

NATIONAL REPORT

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FOR MEMBERS ONLY \_\_\_\_\_ FOR MEMBERS ONLY \_\_\_\_\_ FOR MEMBERS ONLY

The two and one half months since the convention have begun to fulfill the promise that that meeting held for the IS. During this period we have recruited 54 comrades (over 2 times as many as we recruited all of last year. This includes the 16 comrades formerly of the Socialist Collective. Most branches now have a healthy periphery, and in Pittsburgh and Philadelphia there are IS Study Groups that we hope will be branches in the near future.

On the West coast the formation of an IS youth group is well on its way. The Red Tide group in LA and the Contra Costa Socialist Coalition in the Bay Area are now committed to the formation of such an organization by the first of the year. This development is very significant for the growth of the IS, since it will enable us to intervene in and win to our politics and perspectives greater numbers of young people.

Since the convention three more branches have held rank and file educational conferences bringing the total to 5 since that perspective was adopted. Bloomington and NYC held conferences directed to the left and Maoist milieu - and in New York, for the first time we were able to bring significant numbers of Maoists who were open to our politics and who were moved considerably by the conference. The Detroit Conference was different in that its primary audience was auto workers. It was very successful and represented a qualitative step forward for the organization in that it was the first time we were able to bring worker militants to an IS sponsored event.

Our assessment is that these conferences have been highly successful forums for presenting our perspectives and strategy to our periphery. Through the conferences we have been able to bring more people around us, and to move those already around us closer. We should continue this perspective. On the west coast the LA and Bay Area branches are now planning conferences for late December-January. Those branches that have held conferences in the past should begin to think in terms of new ones, eg on women workers and women's liberation, or on specific union work as in Detroit, where that work has progressed far enough to warrant such a conference.

Our industrial work has also made significant strides during this period. The Detroit conference mentioned above indicates that we can and should be making a greater push toward bringing workers around and into the IS. We are now involved in building a campaign around the layoffs and unemployment in Detroit primarily through the UNC.

In CWA we're now involved in a caucus, United Action, in Louisville, and UA in NYC continues to grow. In the IBT we have begun to surface in Cleveland with a newsletter, and to play a role in the NY UPS strike which has opened up a network of militants in that industry in the east and midwest. Likewise, with only a few cadre we have begun to play a role in RAFT, of the USW, and in beginning to lay the basis to build a national opposition to Abel in the USW.

Most branches are getting involved in miners' strike support work. Many have held forums (New York, Cleveland, Louisville, Chicago, Seattle). The most significant forum was held by comrades and friends in Pittsburgh. This forum was similar to the Detroit Conference in that it attracted a number of workers from the steel mills and mines. This work is now being stepped up in view of the problems Miller and Co. are having with getting the contract accepted by the rank and file. The strike will now be a long one, and plans have been made and are being carried out for making closer contact with miners, helping to raise money, bring them in contact with other workers, and to begin to develop an IS presence among the more militant sections of the UMWA.

In terms of travel and tours, Li'l Joe and JG have completed about one half of the national tour to publicize the SC's joining the IS. Forums have been given in LA, Bay Area, Portland, Seattle, Chicago and Madison. There have been visits by different leading comrades to NYC, Cleveland, Chicago also. The next west coast tour by KM has been scheduled to begin immediately after the NC. Most significant of all the trips was that of 3 comrades (Li'l Joe, CR

and BH) to Boston to intervene at the height of the busing crisis. Although the comrades were not able to build a movement, given that the immediate crisis subsided, they were able to make an impact on the black community, and on contacts of the Boston organizing committee.

The publications program is slowly progressing. One new pamphlet, on the miners strike, has been published, and another, on stalinism, is near publication. Several others are planned, including ones on protectionism, the auto struggles of the summer of 73, and the convention documents. In addition we are now beginning larger runs of up to 3,000~~0~~ copies. The distribution system is being set up, and should be in effect by the first of the year. Production remains slow however, and there are still problems mainly in terms of manpower to get them out.

