarian masses rather than take decisive measures to drain the economic sources of German militarism. Expropriation without indemnity of war profiteers, socialization of key industries, confiscation of junker property for the benefit of agricultural labor and the poor peasant, all this must become the main point of the proletarian struggle for the wiping out of fascism and militarism.

It is exactly this socialist extension of a simple democratic program against war and fascism that the imperialists seek to avoid in Germany, as it touches the very nerve center of the

capitalist system. On this point they will clearly be unmasked as the slave drivers who are taking Hitler's place.

A Transition Program

We have spoken about a transitional program because it is certain that, in the struggle for all these demands, the German proletariat will overcome its apathy and become a force capable of reestablishing the equilibrium between a favorable objective situation and unfavorable subjective preconditions.

We must here stress that all we have done in this article is to propose general revolutionary demands. They have no value other than as general directives. In reality the period following the military collapse of Hitler will of course not be an epoch of normal and regular development. We must expect unforeseen events, sudden changes. Masses of men, millions strong, armed by the imperialists themselves, for the struggle against Hitler, certainly have the intention of finishing off fascism once and for all. This anti-fascist will of millions of human beings in all the countries noticeably affects the regroupment and the redivision of the imperialist spheres of influence. The events in Greece are perhaps much more symptomatic than we all think. After six years of world war we are apparently entering upon a long period of civil wars which will turn Europe and the world topsy turvy.

However this may be, the question of the German proletariat will always play a big role as a touchstone for the international working class. Its activity will always be the special thermometer of the general maturity of the proletarian revolution.

If this is so, if Germany remains an essential point, if one takes into account at the same time the fact that this second world war is the last great opportunity for the proletariat in the course of this century to seize power, then, truly it is no exaggeration to conclude that the German proletariat has a responsibility toward all humanity. For if this opportunity, which contains the greatest objective possibilities, such as accumulate only once in centuries, is missed, if the Germans and international proletariat prove again to be unable to establish their power and to form the Union of Socialist Nations, we will inevitably sink into barbarism.

On the other hand one cannot overestimate the importance of a victorious German revolution. It would above all have an immediate and profound repercussion among the Russian proletariat. The Russian proletariat, made aware of its own force by the success of the German proletariat, would turn against its own bureaucracy. The degeneration brought on by the theory of socialism in one country could thereby be halted. The October Revolution of Lenin, whose foundations still stand, could thus be saved. Otherwise it is impossible to foresee to what new disasters the path of Stalin will yet lead humanity.

Behind the Argentine Crisis

By CHARLES CARSTEN

While Argentina is the most prosperous, powerful and independent of the Latin American countries, it has, nonetheless, been in the position of a semi-colony to Britain for almost a century. Argentina's agrarian economy has been a perfect complement to the highly industrialized economy of Great Britain.

Until the industrial development of the last 25 to 30 years Argentina's wealth had been derived almost exclusively from the land. Prior to Argentine independence from Spain, wealthy landed estates had been formed on the basis of grants from Spanish Kings and the purchase of frontier land at unbelievably low prices. From 1832 until 1916 the landholders dominated the nation's political and economic life.

The *latifundia* became phenomenally wealthy merely by virtue of title to the land which mounted in value from about 50 centavos a hectare in 1836 to over 5 pesos a hectare in 1857. In the following decade land values more than doubled. They continued a steady increase throughout the nineteenth century and then skyrocketed again to undreamed of heights during the boom years of the 1920's. In the years of greatest prosperity they reached the fantastic level of 1840 pesos a hectare.

Landed aristocrats, mistaking the prosperity of the twenties for the dawn of the millenium, mortgaged their holdings to the National Mortgage Bank which would lend them up to 80 per cent on the generously assessed value of their *estancias*. With the money they built homes in the city and villas in France.

The causes for this great increment of agricultural wealth were largely independent of the landowners' activities. A great tide of immigration from Europe swelled the population, supplied cheap labor and created a domestic market. The development of packing houses for the processing of meat, and the

means of chilling and freezing it so that it could be shipped abroad, as well as the construction of a network of railroads opening the interior of the country and making possible shipment of agricultural and pastoral products to the seacoast, was carried through by British capital.

A few wealthy Argentine families continue to hold most of the land in the largest acreages in the world. It is not uncommon for individuals to own one hundred to two hundred thousand acres of land. In 1942, 272 persons and land companies owned one sixth of the rich province of Buenos Aires—twelve and a half million acres of land valued at \$200 million. In the province of Patagonia two companies hold 16,535,000 acres of land—an area equal to that of Switzerland and Belgium combined. Holding land in such large tracts makes mandatory a system of leases and sub-leases. Absentee landlords, with all the attendant evils, are the rule in Argentina.

The landowning interests soon found that Argentina's semi-colonial status with relation to Great Britain worked out to their best interests. A strict trade bilateralism developed between the two countries. Britain, whose dense population depends upon the importation of foodstuffs from the outside, imported duty free Argentina's surplus of beef, wheat, mutton and other agricultural products. In return Argentina raised no barriers to the free flow of British manufactured goods into the country.

The Landowning Aristocracy

By virtue of its preponderant economic weight, the landowning aristocracy dominated the political life of Argentina through its political representative, the Conservative party. The Conservatives ruled continuously until 1916 when they tem-

porarily lost power to the representatives of the industrial class, the Radicals. However, the landowning interests recaptured political power through the overthrow in 1930 of Hipolito Yrigoyen, *caudillo* of the Radical party and they retained power until 1943 when Ramirez, backed by the army, seized power for the military clique.

The *latifundia* has always opposed tariff legislation and the industrialization of the country. The landlords contend they must import manufactured goods in order to sell their agricultural products. They violently oppose any attempt to disturb this equilibrium. From their point of view the old trade relationship with Britain is the best one possible.

This profitable relationship was threatened, however, early in the thirties when Britain's hard pressed economy forced her to curtail imports. The heavily mortgaged landowners were completely unprepared for the debacle that followed. The first five years of the depression brought land prices down from 373 pesos a hectare to 184 pesos by 1934. A national mortgage moratorium had to be called in 1933. Prices were 48 per cent lower in that year than they had been in 1928. Export prices had declined by 76 per cent. The decline continued until by 1936 some 38 per cent of the mortgages were in default. Many landowning families were either totally ruined or had their holdings partially wiped out. The *latifundia* remained in desperate circumstances until World War II created a shortage of meat.

The depression that proved ruinous for the landowners was a boon to the urban capitalists. Due to a number of unforeseen circumstances it immeasurably accelerated the industrial development. The growth of Argentinian commerce and industry was given impetus by the first world war and the resultant shortages produced by the blockade. It was further aided by the accumulation of domestic capital seeking a profitable investment.

Industry continued its expansion in the years between the first world war and the thirties. During the depression of that period, the peso was depreciated, thus increasing the cost of foreign goods at a time when domestic labor was unemployed and cheap. Exchange controls, intended to benefit the *latifundia*, restricted purchases from abroad. This provided special protection for domestic industry. Both of these factors growing out of the agrarian crisis which accompanied the world depression, were fostered by the agricultural-pastoral interests, but worked, unforeseen by them, to the advantage of the industrial interests.

Growth of Argentine Industry

Growth of Argentine industry in the thirties was nothing short of phenomenal. From 1914 to 1935 the number of workers in industry increased only 24 per cent. But from 1935 to 1941 they increased by 79 per cent. Industrial establishments which had numbered 40,000 in 1935, increased to 60,000 by 1941. The value of manufactured articles was 3.5 billion pesos in 1935; by 1941 it was 6.3 billion pesos.

