



The Colonial World Aflame!

As history develops in this revolutionary epoch in which we live, the struggles of the colonial peoples for national liberation loom evermore as among the most decisive aspects of the class struggle.

Historically speaking, the bourgeoisie inherited the policy of exploitation and oppression of colonial peoples from the feudal rulers. Feudal imperialism originating with Spain and Portugal later spread to the Dutch, the British and the French.

When the bourgeois-democratic revolution was attained, the bourgeoisie accepted the "burden" of colonial oppression and the "right" to exploit and oppress the colonial peoples.

In the midst of the French Revolution, and when the Haitians were demanding their freedom in the name of the Revolution, even the Montagnards shouted from the rostrum of the National Assembly, "Liberty, Fraternity and Equality is for Frenchmen only."

It was in the process of historical development of the capitalist system, in the stage where it reached its full maturity, that it developed the inevitable compulsion to expand its sphere of exploitation beyond its own national boundaries, and far beyond the areas of colonial oppression historically inherited from feudal society.

This great outward motion of the bourgeoisie was logically led by the British and French where capitalism was rapidly developing to the stage of imperialism.

The Opium Wars in China in 1840; the British and French massive penetration of backward areas in Asia and Africa in the 19th Century, just preceded by a few years the onward rush of the "small fry" as imperialists go — Belgium, Germany, etc., who were in fact latecomers to the banquet of colonial exploitation. Thus the lion's share of colonial holdings fell to the British and the French bourgeoisie in Asia, Africa and Latin America.

The American bourgeoisie, a "Johnny-come-lately" could not participate in the initial rush to "grab" colonial holdings even in its own bailiwick, the Western Hemisphere. It has had to content itself with the more laborious process of ousting the other imperialist powers from their colonies and spheres of influence, starting logically in Latin America.

The first historically important massive struggle in opposition to capitalist imperialism was the Taiping Revolution. This struggle of the Chinese people against imperialist oppression lasted from 1851 to 1865.

Opposition and struggles for national liberation from colonial-

ism have occurred everywhere in the past, but it was the October Revolution, the world-shaking proletarian revolution of 1917, which ushered in the great revolutionary period of anti-imperialist struggles which we are now witnessing in the colonial world.

Everytime the imperialists take
(Continued on page 2)

The French Elections

By MALCOM GRANT

France held municipal elections on March 8 and March 15. The elections are highly significant indications of French political trends, following so closely on the parliamentary elections of November 30, 1958, which represented a swing to the right. With the exception of the Catholic MRP, which neither gained nor lost votes, EVERY PARTY TO THE RIGHT OF THE COMMUNIST PARTY LOST VOTES.

The Communist Party vote went up from 19.5% of the total in November to 27.7% of the total in March, an increase of more than 40%. The only other segment to gain votes were independent candidates of the left, for the most part allied with the Communist Party.

The biggest losers were the group usually characterized as "Moderates". These include candidates running as independents, the Independent Party, and some other small groupings. It is safe to assume that the newly created

Gaullist party (the UNR), which lost about 10% of its November share of the total vote (according to the latest figures available here at press time and published in the right wing France-Amerique), would have lost more without the prestige and patronage it enjoys as the ruling party in France. The Radicals and other parties of a generally liberal character who had been split on the issue of Gaullism, and had already lost heavily in November, also declined slightly again. It is interesting to note though, that one of the "upsets" of the election was in Eure, Mendes-France's hometown, where the list he supported won a clear victory, although he did not himself run on it. Mendes-France had lost in the parliamentary election of November in Eure. He had taken a clearcut anti-Gaullist position, joining in the big rally of last Fall with the Communist Party.

THE RIGHT-WING GANG UP

Municipal elections are held in two rounds in France. If one party or bloc does not win a clear majority in the first round a runoff is held on the following week and the party or bloc that wins a plurality on the second round is the winner. The interval between the rounds can be utilized to form electoral alliances among parties who then submit a joint list. In this election a modification was introduced whereby only one election was held in the 13 largest municipalities of France, victory going to the party or bloc winning a plurality on the first round. Intended to lessen Communist representation, the scheme backfired and the Communist Party won a number of victories in Paris and the surrounding region and, in other areas hard hit by France's recession (France-Amerique, March 15).

The total Communist Party vote for the whole country was reported as 27% of the votes cast on the first round (France-Amerique, March 15). For the second round, the bourgeoisie, aided in many areas by the Socialists, built blocs in a desperate effort to make Communist representation impossible and to cut down the total Communist vote. In many areas, the first aim succeeded, but as noted above, IN SPITE OF THE GANG UP, the total Communist vote increased on the second round.

POPULAR FRONTS AND THE ROLE OF THE SOCIALISTS

In order to counter the rightist attacks, and in line with their
(Continued on page 2)

New York May Day Rally

ESTONIAN HALL - 2061 LEXINGTON AVENUE
(At 125th Street)

FRIDAY MAY 1 8 P. M.

Trotskyism Is Counter Revolution, Nothing Else

In the first issue of *Workers World*, the newest voice of American Trotskyism, reference is made to the role of the Provisional Organizing Committee for the Reconstitution of the Communist Party.

We want to comment about the opinions of *Workers World* in regards to our movement. Our comment is not motivated by any idea that *Workers World* and its sponsors are of any great significance or importance, but rather to make clear right from scratch where we stand in regards to this periodical and the people behind it.

First of all we must say that our stand on Trotskyism in general has been publicly stated in *VANGUARD* of October, 1958. On Page 2 there is this categorical statement.

"Q. Would you give us your opinion of the Independent Socialist Unity Ticket in the New York election. Does your Committee support or reject this movement?"

"A. At a New York State Board meeting last December (1957) the leader of the Party organization in New York, George Charney, raised the slogan of a 'Socialist Unity' electoral ticket in 1958, which would include the Trotskyites and the Communists. Neither Ben Davis nor anyone in his faction opposed this proposal. The only ones who did were Comrade Marino and myself. We stated that under no circumstances should we agree to join the Trotskyites. They are counter-revolutionaries and wreckers and nothing else."