Workers Power continues to improve. The addition of several columns, JG's on the left, Bernard O'Higgins on socialism and GS's page on social questions now stand out in addition to Kim's labor analysis column. Also the paper has now begun to integrate our work into the paper to demonstrate clearly that it is the paper of an organization. The next hurdle for the paper is in terms of increasing its circulation. We now print 3,500 copies and that should increase to 4,000 by the first of the year. But that is not enough. If we wish to go weekly next fall, that figure must double. The WP editor will be presenting a proposal for a campaign to increase circulation after the beginning of the year.

So comrades, it is clear that we are moving ahead, but in this context new problems and questions have developed. The current crisis in ~~capital~~ capitalism is producing a new period for the working class and for us. Consciousness among workers is beginning to change significantly. The recent developments in the UMWA, the militant UPS strike, and increased anger by laid off auto workers are some reflections of the increased militancy that is developing in spite of the recession. Yet while many in the organization recognize this, at least intellectually, they are unsure as to how to move ahead. Yet we must. What we see is a growing divergency between the objective conditions and our ability to intervene ~~in~~ in what is happening and bring workers and others around the IS. Moreover the rapid changes in conditions that we have been waiting for so long are finally occurring, and they are presenting us with greater opportunities. However, we are not fully prepared, and the habits of the past in which we expected a slow and conservative pace of development ~~xxxx~~ and which produced a healthy modest expectations, now presents itself as a conservatism and routinism in the organization that must be overcome. This must be turned around, because it is clear now that we can, in small numbers but ~~xxxx~~ significant ones, begin to recruit workers. One key to this is to find ways of developing a real IS presence in the context of our mass work. A number of branches have begun to make this turn, but it must be completed by the rest.

Some things which can be done are more systematic use of the paper, more and better ~~xxxx~~ forums that relate our caucus work to our revolutionary perspectives, and the setting up of classes, study groups for workers around us. These should not be seen as counterpose to our activity in broader groups, but complementary to it. And we must continue to search for handles on how to relate our politics and perspectives to the changing consciousness so that we can take full advantage of it.

#### Tasks for the period, December-February:

1. **Recruitment:** Each branch and organizing committee will in collaboration with the NO project recruitment quotas for December-February. Emphasis to be on independent collectives, soft maoists and workers contacts.
2. **Youth work:** All branches and organizing committees that have contact with or have youth members must begin to develop modest perspectives leading to the advancement of a national

IS youth group. As a first step all branches and ocs should take small bundles of the Red Tide and find a means to distribute it.

3. Education and training: Each branch and organizing committee will, in collaboration with the educational secretary, develop an educational and training program that will assimilate and integrate those we are now recruiting as quickly as possible into the organization.

4. Development of new leaders: It is crucial that we train and develop newer cadres to become branch and national leaders. This is part of education and training, but specific attention must be given to this.

5. Industrialization: all branches and ocs must implement, to the extent possible, the industrialization campaign. Even though there will be problems in terms of the effects of the recession, some jobs can be found, and comrades should ~~be~~ feel a sense of urgency about doing this.

6. Workers Power: Endorse and urge passage of the Editorial Boards proposal to increase the circulation of the paper.

Page 1, Last Paragraph, Replace with

Causes of Inflation

Military production made up 40% of all equipment (machines) production in September 1968 at its height. By August 1974 it made up 20%, a considerable decline. As long as military expenditures grow at the same rate as consumption and capital goods they are not inflationary, for all price relationships stay the same. It is precisely periods of war, when military spending rises or rapidly than other expenditures, that there is rapid inflation, as was the case during World Wars I and II, the Korean and Vietnam wars.