In comparison to agriculture the growth is even more striking. During the period 1914-1940 the number of persons employed in agriculture rose only 19 per cent, according to Miron Burgin in *The Economic Problems of Latin America*. On the other hand, the number of persons dependent upon industry for a livelihood increased, during the same period, by 122 per cent, from 1,246,000 to 2,770,000.

In value of production the largest industry in Argentina is meat packing. Next in value comes the building trades, an indication of the rapid tempo of urban expansion. Then, in order of their importance come the following: power companies,

petroleum refineries, flour mills and textile mills. In addition there are many other industries of lesser importance. Argentina can now make the shoes, hats, stockings, table ware, electric appliances, refrigerators, washing machines, radios, and railroads she once imported from England, Germany and the United States. By 1942 the net value of industrial production had edged up to a position about equal to that of agrarian-pastoral production.

This process of industrial expansion was given further impetus by the drastic restrictions placed on trade with Europe soon after the beginning of World War II. Early in the war Britain's lack of shipping space and surplus products for exportation to Argentina virtually stopped their active trade relationship. A little later, another of Argentina's suppliers, the United States, was confronted with a similar situation. The drying up of her normal sources of supply forced Argentina to look for new ones. Argentine industry attempted to fill the domestic demand by accelerating its production and expanding its facilities. Since Argentine industry enjoyed a virtual monopoly of the domestic market, had access to huge amounts of refugee capital from Europe and a large sum of accumulated domestic capital, it was able to expand rapidly. But in order to do so it was necessary to find new sources of fuel and raw materials. Thus, she got part of the three million tons of coal Britain had previously supplied annually, from Brazil and Chile. As a consequence, her trade with Latin America grew remarkably. In 1943 her trade with Bolivia was three times larger than it had been in 1939. Commerce with Chile increased five times; with Colombia six times. Her trade with Brazil rose by 50 per cent and with Uruguay by more than 100 per cent.

Not only did Argentina's trade increase but it changed in character. Burgin states that one of the most significant aspects of Argentina's wartime exports "is the remarkable increase in the value of exports of manufactured goods. In 1939, Argentina's shipments of manufactures were valued at 45 million pesos, representing 3 per cent of total exports. In 1943, such exports amounted to 424 million pesos or 19 per cent of the total." Furthermore, many of the products shipped to Latin America appeared for the first time among Argentine exports.

Coincident with the growth of industry in Argentina, the native industrial capitalist class grew more powerful. Today it is competing more vigorously than ever with the landowning interests for domination of the country. The industrial section of the Argentine bourgeoisie desires protection from foreign competition in the form of high tariffs. It wants to institutionalize agriculture, changing it to a partial producer of raw materials needed for an expanding industry. This group of native industrialists aspires to replace Wall Street imperialism in trade with South America.

But Argentine industrialists need large quantities of machinery, tools, metals, oil-well and railroad equipment and motor vehicles in their drive toward self-sufficiency. Their major reservoir of capital, "295 million pounds of blocked sterling exchange in London, a sum which will be larger by the war's end," according to Ysabel Fisk and Robert Rennie in the *Foreign Policy Report* for May 1, 1944, may compel them to buy British goods, but Britain is not able at present to supply the products Argentine industry needs. This was already made clear by Lord Halifax who was quoted by the *New York Times*, September 23, 1945, as saying that "we cannot export or revive our great carrying trade until we have reconstructed our plants and restored our merchant navy."

Argentine capitalists are forced, therefore, to turn to the United States to supply them both the credit and the goods.

But the United States has made unmistakably clear that such credit and equipment will be supplied only in exchange for a favored position in Argentine economy.

Although the Wall Street imperialists favor limited industrialization of Argentina to create a better market for American exports and prevent the country's domination by Britain, mutually beneficial trade relations between the United States and Argentina are impossible. Argentina produces nothing except quebracho and flaxseed that this country needs to import. A further deterrent to Argentina becoming an important industrial power is her lack of essential raw materials such as coal, iron and petroleum. With no large deposits in her own country she is forced to import large quantities from either Europe or the United States.

British capital which built the railroads, packinghouses and other major enterprises in Argentina exercised until recently the preponderant influence in the country. This capital amounted to one and one-half billion dollars in 1943, according to Stanley Johnson, who wrote in the *Washington Times-Herald* for May 25, 1944, that this was far in excess of the "United States' three hundred and eleven million and the rest of Europe's nine hundred million." Thus Britain had 55.5 per cent of the investment in Argentina as compared with the United States' investment of 11.5 per cent, and was 150 times greater than German investments in the country. "British influence in the pampas country," he said, "is in direct relation to her investment there."

But since British investments date far back, most of them are in public utilities which were excellent investments during the last century but have since declined in value. "Return on British capital in Argentina has sharply decreased in this century, particularly since World War I," wrote Ysabel Fisk and Robert Rennie in the *Foreign Policy Report* for May 1, 1944. "In 1913 British railroads were earning 4.8 per cent, while today they are earning only a shade over 1 per cent. All categories of British investments—government bonds, railroads, power companies, banks—averaged a return of 4.9 per cent in 1914, as compared with 2.1 per cent in 1942."

Furthermore during World War II Britain had to liquidate her investments all over the world to finance her war expenditures. As a result "many of the investments which appear in the Central Bank study as British or Belgian are already in American hands. This was particularly true of electric light companies. . . . So rapid was the liquidation of British holdings in the first two years of this war that the real ownership of 'British' companies in Argentina and elsewhere will probably not be known for several years," stated Fisk and Rennie.

By contrast American investments in Argentina are more recent and moreover are yielding returns far in excess of British investments. The following table of the investment and profit of eight leading American companies shows the startling contrast between the yield on American investments and those of the British. It also illustrates the highly remunerative character of Wall Street's foreign enterprises.

The older British investments were made chiefly in railroads and tramways. The investments became obsolete without being written off the books. Thus Argentina was forced to service a debt that had long ago been amortized. Rolling stock held by the British, for example, averages twenty years in age and some coaches in daily use are over fifty years old. British trams in Buenos Aires are over twenty-six years old and their useful life, by the company's own admission, is only twenty years. "This situation," wrote Fisk and Rennie, "multiplied by the number of railroads and street railways in Argentina, explains the

almost bankrupt condition of the majority of British investments in the country."

PROFITS OF LEADING U. S. INVESTMENTS IN ARGENTINA, 1940-41*

Company	Year	Capital (in pesos)	Per cent of profit
Swift de la Plata	1940	63,289,864	11.3
Armour	1941	46,943,685	11.0
Standard Oil Co., Argentina	1940	44,846,525	7.8
First National Bank of Boston	1941	11,873,909	53.0
Firestone	1940	13,922,301	14.4
General Motors, Argentina	1940	10,338,577	92.7
National City Bank of New York	1941	6,561,766	29.5
United Shoe Machinery Co., Argentina	1941	4,327,329	25.3

*Figures from the Argentine Corporation Commission, as published in *Veritas*, April 1, 1942, pp. 395-436.

Britain has made many attempts to improve the situation for its coupon clippers. During the depression of the 1930's, "as the returns of British investors in Argentina dwindled to the vanishing point," Fisk and Rennie declared, "Britain brought increasing pressure to bear on the Argentine government to save the failing enterprises of its investors." Britain was in an exceptionally favorable position to exert pressure on Argentina, as the *latifundia* was dependent upon British purchases of its exports. Under normal conditions, Britain buys 30 to 40 per cent of everything Argentina sells, and 90 per cent of the meat.

The British owners of the Anglo-Argentine tram company of Buenos Aires insisted that the city take the enterprise off their hands and operate it as a municipal venture. British railroads protested to the Argentine government against the building of automobile highways which would permit trucks and buses to compete, etc.