In the January issue of *Vanguard* again we made clear our position on this subject. On page 4 of that issue we state the following:

"Rejecting the Communist Party opportunism of tailing behind the Democratic Party and Liberals, they promptly fell into the other trap, of letting themselves be tarred with the anti-Soviet and anti-Communist stick

of the Trotskyites." No ifs, ands or buts about it, that's our stand on Trotskyism whether in Ceylon, Burma, Chile or the United States!

Andres Nin, Doriot or Schatman or Copeland is a political breed which we catalogue and characterize in a way that leaves no room for confusion. This "new" Trotskyite group pretends to be different from the other Trotskyite groups, and even claims to defend the lands of Socialism. While demagogically raising the slogans of "unconditional defense of the Soviet Union" and "For proletarian recognition of revolutionary China," they then proceed to attack not only China and the Soviet Union, but all the Communist Parties of the world.

The filthy attacks against the glorious Communist Party of France is an obvious attempt to help De Gaulle fascism in France. The slanderous charge that the Communist Party of France has sold out the Algerian people is so much cloth cut from the propaganda of imperialism and
(Continued on page 4)

FREE LEONCIO PENA!

Leoncio Pena, defender of workers' rights, ex member of the Spanish Republican Army, veteran of four years combat service in the U. S. Army in World War II, is imprisoned in Spain, condemned to twenty years in jail by a Franco tribunal. (See *VANGUARD*, March issue).

A number of organizations nationally have already launched a campaign both to the State Department and the Human Rights Commission of the United Nations demanding assurance of Mr. Pena's safety, as well as U. S. intervention for the immediate release of several hundreds of workers, students, doctors, lawyers, many of them women, recently arrested in a new wave of terror in Spain.

For some time now, American workers and progressives have forgotten these "first fighters

against fascism" and the struggle that the Spanish people have been conducting ever since the fall of the Spanish Republic to free themselves from Franco tyranny. Throughout these two decades the Spanish people have struggled incessantly for freedom. Once again as during the heroic days of the anti-fascist struggle, union halls and peoples' organizations should raise the cry of "FREE SPAIN!"

Free Spain of American bases! Free Spain of fascism! Free the political prisoners languishing in Franco prisons! Free Leoncio Pena!

Circulate petitions post-cards, write letters demanding the release of these prisoners. Raise this question everywhere. Let America once again ring out with our demands for a free and democratic Spain.

Part III The Economic Situation

We now focus our attention on three key theoretical problems: 1) The current economic situation in relation to the Marxist theory of the economic cycle; 2) The effect of the general crisis of world capitalism on the economic cycle today; and, 3) The effect of government spending on the economic cycle.

Last month we sketched briefly the analysis of the general characteristics of the capitalist economic cycle as set forth by Karl Marx in *Capital*. Marx saw the cycle as consisting of four phases: a) "laxitude" (stagnation, depression); b) "normal activity" (recovery); c) "overspending" (boom); and d), crisis.

We declared that, in our opinion, the development of the United States economy during the last eight months of 1958 cannot — in any way consistent with Marxist theory — be regarded as a cyclical recovery. Now we shall present briefly what we consider as decisive facts from the current economic situation which confirm this view.

First off, we must draw a clear line of distinction between actual and "anticipated" fixed capital expenditures as set forth in Table I. As of mid-March, the latest figures on actual plant and equipment expenditures are those for the July-September, 1958 period, and these show the lowest point on a declining index. Furthermore, while the "anticipations" may turn out eventually to be lower than the actual performance for the six-month period now ending, we are justified in holding certain reservations in this regard because in

the four previous quarters, the actual annual rate of these expenditures was revealed to be on an average almost \$1.8 billion below the original "anticipations". If the last quarter actual performance when known reveals only half that proportion of error, it will still mark a new low point since the decline began in the middle of 1957.

Even if the "anticipations" are realized, the figures in Table I show that the large-scale renewal of fixed capital essential for cyclical recovery has not begun.

Comparison With Other Cycles

Perhaps we should underscore the point we have just stated by making a comparison of the figures from this present situation with those from the recession-recovery periods of four other cycles: 1954-55; 1949-50; 1938-42; and 1933-37. For this purpose, we take the index of "expenditures for producers' durable equipment (in constant dollars).

How long was the time-interval between the low-point of this index in each of these periods and the re-achievement of the level of the previous high point? We find that in 1954-55 and the 1949-50 recoveries this time was nine months. Following the low-point of 1938, four years elapsed before the previous peak was reached again. And after 1932, the old high point of this fixed capital expenditures was never reached before another crisis had occurred. (These conclusions are
(Continued on page 3)

Colonial World Aflame!

(Continued from page 1)
a look at Asia and Africa, they shudder with horror and fear. For they see there the inexorable writing on the wall of history . . . the inevitable doom of capitalist-imperialism.

THE ASIAN AND AFRICAN PEOPLE IN ARMS

From China to Syria, from Indonesia and India to Afghanistan in Asia, the same pattern of revolutionary anti-imperialist struggle can be seen in various forms.

Even in places where the reactionary classes have been able to temporarily stem the revolutionary tide, as in Burma or Thailand, even there, the forces of anti-imperialism constantly gather momentum and strength.

From Algeria to Egypt to Swaziland and Basutoland; from Nigeria to Mozambique; in the Belgian Congo, in Portuguese Angola and Guinea; in Spanish Ifni; in the French Cameroons; in British Kenya and Nyasaland; in every inch of the 11 and one-quarter million square miles of African territory, its more than 200 million inhabitants carry on a revolutionary life-and-death struggle for national freedom.