Military expenditures cannot explain the current extremely high inflation rates. Japan, which has no arms economy, has had the highest rate of inflation among the advanced capitalist countries. It is only indirectly that military spending can be said to be behind the current inflation. The US expenditures on military bases throughout the world, along with investments abroad, have risen to persistent balance of payments deficits. Only US hegemony of the capitalist world and the Bretton Woods agreement making the dollar the reserve currency postponed a rectification of these deficits. The Vietnam War exacerbated the US trade position forcing currency devaluations. The resulting new price relationships have stimulated demand for US food exports and generally played havoc with the price of industrial raw materials. The much higher price of energy is added on to this. Finally there is the rapid increase of the various money supplies by the central banks of the capitalist countries, which has overstimulated and inflated the economies.

Replace entire section pp 2 - 5.

The Falling Rate of Profit

The main manifestation of the falling rate of profit cannot be found in the year to year fluctuations in the rate of profit in the US economy, or in any secular post World War II downturn, but shows itself internationally in a falling rate of profit of US capitalism in relation to its major competitors. Bukharin pointed out in Imperialism and World Economy that the newly developed capitalist economies have higher rate of profit than their older rivals.

The rate of profit is proportional to the rate of exploitation and inversely proportional to the organic composition of capital. There is evidence that labor gets a smaller share of the product it produces in the other capitalist countries compared to the US. Looking at the 1950 to 1960 ratio of capitalist income to labor income as derived in manufacturing, a rough indicator of S/V or the rate of exploitation, we see: West Germany 67%, Great Britain 47%, US 30%, Japan (1962-3) 150%. The organic composition of capital is related to the level of productivity. In 1970 US manufacturing productivity was 31% higher than Japan's, 35% higher than West Germany, 60% greater than Great Britain and Italy and 32% greater than France. Undoubtedly there is a greater amount of capital invested per worker in the US than in its major competitors, and thus a higher organic composition of capital. Since the rate of exploitation is higher and the organic composition of capital lower, we would expect them to have a higher rate of profit. This is indeed the case. From 1950 to 1960 the ratio of gross profits to the net value of fixed capital stocks and inventories was as follows: West Germany 27.5%, Great Britain 19.2%, US 18.1%, Japan (62-63) 26.3%.

Not surprisingly there will be a tendency for US capital to flow abroad attracted by the higher rate of profit to be found there. If we look at the ratio of capital going abroad

to domestic investment, we can see it makes up a high percentage: 1971 8.8%, 1972 6.8%, 1973 5.3%.

This is not the condition we might expect if there was such a terrible shortage of capital such that the capitalists couldn't replace the existing capital stock. In fact we agree with Lenin's Imperialism: The Highest Stage of Capitalism, the problem is a surplus of capital that cannot be profitably invested at home, so it goes abroad seeking a higher rate of profit.

As far as the rate of profit domestically, there has been no secular trend downward. In fact this last boom, especially with the spectacular inflation, has led to the highest rate of profit since the 1950 boom brought on by the Korean War. We also disagree with the bourgeois arguments put forward by Fortune magazine, the Morgan Guarantee bank and others that the mass of profits is falling. They can argue this only by excluding interest, rent and the salaries of managers, which Marxists recognize as part of surplus value. The bourgeoisie says this as an excuse to step up the exploitation of labor. Actually the mass of surplus income has increased. (See Appendix) Of course this does not deny important shifts in the distribution of income within the capitalist class. Corporate profits were 20% of total surplus income in 1960, and down to 21% in 1973. The financial section of the bourgeoisie grows proportionately.