By 1932, as the world economic crisis wore on, Britain was in desperate financial straits. At the Ottawa conference, as is well known, Britain broke with its century old tradition of free trade and signed a series of preferential trade agreements with the other nations of the Empire. These agreements placed additional tariffs on non-Imperial products and set quotas for them. As a consequence, Argentina's meat quota was drastically slashed and it was made clear that it would be further reduced in the future. As a result, Argentine meat exports declined at the rate of 5 per cent a month. "At the beginning of 1933," said Fisk and Rennie, "it looked to Argentine *estancieros* as though the end had come."

The Argentine government, which was in the hands of the Conservatives, sent Vice-President Julio A. Roca to London in 1933 to negotiate with Walter Runciman, President of Britain's Board of Trade. They signed an agreement that linked Argentina to Britain in a tight bilateralism. Argentina was to allow 15 per cent of the meat to go to domestically owned packing houses; the rest was to go to foreign packers. Tariffs on British goods were lowered. The British, knowing their victim was at their mercy, squeezed out the last possible concession by writing into the agreement a section which stated that "valuing the benefits of collaboration of British capital," Argentina "proposes to accord such enterprises . . . a benevolent treatment." "Benevolent treatment" meant saving the tram company and cessation of road building in competition with British-owned railroads. In return for these concessions the imperialist bandits of Britain agreed not to cut the meat quota below the average of the last three months preceding June 1932.

The Roca-Runciman agreement was renewed in 1936 and had a determining influence on Argentine foreign policy until

it was suspended in 1939. Under its provisions, which were implemented by exchange controls, British goods received such preferential treatment that the United States was almost driven from competition. Pounds were sold cheaply to those who wished to import British goods, but dollars were sold at an average of 20 per cent higher. Argentina set quotas to prevent the importation of American automobiles. And when, in spite of the adverse trade relations, a favorable dollar balance had accumulated in 1937, Argentina used it to retire 372 million pesos in dollar bonds instead of buying American products. Irate American imperialists protested against the "discrimination" but were met with the stock phrase: "We buy only from those who buy from us."

England took Argentina's surplus and virtually dictated the policies of the country until the Nationalists seized power in 1943. Giving the lie to assertions by the United States government, which branded Argentina as an Axis satellite, is the following statement by Fisk and Rennie:

Argentine neutrality under President Castillo had the full, if unacknowledged, sanction of the British business interests in Argentina, and of the British consular service represented by the Board of Overseas Trade. The groups representing British capital felt that a break with the Axis would bring Argentina wholly into the Pan American bloc and under the economic dominance of the United States, a business rival of Britain in Argentina. As a result, contrary to popular belief, the Castillo Government although anti-American was pro-British and pro-Ally. It represented to the last the interest of the landholding class in maintaining Anglo-Argentine bilateralism.

Britain's Decline

World War II finally crippled Britain's ability to supply Argentina with the products she needed and disrupted shipping between the two countries. Power passed out of Britain's hands when the nationalist military group seized the government and wrested political control from the agrarian pastoral interests.

The Wall Street imperialists aim to prevent domination of Argentina by the *latifundia* which could only mean stronger ties with Britain, intensified bilateralism and the loss of Argentina as a market for American goods. Wall Street is therefore prepared to sanction a limited industrialization of Argentina, provided it is strictly subordinate to U. S. industry and does not conflict with American interests in South America. The United States believes such a development will free Argentina of its dependence on a single market for its exports and thus offer a large market for American machinery, tractors and automobiles.

Argentine industry is desperately in need of capital and machinery from the United States. But the landholders want at all costs to restrict purchases to Britain. The struggle between these two forces in Argentine economic life is mounting in intensity. Neither group directly holds political power today, neither group is able to force its full policy upon the country. The national bourgeoisie is divided into two almost equally powerful, yet antagonistic groups. According to Fisk and Rennie "power is in the hands neither of the middle-class Radicals, nor of the landed Conservatives, but of a small group of army men who represent extreme Right-wing nationalism."

This nationalism flowered because of the flagrant exploitation of the country by the foreign imperialists. Nationalists pointed demagogically to the foreign spoliation of the country. They gave the military dictatorship that came to power through a coup d'etat in 1943 an ideological basis and a program. Argentine nationalists are anti-liberal, anti-foreigner and, since

capital is mainly supplied by foreigners, they demagogically claim to be anti-capitalist.

Most important among the supporters of the dictatorship is the G.O.U. (Group of United Officers), organized and controlled by Colonel Peron. The regime is also supported by a majority of the officer caste, some of the Federal office-holding bureaucrats, the extreme Catholics, the Hispanistas who revert to Feudal Spanish Catholic traditions for their ideological roots, and the fascists. It is estimated, however, that the whole of its support does not amount to more than 15 per cent of the population.

For all its daring, the Farrell-Peron regime is intrinsically weak for it is opposed by the majority of the working class, as well as the two major bourgeoisie political parties.

In an effort to extend its base and appease the widespread anti-imperialist sentiment of the population, the military clique, soon after it seized power, placed army supervisors in the leading foreign corporations to control operations, and declared themselves in favor of revoking all concessions made to foreign capital by the Conservative president, General Augustin P. Justo. The nationalists, say Fisk and Rennie, "are against Britain because they feel that British capital has had a first mortgage on their country. And they are against the United States because they fear American imperialism."

To bourgeois journalists such as T. B. Ybarra, it appears that the Farrell-Peron regime "like the coffin of Mahomet, is held up in mid-air without visible means of support." But in reality, the regime finds its source of power in the inability of any economic group in the country to rise to a position of complete domination and force on the country a policy that expresses its own particular needs. Furthermore, the regime acts in the general interest of the entire capitalist class; its major acts of terror are directed against the parties and organizations of the working class.

Aims of Wall Street

The United States' primary interest in Argentina is not restoration of democratic liberties to the Argentine people. The lie is given to Spruille Braden's "democratic" effusions by the State Department's recognition and support of the equally dictatorial and brutal Vargas regime in Brazil—a regime which has a long record of torture, murder and imprisonment of its political opponents, a regime which denies any democratic rights to the Brazilians. Similar policies are followed by the Peruvian dictatorship. Last winter the Paraguay government deported to a concentration camp in the waterless Gran Chaco, seven hundred men who took part in a strike. Many other governments in Latin America stifle the press, refuse to permit free assembly, violate the democratic rights of the people. Still the United States has the friendliest relations with all of them.

The truth of the matter is that the United States, having in the course of the war driven England, Germany and Japan out of most of their strongholds, is all the more anxious to bring to heel Argentina, the strongest nation in Latin America and the only one that remains under a semblance of British domination.

In opposition to Great Britain, who favors the agrarian-pastoral interests, the United States is desirous of aiding the rise to power of the young Argentine industrial class. The United States is anxious to replace British domination with her own. She wants to dictate the policies of the country, supply the manufactured goods, capital and raw materials needed by Argentina's infant industry. The U. S. State Department has

declared diplomatic and economic war against the Farrell-Peron regime because this military dictatorship at present stands athwart its imperial plans, its determination to convert Argentina into a semi-colony of Wall Street. The only reason the Wall Street imperialists hypocritically shout so loudly for democracy in Argentina is that the industrial group, represented

politically by the Radicals, today enjoys an unquestionable majority. Free elections would probably place them in power. It goes without saying that the State Department would just as gladly recognize any dictatorship that ruled Argentina, if it evinced "friendship" for the Wall Street imperialists and their plans.

From the Arsenal of Marxism

The Agrarian and National Questions

Remarks on the Draft Theses of the Workers Party of South Africa

By LEON TROTSKY

The following letter, dealing with the National and Agrarian questions was sent by Leon Trotsky to the South African Trotskyists on April 20, 1935 as a reply to the thesis sent him by the South African Workers Party. We are reprinting the full text, omitting only the last short section which deals with internal party problems of organization.