The Latin American peoples, without exception, are also engaged in vital struggles for their national liberation, though at different levels. In Cuba, Guatemala, Argentina, Chile, Peru, Brazil, Puerto Rico, Venezuela, Haiti, and Paraguay, we see developing the same revolutionary effervescence which permeates Asia and Africa. The only difference is this: in Asia and Africa, it is directed against the oppressing imperialism of Britain, France, and Belgium; in Latin America, Yankee Imperialism is the main oppressor and thus the main tar-

get. A desperate effort to stem the tide of the revolutionary up-

heaval of the colonial peoples, all imperialists are joining hands and they are using every method imaginable. . . from the old brutal, brazenly criminal use of armed force to the subtle utilization of their colonial comprador stooges, they spare no energy in their frantic quest for a solution to this insoluble contradiction.

De Gaulle, the fascist, tries demagoguery and the use of some Algerian stooges and then in desperation has to resume the planned murdering of the Algerian people. But neither cajolery nor threats, neither blandishments nor torture nor death can quell the heroic struggles of the fighters for freedom in embattled Algeria, or for that matter, in the whole of the African continent.

No sooner do the criminal Belgian imperialists "quell" the uprising in Belgian Congo than the people of Rhodesia arise against the British imperialists. No sooner is the fascist apparatus of oppression in Rhodesia made ready to "crush" the people when Nyasaland challenges the British imperialist rule of exploitation and mass murder.

The barbaric counter-measures used by British imperialism in Nyasaland are laid bare in an article by Milton Bracker in the New York Times of March 10th, where he states. . . .

"With planes providing radio guidance and adding a somewhat terrifying note by low sweeps, the ground troops moved from hut to hut, herding men to the trading center here in Limburi."

This criminal method of repression does not stop the heroic struggle for freedom of the African peoples. On the contrary, those very methods are a constant reminder that the struggle must be fought to a successful finish regardless of sacrifice.

Letters

CALIFORNIA

March 11, 1959

Since the last C. P. Convention, we have been hoping for a left reorganization on a national scale. Having read your literature and especially your main political line we stand ready to join with you.

I have a form drawn up for application for membership in the P.O.C. A group with only four signers so far, because of the rush of business in connection with a meeting we had, but will have at least four more. Five if I can get hold of another Comrade who lives in . . . California.

Comrade T

Dear Comrade T

Our National Executive Committee, meeting on March 7, after a thorough discussion of your letter and application for membership in the P.O.C., unanimously decided to accept your application, and assigned the resident Executive Committee to notify your group under what conditions we accept your group and welcome you comrades to the P.O.C.

This is a summary of our movement's policy: We are a provisional organizing committee to reconstitute a Marxist-Leninist Communist Party. We struggle to convince every member and ex-member of that old and now thoroughly revisionist Communist Party to join the P.O.C. and to disengage themselves from its (CP) revisionist leadership; to reach outwardly to the working class and their allies through mass work, giving leadership and guidance, participating in and helping to solve the immediate problems of the working class and their allies; and to convince them of the necessity of fighting for our ultimate goal — socialism.

We aim to organize amongst the struggling workers discussion groups, study circles, and forums, recruiting to the POC the most militant, honest and sincere, and the most willing to sacrifice their own personal projections in the interest of the collective Marxist-Leninist organization.

We adopt and accept the Twelve-Party Declaration as the international program against revisionism and the basis to develop our line, policy, and program.

Our organization functions under the Leninist concept of democratic centralism without any reservations — criticism and self-criticism, monolithic unity, and iron discipline brought about through understanding and not imposed by corporals, sergeants or general dictators.

Our approach to "fractions" is Lenin's the basic organization is the unit; the committees that function in other organizations are fractions. We do not believe that the names are important if the content and form are correct. If the unit is called a club or branch, it is acceptable; if the fraction is called a committee or group, it is also acceptable.

You not only have the right, but it is your duty to criticize constructively the Vanguard, our material, organization, functions, and to participate collectively in improving our organization, policy, and program.

We comrades here are very happy about your committee joining our collective, and consider it a very important step in our expansion. It hastens the day when we will be in a position to call for a national discussion on our resolutions and a convention to establish a real Marxist-Leninist Communist Party. We bid you

One important development in the struggles of the African peoples has been the unmasking of American imperialism as another vicious, predatory beast, cast from the traditional mold.

Even as early as the Suez Canal incident of 1956, the rising peoples of Africa, nurtured illusions about "American democracy" and the "friendliness" of the American government.

Today the situation is altogether different. The American imperialist hyena has been forced to expose its sympathy and kinship with the British, French, Belgian and Dutch imperialist jackals. Speaking at the Trusteeship Committee of the General Assembly, U.S. representative, Henry Cabot Lodge, opposed the proposal of the African nations for general elections in the French Cameroons previous to the "independence step which is scheduled for 1960.

Mr. Lodge, as spokesman for the American imperialists is trying to force a sort of Louis Muzoz Marin regime in the French Cameroons. That is why he voiced "his opposition" to the Union of Cameroonian Peoples when he stated:

"The UN must not support even indirectly those leaders. . . no matter how devoted to independence they may be. . . who exile themselves (?) from their countries rather than renounce the use of force."

What Mr. Lodge doesn't say is that those heroic leaders in the French Cameroons are in exile just as the Cuban patriots, Fidel Castro and others, were exiled by the American imperialist stooge, Fulgencio Batista.

American imperialism has also exposed itself in direct aggression, as it did in Lebanon last summer. This was a revelation to many of the colonial peoples.

The counter-revolutionary thrust by the imperialists in Iraq, will no doubt further unite the Iraqis and all of the Arab peoples as well. The spectacle of Nasser joining the imperialists in the Iraqi counter-revolution will undoubtedly bring home the lesson that although alliances with the colonial national bourgeoisie are important and desirable, nevertheless the wavering nature and basic class interests of the bourgeoisie must be reckoned with.