The mass of profits has in fact been sufficient to replace the capital stock of the country. Looking at the growth of the net capital stocks (after depreciation) as measured in constant 1958 dollars for recent years:

|      | All Business<br>Plant & Equipment | %<br>Change | Manufacturing<br>Plant & Equipment | %<br>Change |
|------|-----------------------------------|-------------|------------------------------------|-------------|
|      | Billions of 1958 Constant Dollars |             |                                    |             |
| 1965 | \$441.1                           |             | \$ 97.3                            |             |
| 1966 | 471.4                             | 6.9%        | 104.6                              | 7.5%        |
| 1967 | 497.9                             | 5.6         | 111.8                              | 6.9         |
| 1968 | 524.9                             | 5.4         | 117.1                              | 4.7         |
| 1969 | 552.6                             | 5.3         | 122.4                              | 4.5         |
| 1970 | 573.8                             | 3.8         | 125.9                              | 2.9         |
| 1971 | 592.3                             | 3.2         | 127.3                              | 1.1         |
| 1972 | 615.7                             | 4.0         | 129.4                              | 1.6         |
| 1973 | 642.6                             | 4.4         | 134.5                              | 3.9         |

Source: Survey of Current Business, March 1974, "New Estimates of Fixed Nonresidential Business Capital in the US."

Further the mean age of plant and equipment is down to 6.5 years for all business stocks and 6.1 years for manufacturing, compared to 11.4 years and 8.2 respectively in 1945 at the end of World War II. There has been replacement of the capital stock, though quite likely the growth in net investment has been surpassed by the competing capitalist nations.

The falling rate of profit as it occurs between the capitalist countries has its main effect on their relative rates of growth. US productivity has grown more slowly (from a higher base) than that of its major competitors. So has national output and the increase in real wages. All this makes the US fall behind in the struggle for world markets (again from the strongest starting point). As a result currencies get out of alignment and the crisis of world trade developed. The major contradiction of the falling rate of profit has to be located in the world struggle for markets and its resultant impact on each national economy, and not simply in some minor drop over a few years in the US profit rate.

So far in this recession profits and consequently capital expenditures have been rising due to the extreme inflation. This however is changing, as consumer goods industries experience profit drops, they stop capital goods purchases, expansion stops and the crisis situation as described by Marx develops.

The way capitalism has historically ended periods of rapid inflation is through deflation or a drop in prices. By the 1930's the economy was already highly monopolized and yet between 1929 and 1933 the Consumer Price Index dropped by 24%, with food dropping 37%, rent 20% and apparel 24%. The beginning of deflation is already manifested through the drop in industrial raw materials prices. Soon there will likely be a forced liquidation of inventories. Some companies will simply shut down operations as they try to sell off surplus finished products, others will be driven to sell at a loss. The objection is mistaken which argues that deflation can't occur today because labor costs are set by trade union contracts. If the companies give the bureaucrats a choice of mass layoffs or reopening contracts to allow wage cuts, they are quite capable of choosing the latter. Capitalism is after all a profit and loss system, not simply one of profit. Big society-wide losses will cause investment to dry up, and the capital stock will shrink, i.e. disinvestment will occur, as it did in the thirties, due to normal depreciation with no replacement. Prices of capital goods will drop and there will be a cheapening of constant capital. This is the function a depression serves for the capitalist economy.

Page 6, Add before second Paragraph from bottom.

#### The Energy Crisis & World Trade

The quadrupling of the price of oil when the underlying value relationships between commodities is unchanged has thrown the whole world capitalist economy into disarray. The price of a crucial input has risen fantastically, throwing all value-price relationships out of wack. Added to this is the severe balance of payments difficulties experienced by some of the European nations and Japan. Italy is now threatened with national bankruptcy as a consequence.

Meanwhile the dollar overhang of near \$100 billion continues. The Eurodollar market, although shrunken, is still unregulated by any supranational central bank. The price of gold is at \$180 an ounce and still rising while the official US price lags behind at \$44. Currencies are floating against one another, some countries have two exchange rates and others joint floats. The near \$300 billion pool of liquid assets of the multinationals along with the Arab money are threatened by devaluations and are kept in very short term loans. All the conditions are set for the disruption of world trade.

In the past, when Japan, for example, was in a recession it stepped up exports to the US and Europe. As all the advanced capitalist countries go into a recession for the first time in phase, this will be impossible. There will probably be trade and tariff wars, dumping and the disruption and contraction of world trade. This will lead to sharp realization crises in each of the capitalist countries which will suddenly be faced with industrial overproduction. If all this happens the result will be a deep capitalist worldwide industrial depression.