* * *

The theses are written without doubt on the basis of a serious study of both the economic and political conditions of South Africa as well as of the literature of Marxism and Leninism, particularly that of the Bolshevik-Leninists. A serious scientific approach to all questions is one of the most important conditions for the success of a revolutionary organization. The example of our South African friends again confirms the fact that in the present epoch only the Bolshevik-Leninists, i.e., the consistent proletarian revolutionists, take a serious attitude to theory, analyze the realities, and are learning themselves before they teach others. The Stalinist bureaucracy has long ago substituted a combination of ignorance and impudence for Marxism.

In the following lines I wish to make certain remarks with regard to the draft theses which will serve as a program for the Workers Party of South Africa. Under no circumstances do I bring forward these remarks in opposition to the text of the theses. I am too insufficiently acquainted with the conditions in South Africa to pretend to a full conclusive opinion on a series of practical questions. Only in certain places I am obliged to express my disagreement with certain aspects of the draft theses. But here, also, insofar as I can judge from afar, we have *no differences* in principles with the authors of the theses. It is rather a matter of certain polemical *exaggerations* arising from the struggle with the pernicious national policy of Stalinism. But it is in the interest of the cause not to smooth over even slight inaccuracies in presentation, but, on the contrary, to expose them for open deliberations in order to arrive at the most clear and blameless text. Such is the aim of the following lines dictated by the desire to give some assistance to our South African Bolshevik-Leninists in this great and responsible work to which they have set themselves.

* * *

The South African possessions of Great Britain form a Dominion only from the point of view of the white minority. From the point of view of the black majority South Africa is a Slave Colony.

No social upheaval (in the first instance, an agrarian revolution) is thinkable with the retention of British Imperialism in the South African Dominion. The overthrow of British Imperialism in South Africa is just as indispensable for the triumph of Socialism in South Africa as it is for Great Britain itself.

If, as it is possible to assume, the revolution will start first in Great Britain, the less support the British bourgeoisie will find in the Colonies and Dominions, including so important a possession as South Africa, the quicker will be their defeat at home. The struggle for the expulsion of British Imperialism, its tools and agents, thus enters as an indispensable part of the program of the South African proletarian party.

The Black Republic

The overthrow of the hegemony of British Imperialism in South Africa can come about as the result of a military defeat of Great Britain and the disintegration of the Empire; in this case the South African whites can still for a certain period, hardly a considerable one, retain their domination over the blacks. Another possibility, which in practice could be connected with the first, is a revolution in Great Britain and her possessions. Three-quarters of the population of South Africa (almost six million of almost eight million) is composed of non-Europeans. A victorious revolution is unthinkable without the awakening of the native masses; in its turn it will give them what they are so lacking today, confidence in their strength, a heightened personal consciousness, a cultural growth. Under these conditions the South African Republic will emerge first of all as a "black" Republic; this does not exclude, of course, either full equality for whites or brotherly relations between the two races (which depends mainly upon the conduct of the whites). But it is entirely obvious that the predominant majority of the population, liberated from slavish dependence, will put a certain imprint on the State.

Insofar as a victorious revolution will radically change not only the relation between the classes, but also between the races, and will assure to the blacks that place in the State which corresponds to their numbers, so far will the *Social* Revolution in South Africa also have a *national* character. We have not the slightest reason to close our eyes to this side of the question or to diminish its significance. On the contrary the proletarian

party should in words and in deeds openly and boldly take the solution of the national (racial) problem in its hands.

Nevertheless the proletarian party can and must solve the national problem by *its own* methods.

The historical weapon of national liberation can be only the *class struggle*. The Comintern, beginning from 1924, transformed the program of national liberation of colonial people into an empty democratic abstraction which is elevated above the reality of the class relations. In the struggle against national oppression different classes liberate themselves (temporarily!) from material interests and become simple "anti-imperialist" forces. In order that these spiritual "forces" bravely fulfill the task assigned to them by the Comintern, they are promised, as a reward, a spiritual "national-democratic" state (with the unavoidable reference to Lenin's formula, "democratic dictatorship of the proletariat and peasantry").

Lenin in 1917

The thesis points out that in 1917 Lenin openly and once and for all discarded the slogan of "democratic dictatorship of the proletariat and peasantry" as if it were a necessary condition for the solution of the agrarian question. This is entirely correct. But to avoid misunderstanding it should be added (a) Lenin always spoke of a revolutionary *bourgeois* democratic dictatorship and not about a spiritual "peoples" State, (b) in the struggle for a *bourgeois* democratic dictatorship he offered not a bloc of all "anti-czarist forces" but carried out an independent class policy of the proletariat. An "anti-czarist" bloc was the idea of the Russian Social Revolutionists and the Left Cadets i.e., the parties of the petty and middle bourgeoisie. Against these parties the Bolsheviks always waged an irreconcilable struggle.

* * *

When the thesis says that the slogan of a "Black Republic" is *equally* harmful for the revolutionary cause as is the slogan of a "South Africa for the whites," then we cannot agree with the form of this statement: whereas in the latter there is the case of supporting complete oppression, in the former, there is the case of taking the first steps towards liberation. We must accept with all decisiveness and without any reservations the complete and unconditional right of the blacks to independence. Only on the basis of a mutual struggle against the domination of the white exploiters, can be cultivated and strengthened the solidarity of black and white toilers. It is possible that the blacks will *after victory* find it unnecessary to form a separate black State in South Africa; certainly we will not *force them* to establish a separate State; but let them make this admission freely, on the basis of their own experience, and not forced by the sjambok (South African walking stick) of the white oppressors. The proletarian revolutionists must never forget the right of the oppressed nationalities of self-determination, including full separation, and of the duty of the proletariat of the oppressing nation to defend this right with arms in hand when necessary!

The thesis quite correctly underlines the fact that the solution of the national question in Russia was brought about by the October revolution. National democratic movements by themselves were powerless to cope with the national oppression of czarism. Only because of the fact that the movement of the oppressed nationalities, as well as the agrarian movement of the peasantry gave the proletariat the possibility of seizing power and establishing its dictatorship, the national question as well as the agrarian found a bold and decisive solution. But the very conjunction of the national movements

with the struggle of the proletariat for power was made politically possible only thanks to the fact that the Bolsheviks during the whole of their history carried on an irreconcilable struggle with the Great Russian oppressors, supporting always and without reservations the right of the oppressed nationalities to self-determination including separation from Russia.

Lenin's Class Struggle Methods

The policy of Lenin in regard to the oppressed nations did not, however, have anything in common with the policy of the (Stalinist) epigones. The Bolshevik Party defended the right of the oppressed nations to self-determination, *with methods of proletarian class struggle*, entirely rejecting the charlatan "anti-imperialist" blocs with the numerous petty-bourgeois "national" parties of czarist Russia (P.P.S., the party of Pilsudski in czarist Poland, Dashnaki in Armenia, the Ukrainian nationalists, the Jewish Zionists, etc., etc.). The Bolsheviks have always mercilessly unmasked these parties, as well as the Russian Social Revolutionists, their vacillations and adventurism, but especially their ideological lie of being above the class struggle. Lenin did not stop his intransigent criticism even when circumstances forced upon him this or that episodic, strictly practical agreement with them. There could be no question of any permanent alliance with them under the banner of "anti-czarism." Only thanks to its *irreconcilable* class policy was Bolshevism able to succeed in the time of the Revolution to throw aside the Mensheviks, the Social-Revolutionists, the national petty-bourgeois parties, and gather around the proletariat the masses of the peasantry and the oppressed nationalities.