The Iraqi struggle is proving once more that the main, indeed the only consistently revolutionary strata in the colonies is the working class in alliance with the poor peasantry. This position and projection has nothing in common with the Trotskyite "pure working class revolution" which is in essence counter-revolutionary since it isolates the working class and separates it from its tactical and strategic allies.

We say that the dialectical process of development of the anti-imperialist revolution, its maturing, is expressed in the emergence of the working class as the leader in the struggle for national freedom. But this leadership or hegemony is durable and real only to the extent that other social stratas willingly accept it.

THE STRUGGLES IN LATIN AMERICA

In Latin America, the difficulties are mounting for American imperialism. The insoluble nature of the contradictions of American imperialism in Latin America are demonstrated by some of the "solutions" attempted by the Yankee imperialists.

Speaking for Wall Street, Henry Luce in TIME MAGAZINE quotes an anonymous represen-

comrades welcome to the struggle.

Comradely,
JOE DOUGHER,
National Organizational
Secretary P.O.C.

French Elections

(Continued from page 1)

long term policy, the Communist Party took the initiative in setting up Popular Fronts wherever possible. According to the best figures so far available, 75 Popular Fronts were set up, of which 39 made some gains (New York Times, March 17).

The Socialists played a double role in the elections. The top leadership of the party played the game of the bourgeoisie, entering into alliances against the Communists and against the interests of the French workers, even open alliances with the Gaullists. In some areas the local leadership rejected this sellout and co-operated with the Communists and other leftists. Without the splitting role of the Socialist leadership, the total left vote, even without the most left elements of the bourgeoisie, would have been 44.3% of the total.

THE MEANING OF THE ELECTIONS

A Gaullist movement has existed in France since the end of the Second World War. Its initial popularity derived from the fact that De Gaulle had been the Free French leader during the war. But as its extreme rightist

tative of the State Department as proposing the elimination of Bolivia as a state! This chauvinistic attitude so characteristic of the American imperialists was immediately answered by the Bolivian people in the form of mass protests against American imperialism and their spokesman, Henry Luce.

While this was happening, the State Department with the full agreement of the "powers that be" in the government proposes that Mrs. Claire Luce (wife of Henry Luce) be sent to Brazil as ambassador to "help in creating a friendlier atmosphere in Latin America." Some solution!

The deep contradictions and antagonisms between the Latin American peoples and American imperialism cannot be eradicated by diplomatic maneuvers. These contradictions have their roots in the economies of all the countries of Latin America.

In the February issue of VANGUARD, we dealt with this question of the economic roots of American imperialist oppression of Latin America. Political antagonism with American imperialism derive from the economic relations in Latin America.

Thus the brazen proposal by Senator Styles Bridges for armed intervention in Bolivia expresses the rage and fear of American imperialism in the face of the rising tide of Latin America opposition to the American monopolies.

All over Latin America, even in little Panama, the opposition is becoming more vocal and forceful. Only last month, Rep. Daniel J. Flood (D-Pa.) declared . . . "those in charge of the Communist movement in Latin America, and especially in the Caribbean area, have undoubtedly focused their conspiratorial activities on the Panama Canal with the purpose of causing dislocation of amicable relations between the U. S. and Panama with complete liquidation of U. S. control over the Canal itself."

Stripped of its red-baiting smokescreen, that statement was directed against the Panamanian government's insistence on the full right of Panama to its territorial waters now infringed upon by American imperialist domination.

IMPERIALIST MANEUVERS WILL NOT STEM THE TIDE

As the revolutionary tide in Latin America grows and expands, the American imperialists (Continued on page 4)

and indeed fascist political philosophy became clear, its strength waned. The recent Gaullist resurgence was made possible by playing down this philosophy and portraying De Gaulle as a man above politics; he would somehow unite the country, settle the Algerian problem peacefully and end the political deadlock of the Fourth Republic, all on a non-political basis!

De Gaulle has failed to do all or any of this, as it was inevitable that he would. The continuing strength of the Communist Party, even at its post-war lowest point last November, has so far blocked his way to open fascism. Algeria remains the problem that it was and that it will be until a just peace, with self-determination of the Algerian people as one of its conditions, is concluded. The French people have had only a few months of De Gaulle. They have used this first opportunity to demonstrate their rejection of his regime and its neo-fascist orientation.

ALGERIA

The elections were municipal elections, where larger national issues usually do not play a large part. The question of Algeria, however casts its shadow over all of French life today. One party in France, and only one, has consistently sided with the Algerian people. That party is the Communist Party of France. It is particularly on the question of Algeria that the rightist assault on the Communist Party of France has been centered. A vicious and chauvinistic campaign of slander has been directed against the Algerian people and the Communist Party has been accused of "betraying the national interest" for not joining this chorus. This chauvinistic campaign, with the full force of the government and most of the press behind it, and carried into the ranks of the working class by the Socialists, has cost the Communist Party of France a certain number of votes, although the poison has not affected the actual membership of the party.

THE AMERICAN "LEFT" CRITICIZES

In the interests of truth, it must be pointed out that the Communist Party of France has been subjected to miserable slanders in this country by the so-called "left", from the Trotskyites and all of their dazzling array of splits and splinters to the National Guardian. The Communist slogan of "a negotiated peace in Algeria" (Cashiers du Communisme, Number 9, 1957) has been watered down in translation to "a peaceful solution in Algeria" (Worker World, March, 1959) and then set in opposition to self-determination. For one thing, as recently as October 4, 1958 Maurice Thorez reaffirmed the party's stand on the "rights of people to govern themselves," pointing out that "the people that oppresses another people cannot itself be free" (L'Humanite, October 10, 1958). For another thing a slogan of a negotiated peace means that one party to the negotiations will be the anti-colonial leadership of the Algerian people. They will then decide whether or not to ask for complete and immediate independence. This is the real meaning of self-determination. Communists all over the world will support them in their just demands.