The shrinking of world trade will hit a number of US industries particularly hard. The following shows the percent of output generated directly and indirectly through exports: non livestock agriculture 19%, coal mining 16%, chemicals 16%, engines and turbines 18%, construction and mining equipment 25%, transportation and warehousing 11%, etc.

Replace Appendix Table 1 with the following:

|      | Annual Replacement<br>Cost-Fixed Capital &<br>Inventories | Profits, Interest<br>Rent, Managers<br>Salaries-Pr--Tax | Capitalist<br>Income<br>After Taxes | After Tax<br>Rate of Return | Net Income After<br>Taxes as % of Net<br>North-fig Corps. |
|------|-----------------------------------------------------------|---------------------------------------------------------|-------------------------------------|-----------------------------|-----------------------------------------------------------|
| 960  | \$500.6 billion                                           | \$179.5 billion                                         | \$152.0 BIL.                        | 30.5%                       | 9.2%                                                      |
| 961  | 514.6                                                     | 188.1                                                   | 160.4                               | 31.2                        | 8.9                                                       |
| 962  | 536.2                                                     | 207.2                                                   | 178.1                               | 33.2                        | 9.8                                                       |
| 963  | 557.6                                                     | 234.7                                                   | 203.1                               | 36.4                        | 10.3                                                      |
| 964  | 586.3                                                     | 237.3                                                   | 205.2                               | 35.0                        | 11.6                                                      |
| 965  | 636.0                                                     | 262.6                                                   | 214.3                               | 33.6                        | 13.0                                                      |
| 966  | 703.6                                                     | 286.7                                                   | 243.3                               | 34.7                        | 13.4                                                      |
| 967  | 759.9                                                     | 300.7                                                   | 253.3                               | 33.3                        | 11.7                                                      |
| 968  | 826.3                                                     | 327.1                                                   | 268.1                               | 32.4                        | 12.1                                                      |
| 969  | 904.0                                                     | 340.0                                                   | 274.5                               | 30.4                        | 11.5                                                      |
| 970  | 983.0                                                     | 354.0                                                   | 291.6                               | 29.7                        | 9.3                                                       |
| 971  | 1,055.3                                                   | 394.5                                                   | 324.9                               | 30.8                        | 9.7                                                       |
| 972  | 1,115.7                                                   | 431.4                                                   | 343.4                               | 30.8                        | 10.6                                                      |
| 973  | 1,201.7                                                   | 505.0                                                   | 401.3                               | 33.4                        | 12.8                                                      |
| 1174 |                                                           |                                                         |                                     |                             | 14.6                                                      |

Sources: Derived from Survey of Current Business March 1974, July 1974. Federal Trade Commission, Quarterly Financial Report for Manufacturing Corporations.

#### Motivation (Not for a Vote)

Woody's "Annual Replacement Costs for Capital Assets" covers the fixed capital stock of all business, corporate and non-corporate. To this he compares only corporate profits, so the comparison on the face of it is meaningless. He totally excludes rental income, proprietors income (from partnerships) and the salaries of managers. For 1973 profits after taxes made up only 14% of total capitalist income after taxes. No wonder his rate of profit figures are so low. He also excludes working capital (inventories and funds on hand for paying wages), which Marx considered a crucial part of capital. We have calculated the rate of return on constant capital in a way similar to Woody (but including inventories while excluding the variable capital used up in one turnover period). A more accurate calculation of the rate of return is net income (profits) after taxes as a percent of stockholders equity. This takes in to account the fact that besides the real capital there is also financial capital. This means that the owners of industries do not invest a sum equal to their total employed assets, but borrow money capital to make real capital purchases. The interest they pay on their debt capital is deducted to leave their profits. After tax profits as a percent of their historical investment (stockholders equity) measures the return to the owners. It does not measure the society-wide rate of profit, (which also includes interest and rent) as a percent of total capital at current replacement costs. But rate of return on stockholders equity is a crucial measure since it shows us their return after interest payments, and is an important factor in their investment decisions.