* * *

"We must not," says the thesis, "compete with the African National Congress in nationalist slogans in order to win the Native masses." The idea is in itself correct, but it requires concrete amplification. Being insufficiently acquainted with the activities of the National Congress, I can only on the basis of analogies outline our policy concerning it, stating beforehand my readiness to supplement my recommendations with all the necessary modifications.

1) The Bolshevik-Leninists put themselves in defense of the Congress as it is in all cases when it is being attacked by the white oppressors and their chauvinistic agents in the ranks of the workers' organizations.

2) The Bolshevik-Leninists place the progressive over against the reactionary tendencies in the program of the Congress.

3) The Bolshevik-Leninists unmask before the Native masses the inability of the Congress to achieve the realisation of even its own demands, because of its superficial, conciliatory policy, and develop in contradistinction to the Congress a program of Class Revolutionary Struggle.

4) Separate, episodic agreements with the Congress, if they are forced by circumstances, are permissible only within the framework of strictly defined practical tasks, with the retention of full and complete independence of our own organization and freedom of political criticism.

* * *

The thesis brings out as the main political slogan not a "national democratic State," but a South African "October." The thesis proves, and proves convincingly, (a) that the national and agrarian questions in South Africa coincide in their bases; (b) that both these questions can be solved only in a revolutionary way; (c) that the revolutionary solution of these questions leads inevitably to the Dictatorship of the Proleta-

riat which guides the Native peasant masses; (d) that the Dictatorship of the Proletariat will open an era of a Soviet regime and Socialist construction. This conclusion is the cornerstone of the whole structure of the program. Here we are in complete agreement.

Tactical Slogans

But the masses must be brought to this general "strategic" formula through the medium of a series of tactical slogans. It is possible to work out these slogans, at every given stage, only on the basis of an analysis of the concrete circumstances of the life and struggle of the proletariat and peasantry and the whole internal and international situation. Without going deeply into this matter, I would like briefly to deal with the mutual relations of the national and agrarian slogans.

The thesis several times underlines that the agrarian and not the national demands must be put in the first place. This is a very important question which deserves serious attention. To push aside or to weaken the national slogans with the object of not antagonising the white chauvinists in the ranks of the working class would be, of course, criminal opportunism, which is absolutely alien to the authors and supporters of the thesis: this flows quite clearly from the text of the thesis, which is permeated with the spirit of revolutionary internationalism. The thesis admirably says of those "socialists" who are fighting for the privileges of the whites that "we must recognise them as the greatest enemies of the Revolution." Thus we must seek for another explanation, which is briefly indicated in the very text: the backward Native peasant masses directly feel the agrarian oppression much more than they do the national oppression. It is quite possible: the majority of the Natives are peasants; the bulk of the land is in the hands of a white minority. The Russian peasants during their struggle for land had for long put their faith in the czar and stubbornly refused to draw political conclusions. From the revolutionary intelligentsia's traditional slogan, "Land and Liberty," the peasant for a long time accepted only the first part. It required decades of agrarian unrest and the influence and action of the town workers to enable the peasantry to connect both slogans.

The poor enslaved Bantu hardly entertains more hope in the British King or in MacDonal. But his extreme political backwardness is also expressed in his lack of national self-consciousness. At the same time he feels very sharply the land and fiscal bondage. Given these conditions, propaganda can and must first of all flow from the slogans of the agrarian revolution, in order that, step by step, on the basis of the expe-

riences of the struggle, the peasantry may be brought to the necessary *political* and *national* conclusions. If these hypothetical considerations are correct, then we are not concerned here with the program itself, but rather with the ways and means of carrying this program to the consciousness of the Native masses.

Considering the small numbers of the revolutionary cadres and the extreme diffusion of the peasantry, it will be possible to influence the peasantry, at least in the immediate future, mainly if not exclusively, *through the medium of the advanced workers*. Therefore it is of the utmost importance to train the advanced workers in the spirit of a clear understanding of the significance of the Agrarian Revolution for the historical fate of South Africa.

Through the Advanced Workers

The proletariat of the country consists of backward black pariahs and a privileged arrogant caste of whites. In this lies the greatest difficulty of the whole situation. As the thesis correctly states, the economic convulsions of rotting capitalism must strongly shake the old barriers and facilitate the work of revolutionary coalescence. In any case, the worst crime on the part of the revolutionists would be to give the smallest concessions to the privileges and prejudices of the whites. Whoever gives his little finger to the devil of chauvinism is lost. The revolutionary Party must put before every white worker the following alternative: either with British Imperialism and with the white bourgeoisie of South Africa, or, with the black workers and peasants against the white feudalists and slave-owners and their agents in the ranks of the working class itself.

The overthrow of the British domination over the black population of South Africa will not, of course, mean an economic and cultural break with the previous mother-country, if the latter will liberate itself from the oppression of its imperialist plunderers. A Soviet England will be able to exercise a powerful economic and cultural influence on South Africa through the medium of those whites who in deed, in actual struggle, will have bound up their fate with that of the present colonial slaves. This influence will be based, not on domination, but on proletarian mutual co-operation.

But more important in all probability will be the influence which a Soviet South Africa will exercise over the whole black continent. To help the negroes to catch up to the white race, in order to ascend hand in hand with them to new cultural heights, this will be one of the grand and noble tasks of a victorious Socialism.

Resolution on the Unity Proposal of the Workers Party

Adopted by the Plenum of the Socialist Workers Party, October 6-7, 1945

EDITOR'S NOTE: We are printing in this issue two documents pertaining to the problems of unity between the Socialist Workers Party and the Workers Party. The first is the resolution adopted by the Plenum of the SWP on the unity proposal of the Workers Party. The second is the letter of the Workers Party to the SWP Plenum, which sums up the opinions and position of that party on the unity question.

Fourth International will publish in forthcoming issues a number of articles relating to the differences between the SWP and WP on the

most important questions in dispute. This discussion is now the indispensable precondition for the eventual definitive settlement of the unity proposal.

1. The proposal for unification made by the Workers Party to the Socialist Workers Party comes after more than five years of bitter hostility and struggle between the two organizations.
2. The split in 1940 was preceded by a protracted factional

fight which involved not only the position of the Fourth International on the Russian question but the most fundamental questions of our movement: Marxist theory, tradition, political program, methods of party-building, the party regime, etc. The issues in this historic struggle have been explained and amply documented in the two books: *In Defense of Marxism* and *The Struggle for a Proletarian Party*.

3. Our characterization of the petty-bourgeois tendency represented by the faction which later became the W.P. was not predicated solely upon their view of the nature of the USSR and their attitude toward its defense but upon their rejection of the theory, methods and traditions of Marxism, a rejection which was rooted in their social composition and direction. Trotsky wrote: "We, too, have attempted above to prove that the issue concerns not only the Russian problems but *even more* the opposition's method of thought, which has its social roots. The opposition is under the sway of petty-bourgeois moods and tendencies. This is the essence of the whole matter." (*In Defense of Marxism*, p. 59, our italics.)

4. The 1940 split which gave birth to the W.P. was a heavy blow aimed at the Trotskyist movement in the United States, and throughout the world. The petty-bourgeois faction split our party at a time of grave social tension and crisis preceding the entry of the United States into the war, when every revolutionist had the responsibility of remaining at his post and adhering without compromise to the positions of the Fourth International. This split broke away 40 per cent of the membership from our party and served to disorient and miseducate many potentially excellent revolutionists. During the ensuing five years the W.P. has pursued the policy of irreconcilable antagonism toward the S.W.P. with the object of discrediting, undermining and overthrowing it as the vanguard of the American working class.