For De Gaulle and his neo-fascist allies, this election means the turning of the tide. For the Communists, it means new openings, new opportunities, and a vindication of their steadfast line under difficulties and pressure. For the waverers, from the Socialists to their right-wing allies, it means a repudiation of their opportunism. For all friends of the French people throughout the world, it is a further heartening indication of their refusal to submit to fascism.

The Economic Situation

(Continued from page 1)

based upon tabulated material presented in the Survey of Current Business, July, 1958.)

The 1949-50 and 1954-55 recoveries followed interim crisis (as the Soviet economists stated), i.e., crises not followed by a period of stagnation. Recovery was fast. Obviously we are faced with a materially different situation in this regard today. In fact the situation today more closely parallels the crisis experience of 1929 and 1937, each of which saw this fixed capital expenditures index decline by 30 percent within a year.

Today, almost a year after the point (April, 1958) which has been officially designated as the "end of the recession", this index remains at or near, the low-point, i.e., only about 75 percent of the level of the previous high. (1st quarter of 1956, \$29.1 billion; 4th quarter of 1958, \$21.9 billion, in terms of 1954 dollars).

Productive and Non-Productive Spheres

One more comment on Table I. From the third quarter of 1957 to the third quarter of 1958 the index for "Manufacturing" fell by more than one third. On the other hand the "commercial" category dropped only 6 percent from the highest point (the fourth quarter of 1957) and then rose in both the second and third quarters.

There is a significance in this contrast: While the differentiation is not strict, generally speaking "manufacturing" activities are economically productive, while those of "commercial", lying in the sphere of circulation, are "overhead", economically non-productive. Only the former (of these two) contributes to the total surplus value. The average rate of profit, as Marxists know, is based upon the relations between the total capital invested and the surplus value remaining in the hands of the capitalists after the expenses of circulation are paid.

A thousand dollars, for example, spent for store fixture leads to the production of surplus value if wage workers are employed in fabricating and constructing these fixtures. But the use of these fixtures cannot result in any increase in the surplus value at the disposal of the capitalist class. On the other hand, a thousand dollars spent for machine shop equipment not only leads to the production of surplus value by tool workers, for instance, but the use of this new equipment results in the production of surplus value.

"Manufacturing" Investments Most Decisive

Since profit-making is the be-all and end-all of capitalist operations, the prospects for the rate of profit are decisive. The rates of both productive and commercial equipment investments affect the course of the cycle. But the more powerful and sustained impact — positive or negative — stems from the course of expenditures for fixed capital proper, i.e., instruments of production. In Table I, therefore, the student of the economic cycle should give particular weight to the index for "manufacturing", as against

that for "commercial".

We may note in passing that the significance of this distinction is recognized to a degree by some bourgeois economists. See the article by Federal Reserve Bank economist, Robert Lindsay in the June, 1958 issue of "Review of Economics and Statistics" and a discussion of that article by Edward H. Collins in the New York Times, June 16, 1958.

Marxist-Leninists will, of course, understand that this phenomenon is but a manifestation of the growth of non-productive, as against productive

problem was discussed in some detail in articles in Business Week magazine (July 13, 1957) and in the Wall Street Journal, (October 27, 1958). The former article estimated that even at that time (just before the recession began U.S. industry was operating at only 81 percent of capacity. The Wall Street Journal article, more than a year later, declared that "Output at present is only about three quarters of capacity". It went on to contrast this situation with that of 1951 when "production was bumping close to the ceiling of capacity."

We have drawn up Table II

Steel Trust's Shell-Game

In addition there is a little comedy being enacted: The buyers of steel have been conditioned to being hit by big price increases by the steel companies after new wage contracts are signed in steel. The steel trusts have developed a seemingly fool-proof system: Forced to give some wage raise by the militancy and unity of the steel workers, the steel companies have adapted their customary monopoly price gouging to this situation. They time price increases so as to give them the appearance of being "caused" by the wage increases. Just to cover possible errors in

Table I

Expenditures for New Plant and Equipment in U. S. Industry

(Annual rates, seasonally adjusted quarterly figures in billions of dollars)
(Source: U.S. Dept. of Commerce, Survey of Current Business)

	1957				1958 (actual)				1959 ("anticipated")		
	March	May	Sept.	Dec.	Jan.	April	July	Oct.	Jan.	March	May
All Industries	36.89	37.03	37.75	36.23	32.41	30.32	29.61	29.93	29.51	29.51	29.51
Manufacturing	16.12	16.25	16.37	15.27	13.20	11.53	10.86	10.79	11.06	11.06	11.06
Durable Mfrs.	8.09	8.31	8.23	7.57	6.58	5.57	5.16	5.11	5.35	5.35	5.35
Non-durable Mfrs.	8.03	7.94	8.14	7.70	6.62	5.96	5.70	5.68	5.71	5.71	5.71
Communications, Commercial, etc.	10.76	10.40	10.15	10.21	9.63	9.73	9.85	9.68	9.94	9.94	9.94
Mining	1.35	1.28	1.24	1.15	1.00	.92	.88	.91	.84	.84	.84
Railroads	1.42	1.35	1.54	1.26	1.02	.77	.68	.59	.54	.54	.54
Transport, (excl. railroads)	1.52	1.52	1.51	1.91	1.69	1.40	1.29	1.64	1.72	1.72	1.72
Public Utilities	5.72	6.93	6.65	6.43	5.87	5.97	6.10	6.32	6.41	6.41	6.41

labor, characteristic of imperialist, parasitic, dying capitalism, as analyzed by Lenin in Imperialism.

Excess Productive Capacity

As we have previously noted, the functions of the crisis and the stagnation phases of the economic cycle are to check the rate of expansion of productive capacity and to bring it into line with the actual level of consumption. Of course, behind these generalizations of the mode of life of capital, are to be seen the scattered and ruined hopes of millions of working people. But then, this is only normal for capital, whose cyclic form of movement "depends", as Marx wrote, "upon the constant transformation of a part of the laboring population into unemployed or half-employed hands." (Capital, Vol. I, Chapter XXV, Part 3.)