5. Despite this, the S.W.P. has not only recouped the numerical losses suffered in the split, but under the adverse conditions of the war has made considerable gains in numbers, influence and prestige. It has become genuinely proletarian both in membership and in its predominant leadership. It is deeply rooted in the mass labor movement. Its ranks have become ideologically homogeneous and steeled in the fires of the class struggle.

6. As a result of the successes scored and the experiences undergone during the war, the ranks of the S.W.P. face the coming period with unlimited confidence in the prospects of the party and its eventual development into the mass revolutionary party of the American workers. The objective conditions are extremely favorable for the rapid growth of our party. The profound revulsion of the peoples all over the world against the consequences of the war; the resultant radicalization of the masses; the growing militancy of the American workers expressed in the present national strike wave—are bound to accelerate the expansion of our party in all spheres. The response of the workers to *The Militant*, the steadily rising rate of recruitment, the establishment of new branches, and the extension of our influence in the key unions are sure signs of this trend.

7. The Workers Party, by contrast, has shown no ability to grow and attract workers in significant numbers. It has gained no significant influence in the labor movement. The disproportion in the numerical strength of the two parties is growing from month to month.

8. After more than five years of warfare against the S.W.P. in an attempt to supplant it, the Workers Party has come forward with the proposal for uniting the two organizations. This action marks a significant turn in their policy and opens a new stage in the relations between the two tendencies.

9. In view of this change in the situation, the Political Committee of the S.W.P. expressed its willingness to consider and discuss the question of unification in all its aspects. Its reply of August 27, 1945 to the letter of the W.P. stated that "unity would be a good thing if it is firmly based and leads to the strengthening of the party and the building up of the party. On the other hand, a unification followed by a sharp faction fight and another split would be highly injurious to the party."

10. Unifications like splits are the most serious steps in the life of a revolutionary party. Neither the one nor the other should be undertaken light-mindedly or precipitately, without the most scrupulous survey of all the circumstances and the most careful calculation of the consequences. The advantages and disadvantages of such a move must be carefully appraised in the light of the tasks and perspectives of the party at the given stage of its development. A poorly-prepared and ill-considered unification could easily paralyze the work of the party, provoke a new outburst of factional animosity, and lead toward a new split.

11. The P.C. pointed out in its letter: "We have always proceeded from the point of view that programmatic agreement on the most important and decisive questions is the only sound basis for unification." That has been the basis of all previous unifications in the Marxist movement. It is clear that such a basis for unification does not exist in the present instance. Both parties acknowledge that the programmatic differences which led to the 1940 split have not been moderated but that, on the contrary, some of them have been deepened and new important points of divergence have developed in the interim.

12. Thus we are confronted by the proposition of uniting into a common organization two tendencies with sharply divergent political points of view on many questions and sharply conflicting theories of party organization. This proposed unity without programmatic agreement, in fact with acknowledged disagreements between the two tendencies, has no precedent, so far as we know, in the history of the International Marxist movement. In preliminary discussions between representative sub-committees of the two organizations, the delegates of the W.P. emphasized their intention to come into the united party as a separate and distinct tendency. They stated, furthermore, that they would insist on the right to publish their own discussion bulletin under their own control.

13. Can we contemplate, nevertheless, a unification of the two organizations despite the important differences that exist on political and organizational questions? In other words are the differences compatible inside of one Leninist party? We have taken the position that this question cannot be determined by any abstract rule; it can only be answered *concretely*. Five years ago, the faction which later became the Workers Party decided that the differences were not compatible with remaining inside of the S.W.P. In the five years that have elapsed, life again proved the differences incompatible, as the W.P. carried on unremitting warfare against our organization, our principles, our methods, our leadership. Has the W.P. sufficiently changed to make these differences compatible inside our party today? In other words can a genuine unity be effected with the W.P., as distinct from a purely formal unity which would actually mean two parties under one roof with a new split in prospect? *This can only be answered with sufficient concreteness after the most thorough-going discussion and probing of all differences to the bottom.*

14. The extraordinary nature of this unity proposal makes it all the more imperative that all the programmatic questions

in dispute be thoroughly clarified and all the differences between the two parties probed to the depth so that not the slightest ambiguity remains. This preliminary work of ideological clarification and demarcation is the indispensable precondition for any definitive disposition of the proposal for unity and a correct settlement of the relations between the S.W.P. and W.P.

15. To this end, this Plenum of the National Committee convened for the special purpose of considering this question therefore resolves:

a) To endorse the letter and actions of the Political Committee in response to the letter from the W.P.;

b) To authorize the Political Committee to prepare and carry through a thorough discussion and clarification of the

theoretical, political and organizational issues in dispute, and fix the position of the party precisely on every point in preparation for the consideration and action of the next party convention;

c) To reject any united front for propaganda. The S.W.P. must continue to conduct its propagandistic activities in its own name and under its own banner and utilize these activities to aid direct recruitment of new members into the S.W.P. At the same time, the Plenum authorizes the Political Committee to invite the W.P. to collaborate with our party in practical actions in those cases where, in the judgement of the Political Committee, such collaboration would be advantageous in serving practical ends without blurring or compromising political lines.

WP Letter on Unity

October 4, 1945

National Committee,
Socialist Workers Party,
116 University Place,
New York, N. Y.

Dear Comrades:

To facilitate the consideration of the question of the unification of the Socialist Workers Party and the Workers Party at your Plenum, we want to summarize here the views we have already set forth in our written communications to you and orally at the two discussion meetings already held by your sub-committee and ours.

The National Committee of the Workers Party proceeds from the following premises:

The Socialist Workers Party and the Workers Party represent two tendencies in the revolutionary Marxist, or Fourth Internationalist, movement. Between the two Parties, there is, however, sufficient agreement on basic principles and program to warrant and make possible their fusion into a united Party. The differences between the two on a number of theoretical, political and organizational questions, the nature and scope of which are well-known, are permissible within the framework and in the ranks of a single revolutionary Party. Furthermore, the main political difference which led to the split in the S.W.P. and the formation of the W.P. more than five years ago, namely, the question of the defense of Stalinist Russia in the war, does not have the same acuteness and prominence today that it had then, the S.W.P. having declared recently that its main slogan in this question has receded into the background.

The unification of the two Parties is thereby rendered politically and practically possible at the present time. Such a unification, accomplished on a sound and healthy basis, would serve the best interests of the working class and of our common cause. It would give the movement for revolutionary socialism a great forward impulsion in this country and stimulate the movement of our co-thinkers and co-fighters throughout the world.

In our discussions, the delegation of the Socialist Workers Party pointed out that its Committee

had not yet taken an official position on the question of the unity of the two Parties and had not yet decided whether or not it wanted unification or considered it desirable. The delegation did not, therefore, make any proposals in the name of the S.W.P. on the question of unity, or on the basis upon which it could or should be accomplished. It limited itself largely to obtaining information from us with regard to the viewpoint of the Workers Party.

Nevertheless, we are able to record a point which is important not only from our standpoint, but from the standpoint of the consideration of the question of unity itself. As we pointed out in our last letter to you, the reply sent by your party to our National Committee Resolution on Unity lent itself to ambiguity in the matter of the basis for unification. It could be interpreted to mean that the S.W.P. took the position that before unity could be accomplished between the two Parties, there would first have to be discussion and then agreement on the decisive and important political and programmatic questions. We replied by saying that the political differences between us were sufficiently well known on both sides; that they could most probably not be composed in one, two or three discussions between sub-committees; and that in any case, we took the position that these different views could very well be permitted, contained and freely discussed within the ranks of one revolutionary party. At the first conference between the two delegations, this ambiguity seems to us to have been largely dispelled. Two circumstances give us this impression. The first is that the political differences between the two Parties were not raised by your delegation for discussion, were not proposed for discussion, and no indication was given that such a discussion, and above all, an agreement on the political questions, was considered an indispensable pre-condition of unification. The second is that the National Secretary of the S.W.P., in response to our direct question, declared that he could grant, abstractly, in a general way, that the differences between the two Parties were of a character and scope as made possible their co-existence within a single Party; and declared further that the present differences between the two groups could be considered "frozen." A more

precise and formal confirmation of this view, would in our opinion, considerably narrow the field of difference between us on the question of the basis for unity and on the character of the United Party.

While granting *abstractly* the possibility of fruitful co-existence of the two tendencies within one Party, the delegation of the Socialist Workers Party repeatedly stressed the question of the *concrete* practicability, feasibility, of a fusion. It referred several times to the fact that the S.W.P. comrades had uppermost in their minds the question, "Will it work?", that is, will the unification work out profitably for the movement in practise, in the concrete? Reiterating the view expressed in the letter of the S.W.P. to our Party, the delegation pointed out that a unification followed immediately by an intense factional fight and perhaps another split, would not be a solid unity or a worthwhile unity from any standpoint.

These considerations were set forth by the S.W.P. delegation with particular reference, it seems, to one of our proposals. We find it necessary to repeat and motivate it here, inasmuch as on the one side it has been endorsed by our Committee both before and after its presentation to the joint conference of the two Parties, and on the other side, because it became the principal topic of discussion at the first joint Conference.

In opening the discussion at the first Conference, our delegation put forward orally the views presented in our letter to you. In reply to the question as to how, more concretely, we envisaged the actual unification, we added: For us it is not a question of maneuvering, bargaining, or deception of any kind. We recognize the numerical superiority of the S.W.P., which means that unless and until altered by the majority of the membership of the unity party, the predominance in leadership and policy in the united Party would fall to the comrades now composing the S.W.P., with the comrades now composing the W.P. making up a disciplined minority with all the necessary rights and facilities at its disposal to provide the means of changing the policy of the united Party by democratic process.

However, our delegation added, the Workers Party, representing a distinct and different

political tendency, or ideological grouping, from that represented by the S.W.P., required and was justified in having, inside the united Party, an internal educational bulletin of its own in which it could freely defend, disseminate and develop its particular point of view on a number of theoretical and political problems of the movement. We proposed that the right of any minority to publish and disseminate such an organ inside the party—a right fully consonant with the best traditions and principles of democratic centralism—be recognized on both sides, thus obviating in advance any recriminations and friction that might otherwise be produced if and when such an organ was published. We pointed out further that the present party discussion bulletin, if published in the same way in the united Party, could not be considered an adequate substitute for a bulletin of our own, inasmuch as the comrades of the W.P. believed that they could not place sufficient confidence in the present auspices of the S.W.P. bulletin to warrant a withdrawal of our proposal for a bulletin of our own and a joint recognition of the right of ourselves, or of any other minority, to publish one at its own discretion and on its own responsibility.

This proposal, as your delegation will report to you, constituted perhaps the main burden of our joint Conference, at least of its first session. Upon further consideration by us of the arguments advanced by your delegation, we find it necessary to reiterate our stand. It was our impression that most of the arguments advanced applied not merely to the harm that would allegedly come to the Party from the discussion of Party problems in a bulletin of our own, but equally to a free discussion conducted in any other form. We are unable to subscribe to any viewpoint that says or suggests that every ideological grouping or tendency is automatically a faction or must necessarily become one; or that every political or ideological discussion is automatically a factional fight or must necessarily become one. In our view, agreement with such a conception means one of two things: If every political or theoretical discussion is a factional discussion and means a factional fight, the revolutionary Party must be engaged in permanent factional warfare; and if this is so, and factional warfare must be averted at all costs, then discussion must be disallowed, and then in place of a living revolutionary Party freely developing its theory, program and political line we will have a monolithic sect. Our conception of the basis for unification, and therefore the basis of the revolutionary party, is radically different from this.

Your National Secretary pointed out, in the discussion, that there was no question of principle involved in our proposal. The publication of a minority organ inside the Party has been allowed before and even the issuance of a public organ by a minority cannot be dealt with as a matter of immutable principle, he declared. To take no more than one example, he added, the Oehlerites in the old Communist League of America and in the old Workers Party were freely permitted to publish an organ of their

own inside the Party. What was involved, in his opinion, however, was the significance of our proposal concretely, in the given case. The question of unity could not be solved, he said, by the S.W.P. rejecting our proposal or by the W.P. insisting on it. It should rather be considered as a "symbol," and from this standpoint it appeared to him that the proposal would or might adversely affect or nullify the positive aspects of the unity.

For the reasons already set forth in our conference sessions, we cannot accept this point of view or share these apprehensions. We have not taken a position for unification lightly. We do not contemplate the abandonment of our independent organization, leadership and press lightly, but only because of the progress for the movement that a healthy unity would represent. We look upon a factional war the morning after unity as an absurdity. But we are compelled to add that we regard as equally absurd any suggestion that a free exchange of opinions on party problems, a free and fruitful and necessary discussion of such problems—which we look upon as the life-blood of a revolutionary party, and not as a "special" feature of party life or as a "luxury" accorded from time to time—is the same thing as a factional war or is in contradiction with any of the practical and daily needs of party work in the class struggle.

Finally, even if the publication of a separate organ inside the party by a minority is considered "abnormal"—a viewpoint we do not share—it must also be said that there are very few examples in our history of the union of two organizations which, for all they have in common, nevertheless have such a divergence of views, that is, of the union of two such distinctive tendencies as our two Parties now represent. In that case, it seems to us utterly unrealistic to attempt, in the problem of our unification, to apply "normal" criteria (as some comrades consider them to be) to an "abnormal" (i.e., a more or less unprecedented) situation. If some comrades find it necessary, we can establish our own "precedent" in this matter.

We do not wish to dwell at length again on our proposals for practical collaboration between the two Parties now. Naturally, the area of collaboration and its character and limitations will differ in accordance with the position taken by your Plenum on the basic and primary question, the question of unity. We are prepared for collaboration in either case. If you find that unity is either undesirable or unfeasible at the present time, we are nevertheless prepared to enter into practical agreements with the S.W.P. for united activity in all indicated fields. The nature of the agreements would then be of one kind. If, however, your Plenum decides that unity is not only desirable but feasible and soon realizable, the practical collaboration we should then engage in would be of another—a closer and more harmonious—kind. It would then also represent both a practical preparation for the unity of the two Parties and a realistic test of its workability.

Finally, we point out, the question of our views on the stage of development and the perspectives

of the revolutionary Party in the United States, and of our views on the Stalinist Party, also arose toward the end of our second joint session. We find no need to reiterate what was said on these questions from our side, or to elaborate on it. Some of what was said represents our Party's views; some, however, represents only individual views, as was made clear in the discussion.

Those members who find it necessary to examine our views on these or other questions, will find them stated with sufficient clarity and amplitude in the volumes of our theoretical organ and in the files of our Party bulletin, both of which were supplied to your delegation in the most complete possible form. Our views on the stage of development of the movement in this country today, of its tasks (in the general sense), and perspectives, on the question of a party cadre, of tendencies in the revolutionary Party, of party democracy and related questions, are best and most recently set forth in the documents presented to and adopted by our Active Workers Conference a little while ago.

In view of the foregoing, we reiterate the position that our Party has taken on the question of unification, and make the following requests of your Plenum:

That the National Committee of the S.W.P., upon examining the relevant documents and discussing the reports before it, adopt an official position on the question of unity to be communicated to us for our immediate consideration. It is difficult for us to see how any further progress can be made in the discussion and realization of unity between the two Parties if your sub-Committee designated to meet with us continues to be in a position where it cannot and does not make any proposals of its own on the question of unity, where it cannot express itself definitely on proposals made by us, and where it is even unable to declare that the S.W.P. has decided in favor or in opposition to unity itself.