It is obvious that the prospects for cyclical economic recovery are vitally affected by the relationship of the level of actual production to the capacity for production. It is common knowledge that the situation in our country in 1958 was that of very marked under-utilization of productive capacity. As recently a March 11, 1959, George Meany, President of the AFL-CIO, commented on the economic situation as follows: "Today's basic problem is 20 percent unused productive capacity and unemployment of 6.1 percent." (New York Times, March 13, 1959).

This problem of excess productive capacity ("excess," of course, only in the sense of its use as capital, not in relation to the real needs of the people) — this

largely based upon the information presented in those two articles, with some extension and interpolation derived from figures in the Survey of Current Business, the New York Times' Annual Economic Review and Outlook (Jan. 12, 1959), and the Statistical Abstract of the United States for various years.

Obviously, U. S. production is not so near to the ceiling of capacity as to force through recovery-producing expenditures for expansion of investment in productive plant and equipment.

Special Steel Situation

The situation with regard to steel calls for special comment. Today steel production is running almost double the tonnage of last spring (2.6 million tons in the week ending March 21, as compared with only 1.4 million tons in the corresponding week of 1958). Furthermore, although the capacity for steel production was increased from 140 million tons to 147 million tons during 1958, the industry is still reported as operating at 92 percent of today's expanded capacity as compared with only 52 percent of the smaller capacity a year ago.

It is generally conceded that the present stepped up pressure on steel production facilities is connected with the aneuvers of the capitalist class against the working-class in preparation for the expiration of the steel workers wage contract on June 30. Stockpiling of steel is the order of the day as a measure to weaken the strike-power of the steel workers' union. This is the primary reason for the present feverish pace of steel production.

book-keeping, of course, the steel trust boosts prices about three times the cost of the wage increase (See Labor Fact Book, No. 11, Labor Research Association, for how this shell-game operated in 1952, for instance.)

Naturally, this wasn't the best sort of news to the buyers of steel, but in a period of rising economic activity, they found, they could take up the "Stop, thief" cry in their turn, raise their prices and blame the victim—the wage worker—as the culprit of the "wage-price spiral".

Now, however when competition has sharpened somewhat, price raises are not so easy to pass on. So, we get a second pressure on steel facilities; the efforts of steel-using capitalists to beat the steel trust to the punch by buying up steel at \$95 per ton, say, which by September the steel monopolists may have raised to \$100.

Overexpansion Not Ended in Steel

As far as our discussion of Table II is concerned, the point to be made in relation to the recent rapid rise in steel production is not to be taken as a sign of cyclical recovery of the economy. Only after the special and temporary political factors which we have been discussing have been removed, will we be able to know whether the 1959 production vs capacity picture is to be any better than it was in 1958. At any rate, the present relatively high rate of steel oper-

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Table II

Growth and Under-utilization of Productive Capacity

Selected U. S. Industries

Industry	Unit of measurement	Annual Capacity		Percentage of capacity utilized in 1958 production
		1950	1958	
Auto (Pass. cars)	million cars	6.50	10.00**	36.0%
Steel	million tons	99.00	140.00	69.4%
Copper Refining	million tons	0.96	1.23	63.0%
Anthracite Coal	million tons	0.55	34.79*	63.8%
Bituminous Coal	million tons	734.00	611.00	65.5%
Cotton (spindle activity)	Thous. spindle-hrs per week	65.50	3,990.00	72.0%
Aluminum	million tons	0.75	2.10	73.0%
Cement	million bbls.	259.00	292.00	84.9%
Petroleum Refining	million bbls.	2.35	3.33	83.6%
Paper and paperboard	million tons	26.00	36.70	84.0%
Plywood	million sq. ft.	2,590.00	7,690.00	84.0%

III • 1956 ** 1957

Next Month:

- May Day features
- A general discussion of the housing situation
- Chicago's Jimmy Higgins takes a "New Look"
- The Economic Situation.

Readers are urged to submit material BEFORE April 20 for inclusion in the May issue.

Literature

Of the POC

Against Opportunism 35c

For a Revolutionary Position on the Negro Question 35c

Two Roads 35c

Resolution on the Jewish Question 15c

Marxism or Revisionism

Marxism, Humanism and Hyman Levy 35c

On the Question of Youth 10c

TO OUR READERS

By decision of the national executive committee and the membership of The New York P.O.C. A. Yarino has been removed from his post as editor of VANGUARD as well as every other position he held in the P.O.C. Any communication that he might attempt with VANGUARD readers does not represent P.O.C. or VANGUARD leadership or policy.

ation does not negate our premise and conclusions about the overexpansion of productive capacity.

Coal Capacity Decline Since 1950

It is interesting to note, also in Table II, that the annual capacity for two of the industries declined from 1950 to the most recent date for which we have the figures (1956). Even so, these two, anthracite and bituminous coal mines were operating at less than two-thirds of capacity. The devastating impact of this situation upon the lives of the people of West Virginia, Kentucky, and Pennsylvania has recently been getting some publicity. (See February Vanguard story on Harlan miners.) But today it is not only the old "sick" industries, like coal, but now also steel and auto towns are beginning to face the prospect of chronic mass unemployment. The secretary of the United Steel Workers of America, predicted recently (New York Times), March 19, 1959) that "100,000 idle members (of the steel workers union) would never go back to work despite the steel industry's recovery." It is such facts as these which lie behind such "dry" statistics as we have presented in Table II.

(Part Four of this series will appear in next month's issue)

Vanguard

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New York Celebrates

Intern'l Women's Day

New York
It was the forerunners of the American Marxists who brought International Women's Day into existence, and in the same locality (the lower East side), home of historic working class struggles, L. W. D., was celebrated by the New York POC in a well-attended public meeting on Sunday, March 8, 1953.