That the National Committee of the S.W.P., in adopting an official position, expresses itself at the same time on the series of proposals made by us for the basis on which the unification should be achieved and for the method to follow in achieving it.

Lastly, that the National Committee of the S.W.P., in its deliberations on unity, consider again the question of practical collaboration between the two organizations and adopt concrete proposals, either in agreement with our own or else as a substitute of our own for us to consider.

Any relevant questions that remain unelucidated, or that require amplification, we are prepared to deal with during your deliberations, either by letter or orally before your Committee. For that purpose, our Committee's delegation is being held at your disposal upon your request at any time during your sessions.

Faternally yours,

(signed) MAX SHACHTMAN
National Secretary, Workers Party

Foreign Press Clippings

Canada

A new Marxist paper published in Canada, *Labour Challenge*, has just been received by us. In the July number (Vol. 1, No. 2), the editors review the lessons of the recent elections in Canada. They state in part:

"It can afford us no great pleasure to say that our criticisms of some aspects of the CCF program and policy were proven correct by the election results. For we can only understand the elections as a defeat, although of a temporary character, for Canadian labor. The 180% increase to 28 seats in parliament won by the CCF is no cause for complacency or rejoicing. Eighteen of these seats are from Saskatchewan and of the remainder, 9 from other western provinces with one from the mining district of Nova Scotia. None are from the industrial and population centre of Canada, Ontario and Quebec, which is a grave weakness and danger signal.

... We must use the word defeat in describing the election results for in many cases, including Saskatchewan and Quebec, the CCF received less votes than in the preceding provincial elections of last year! There are those who would explain this defeat simply on the strength of the propaganda campaign of the Gladstone Murrays and Trestrails backed up by the war-swollen profits of the capitalist class. We must answer them with the simple truth that the reactionary and decadent ruling class will fight much harder and with more powerful weapons before it succumbs to the forces of social progress. But we must admit that the pamphlets "Social Suicide" and the condensed version of the "Road to Serfdom" [Hayek's book, reviewed in the June 1945 F.I.] had some effect in confusing many middle class elements and some workers. The fact that isn't mentioned is that the CCF leaders did little or nothing to educate their members and even many of their candidates in the socialist answers to this elementary capitalist propaganda.

The mistake of underestimating the reactionary role of the [Stalinist] Labor-Progressive Party over a period of years permitted them to play a damaging role of no small consequence, particularly in the Ontario election which had a profound psychological effect on the Federal election. . . . The LPP's consistent pounding on the false line, that the Tories are the main danger and that we must unite with the Liberals to defeat them, bore fruit. It influenced many workers to vote Liberal and a small handful to vote LPP. The political action committee of the Trades and Labor Congress of Canada, AFL central body, endorsed King at the last moment. This stab in the back by the craft union bureaucrats is directly attributable to the Labor-Progressive Party which holds the balance of power in the non-political T. & L.C. of C. . . .

In part we attribute the defeats of June 4 and 11, for the CCF and labor, to the capitalist propaganda campaign, the gigantic sums spent by the old parties, who were aided by the LPP. But the main reason for the defeat and the point

we must emphasize if we are going to learn from mistakes, was the passive, wishy-washy campaign conducted by the CCF in most constituencies. The organizational policy of the CCF in maintaining only an electioneering party proved false and meant that when the election rolled around in many constituencies there was a real scarcity of election workers. . . .

While the organizational question was a factor in the defeat the most important question is political. The election was fought by the CCF on an abstract program of nationalization of the monopoly industries and other general reforms. No real distinction was made between nationalization under bureaucratic capitalist control like the C.N.R. [Canadian National Railway], etc., and nationalization under a socialist government with workers' control. The immediate problems of the workers such as lay-offs were not adequately handled. The promises of the CCF in many cases actually appeared to be smaller than the promises of the Liberals and Tories. The policy of tail-ending the Liberals on the conscription and other war issues, including the important issue of peace, pursued by the national leadership, further tended to blur the real issues in the election. The cautious, negative, abstract campaign played into the hands of our opponents and forced the CCF supporters on the defensive. A militant, positive, concrete, socialist campaign would have gained votes from all sections of the exploited masses and forced our opponents on the defensive. . . ."

The POUM Congress

The Congress recently held by the POUM, the tone and the content of the resolutions approved, represent the lamentable finish of that Party, as well as the conclusion of a centrist party's experience. That is to say, of a party which wanted to combine revolutionary language with opportunist policy and practice. After this Congress, the POUM will not even be that. The POUM has been converted into a Catalan party, after having thrown overboard the Marxism which it claimed to have come to defend.

In the theses approved in this Congress—theses which were distributed to those present only in the Catalan language—it is decided to liquidate the peninsular (all-Spain) organization of the POUM and limit the action of the party to Catalonia, and orientate toward the building of a type of Catalan labor party.

Responding to a question from Señor Irla, President of the Catalan Parliament, the POUM has advised the setting-up of a National Council of Catalonia, based upon a political Catalan Bloc or all parties. This organization should take the power in Catalonia after the fall of Franco.

The fundamental task of this organization is to prepare in advance the repressive police forces "in order to avoid," says the POUM, "uncontrolled excesses and unthinking actions at the

moment of the fall of the regime," to "prevent any situation which would give to the *exterior* any impression of abandonment," to "assure the transfer of power with a minimum of disorder. . . ."

This *exterior*, the theses explain to us at another point, is a Europe, dominated by British finance capital, champion of the present war of liberation in which the proletariat is supposed to take a decisive part.

Stated in another manner, what concerns the POUM is that the replacement of Franco should be done within the framework of capitalist domination, under the directives of the Anglo-American imperialist bandits.

This preoccupation, this "law and order" obsession is the axis, the essential line of the theses approved in the POUM's Congress. War to the death against the Committees, the workers' militias, to the "uncontrollables," to the revolutionary action of the proletariat! It is without doubt in relation to this orientation that they propose to place the Catalan youth into a cultural-sport organization, an organization which would necessarily have a rigid discipline.

Exaggerated Catalan nationalism, one single military organization of the Catalan youth, hatred toward mass revolutionary action, and toward the vanguard cadres of the workers, zeal for repressive measures, all this under the sign of a Europe dominated by British imperialism. This is the policy approved by the POUM Congress.

Contrasted with this essential line of policy approved by the Congress, its phrase-mongering about nationalizations, control of foreign commerce, workers' control, plays the role of miserable petty-bourgeois demagoguery. Only the power of the proletariat in arms can realize and assure such measures.

Facing this explosion of reactionary fury, which has at least the quality of knowing where it wants to go, the policy that the so-called left wing of the POUM defended in this Congress is the policy of impotence and betrayal. This "left" dreams of a past, which was resoundingly shattered in the Civil War. It wants to continue the POUM, that means, the hybrid intermediary policy which from 1936 to 1939 made the test not only of its impotence, but also of the damages that these intermediary, centrist formations can cause in a revolution.

Facing this situation, the only conclusion that the workers' vanguard can draw, is that of continuing the work which will lead to the building of the Internationalist Communist Party. The task and the duty of the proletarian militants that are in the POUM must be to leave this political quagmire, and to join our efforts in order to give to the Spanish proletariat, in the cadres of the Fourth International, that revolutionary party, without which victory is impossible.

(Reprinted from *Lucha de Clases*, organ of the Spanish section of the Fourth International, Lyon, January 15, 1945.)

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