The famous words of Marx "In Capitalist society Women are even the slaves of the slaves" were the keynote of the meeting, and the predominately working class audience of — women and men — Negro, Puerto Rican and white, responded to those words and to the Marxist solution of the Women Question.

The struggles of women were consistently brought forth at the meeting and the three speakers demonstrated the Marxist-Leninist approach to these struggles. The speakers, a Puerto Rican woman, a Negro woman and a veteran of the Trade Union struggles and a leader of the POC, Comrade Joe Dougher, brought fresh meaning and impetus to the struggle of America's working class women.

The two women speakers, both veterans of many struggles, one a leader in the Plastic Ware strike in the Bronx, and in the most vital housing struggles in N. Y., spoke of the present role of America's women workers in today's struggle; of unknown Negro women of the South, who initiated and led the historic Montgomery Bus Boycott; of the Puerto Rican women who initiated the anti-war campaign during the Korean war; and of American working women who bear the brunt of double exploitation.

The plight of the political prisoners of American Imperialism, Lolita Lebron, Mrs. Rosa Collazo and Mrs. Ingram was presented; it was significant that only at POC meetings are such class prisoners mentioned, and their release demanded.

The Puerto Rican Trade Unionist spoke of the extra exploitation of the Puerto Rican women workers — the low wages and Union betrayals — such is the fate of people who have in many cases to fight both the Boss and a chauvinistic Union.

That Socialism is the only final solution of the "Woman Question" was consistently stressed and the story of the emancipation of the Soviet, Chinese and Eastern European Women, in contradiction to the plight of women under Capitalism was a stirring feature of the meeting.

Comrade Dougher in his exciting talk gave an historical development of the woman question and sharply outlined its revolutionary aspects. He brought to the forefront the fact that this question is part of Capitalism's Achilles Heel.

As one of the speakers said "It was significant that a meeting on the Woman Question was one of the three meetings held by the N. Y. POC; for only a revolutionary organization does not relegate this problem to the background.

Interspersed with the speakers was a lively musical program, consisting of peoples songs and very capably presented by two outstanding singers and a very fine pianist.

A separate children's program was conducted, with a full complement of movies, games, and ice-cream.

The meeting was a milestone in the development of a truly revolutionary movement in New York, and a fitting tribute to working class women on International Women's Day.

Jim Bary

A Housing Story from Harlem

It was a cold windy day — the thermometer had hovered around 13 degrees for nearly two weeks. But at 31-35-59 West 115th St., it was HOT! It was the heat of anger and indignation of Negro and Puerto Rican workers who had no heat, no hot water, no electricity, and where the sewerage had broken out into the backyards. The stench permeated the neighborhood.

A VANGUARD reporter visited Mrs. Z., delegated by the tenants to lead the fight against the atrocious housing conditions which prevailed in these three houses. She had on a number of other occasions led similar struggles successfully, and her neighbors had full confidence in her steadfastness, courage and ability to carry them once again to victory.

Mrs. Z., a Puerto Rican mother; a woman who works in a shop 8 hours a day, greeted the representatives of VANGUARD with a wide smile on her face and took us around to visit several of the tenants. She said, "I want you to see for yourself. I want you to help us expose the kind of apartments rented to us, the kind of service we get; and what happens when we dare to challenge these conditions . . . the threats and insults handed out by the

landlords and their rental agents."

VANGUARD was informed that the Department of Gas and Electricity in conjunction with the Building Department had ordered electrical power cut off because the violations constituted a fire hazard and a threat to life.

We saw bathrooms with wiring exposed, front door entrance to apartment houses with just a sliver of wood left, the wind and cold whistling through the halls and hiding in every nook and cranny. The halls were filthy, uncramped and unmopped; the walls looked as if they had not been painted for at least a quarter of a century; every mail box (around 75 of them) broken.

One Puerto Rican woman said to us . . . "We are safer on the street; everytime we come indoors we take liberties with our children's lives." Looking overhead we wondered what was keeping the ceiling together for it was bulging precariously. A good loud echo or thump would have brought down a cascade of falling plaster.

In another apartment a Negro woman said "We are forced to shut off this room, not because our living quarters are so ample

but because of the ceiling." When we entered the room it was covered with a thick sediment . . . not of flaking paint, but of plaster.

Her next door neighbor told us a vicious, evil story of profiteering — an attempt to extort an additional months rent. She had paid her rent on time and to a duly authorized representative of the landlord. A week or so later she was advised that the building had changed hands, and that she had paid her rent to the wrong party. However, an investigation revealed the fact that both parties are 50 percent owners of the buildings.

As we visited around we saw broken windows in halls and apartments; broken sash — windows held up by broomsticks.

We saw one entire Negro family huddling around the gas stove to keep from freezing; food on the window sill to keep from rotting as there was no power to run the refrigerator.

The tenants had been fighting these violations for a long time. Mrs. Z. had taken out a summons against the rental agent, and in answer received a threatening letter to the effect that if she continued her "trouble making" she would be evicted.

When the case finally came up in Magistrate Court, 15 tenants showed up and Mrs. Z. took the witness stand. The arrogant landlord did not even put in an appearance, and Judge Phlips ordered his arrest. The landlord was brought in manacled, was ordered to take care of all violations by April 2nd, and is out on \$1,500 bail.

These three apartment houses at West 115th Street are not isolated cases. It is the very day living condition of workers in general and especially of Negro and Puerto Rican workers.

The victory of these militant tenants led by Mrs. Z. points the way to the possibility of limited alleviation of the atrocious housing conditions which are the lot of the most exploited workers.

Juanita Diaz

Colonial World Aflame!

(Continued from page 2)

should be expected to use every kind of maneuver to keep the Latin American people in check. It is becoming more obvious every day that American imperialism is trying to utilize the so-called "democratic" regimes in Latin America to do its dirty work of intervention.

These "democratic" regimes at the service of American imperialism are first and most dangerous, the regime of traitor Luis Munoz Marin in Puerto Rico. The role that this leader of the Puerto Rican compradors is playing is both clever and criminal.

He has come out demagogically for the Cuban revolution, but only for the purpose of helping to strangle it. It is Munoz Marin who has proposed that the Organization of American States (O. E. A.), that old tried and tested organ of the State Department in Latin America be used to act against the dictatorships there.

What is the reasoning behind the proposal by this miserable sycophant of American imperialism? For one thing, Munoz Marin and his masters know that sooner or later the people of Santo Domingo, Nicaragua, Paraguay, etc., will forcefully oust Trujillo, Stroesner and Somoza Debayle as Wall Street's creole gaudieries in those countries. They want the O. E. A. to be on hand and ready to keep the people in check and within the exploiting grasp of American imperialism.

American imperialism is intelligent enough to understand that the cruder oppressive methods employed by the imperialists in some parts of Africa such as Rhodesia, Nyasaland and the Congo would not work in Latin America. So they try to get their dirty work done by palming off their most docile servants as "defenders" of democracy and progress in Latin America.

While Luis Munoz Marin is the most notorious of these stooges of American imperialism, it is a fact that Wall Street has several of those "democrats" and "progressives" operating for them in Latin America.

The most dangerous imperialist stooge in Latin America is Raul Benetton, newly elected president of Venezuela. Just be-

fore this demagogue went back to Venezuela after being sheltered and fed by the American imperialists in the United States for many years, he was given a "farewell" banquet by the Social-Democratic Federation in New York. Among those responsible for organizing this affair were Seraffino Romualdi (notorious adventurist and imperialist agent in Latin America) and J. Lovestone, both of them working directly with David Dubinsky.

Another reliable servant of American imperialism is Jose Figueres, ex-President of Costa Rica and the real power behind the throne of President Mario Echandi. There is a clever division of labor between Figueres and Echandi with both of them playing stooge roles to perfection. While Echandi praises and collaborates with Somoza Debayle, Figueres rants against him.

But, although a furious "struggle" rages, the continuing domination of American imperialism is assured, for both sides are owned, lock stock and barrel, by Wall Street. This picture is repeated throughout Latin America.

American imperialism has recently come out with the greatest "find" as stooges go. We mean President Frondizi of Argentina. For years American imperialism tried to get rid of Juan Peron, the tyrant who represented British imperialist interests in Argentina. American imperialism succeeded, not only in establishing economic hegemony in Argentina, but has also been able to win over the Argentine compradors to act as its agents.

SOCIAL DEMOCRATS, LIBERALS AND PSEUDO-MARKSIST PRAISE IMPERIALIST STOOGES

This "new policy" of American imperialism finds full acceptance in Social-Democratic and liberal quarters in the United States. For this reason, we witness an ever-increasing chorus of praise for the Latin American "democrats" in the American press, all the way from the New York Times and the New York Post to the Worker. A series of articles running in the Post sings the praises of stooge Munoz Marin.

In the Worker another tactic is used that—of blasting the "dic-

tators" and keeping silent about the role of the "democrats". The misleaders of 26th Street know full well what role these "democrat" stooges are playing, but they choose to ignore it. That is the concrete contribution of the revisionist leaders of the bankrupt CPUSA to the American imperialists. This silence is especially noticeable with regards to Munoz Marin.

But this silence of the leadership of the CPUSA has a reason as well as a history. For years these misleaders have peddled the counter-revolutionary baloney that all "class unity" in Puerto Rico, must include the Puerto Rican compradors, represented primarily by the Luis Munoz Marin regime. They claimed that the Munoz Marin regime was a "genuine democracy" as compared to the rest of Latin America.

The Puerto Rican rank and file comrades rejected this rationale, characterizing it as pro-imperialist class collaboration. This is one of the reasons why the Puerto Rican comrades were expelled en masse from the Party.

Genuine Marxists must affirm and reaffirm that the national question in the period of the highest stage of capitalism is transformed into the national-colonial question, an integral part of the struggle for socialism.

The American working class cannot attain its own freedom unless it courageously joins the colonial oppressed peoples in the struggle against the common enemy . . . imperialism, specially Wall Street imperialism. Communists, real ones, show their mettle by leading in the quest for that unity.

The colonial peoples of the world are marching towards the goal of full national freedom. That road inexorably leads to the main road travelled by the working class in the capitalist world . . . the road to socialism.

These two roads converge and finally wind up in the broad highway already built by the lands of Socialism led by the USSR. The next historical step is world socialism and beyond that communism.

It's a great, heroic revolution in progress in which we are living. There is no force that can stop us on the march toward world socialism.

Trotskyism

(Continued from page 1)

counter-revolution.

Was it not the Communist Party of France that organized the boycott to the transfer of troops to Algeria? It was the heroic Communist women of France that lay across the tracks to prevent the passage of a troop laden train outside of Marseilles.

The miserable slanders of the Workers World have the wrong address if they think that they could influence our POC movement.

To Ce-land and the rest of the "new" Trotskyite group of the POC say:

Last October in Chicago, Claude Lightfoot, leader of the Communist Party of Illinois joined Howard Mayhew, leading Trotskyite there, at a public meeting. Both spoke about the need for unity of the "left" and pleaded to fight for that unity.

From the "Worker" of March 15th we quote the following:

"Weinstock said that 'Democrat, Republican, Socialist, Anarchist, Trotskyist, Communist or independent, every one is welcome to take part in and support the May Day celebration.'"

You see, gentlemen of the Workers World, it is at West 26th Street that you have sympathizers and friends, and not anywhere near the POC.

Our position on Trotskyism, we reiterate in the title of this article which we chose both consciously and deliberately!

Vanguard

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