#### APPENDIX TO CLUW DOCUMENT

Page 2, 1st Paragraph, Strike "We raise . . . super seniority." Add: We raise these in the context of pointing out that women, Blacks and Latins will be hit hardest by layoffs. They are the last hired, first fired. If we are not successful in getting points 1 to 4 from the companies, we are for super seniority. We push for rotation of those laid off or other measures, but we are emphatic that the specially oppressed should not be those to feel the layoffs the hardest. Further we do not condemn them for suing for their rights, but point out the nature of the courts, and urge them to fight for points 1 to 4.



## BUILDING WORKERS' POWER (by ...)

Over the last year WP has become the best newspaper on the American left and the only revolutionary socialist paper aimed at building a readership in the working class.

The task before us now is to expand the use of this excellent tool. The paper already is ~~an~~ a tremendous aid in building the organization, it is developing an excellent reputation within the left and has brought people around the IS. It is also developing a working class readership for the first time. Those comrades who have attempted to sell the paper to their co-workers have discovered that they have been able to build up a readership in the shops. Comrades selling at factory gates on a regular basis have also discovered that repeat sales are more than possible.

But more is required. Socialist Worker was one of the main ways that the British IS was built. WP can now do the same for us.

Our paper is the bridge between our day to day work and our full politics. It takes the ideas we push in one area - the labor movement, CLUW, the farmworkers, the bussing struggle in Boston, etc. - and connects them to our broader politics. It presents the fuller politics that our individual perspectives are drawn from.

It does not do this in every article but as a whole. Taken as a whole and read over a period of time the paper lays out our assessment of the period, and our strategy for revolution and our conception of socialism from below.

But the paper must also do more than that - it must help organize and build our work. Used aggressively it can be a tool that helps us fight for our political line in various campaigns. It can help us present, argue for and convince those we work with of our strategy for various struggles such as the campaign against lay-offs.

Also, in a period such as we are now in where growing numbers of people are questioning ~~everything~~ everything - but possibly too demoralized to act yet - the paper is an essential tool. These are the fighters of the next few years. They may not yet be ready to join a UNC unemployed ~~committee~~ committee or come to a conference but they are beginning to look for alternative answers. The paper is our best way of reaching them.

As the struggle heats up the need for a weekly newspaper becomes more and more apparent. A newspaper that can influence changing consciousness must be able to address events as they unfold. A newspaper that is used as an aid in political ~~intervention~~ intervention cannot be outpaced by events.

Already our newspaper is dated by the second week. This exists for two reasons: 1. the pace of events, and 2. the fact that as the paper becomes more of a newspaper, commenting on events as they happen (rather than a magazine which analyzes and assesses from a distance) it leaves itself open to appearing dated far more than a magazine format did.

~~XX~~ In general most of the organization already agrees with the idea of moving to weekly newspaper as quickly as possible and that perspective was passed in our press document ~~at~~ at the November NC last year. In order to do this two things were necessary - the production of a good newspaper and building the circulation. We have achieved the first, we must now take on the second.

Thus far our use of the paper has been irregular and spotty. Some branches have made excellent use of the paper - selling regularly in the shops and to their contacts. Others barely sell at all, although on the whole ~~the~~ real circulation has gone up and almost all branches have improved in the ~~use~~ use of the paper. But our ~~use~~ sloppy habits

must come to an end. Over the next several months we must ~~xxxxx~~ greatly expand the circulation and use of the paper. Toward that end we must institute a circulation drive along the following general outlines.

1. circulation drive to begin at the end of January and last 10 weeks.
2. Our press run is now 3,500. Approximately 800-1,000 are distributed as subs of exchanges. 2,500 are distributed through the sales of members. The circulation drive should set a national goal of doubling our circulation through the membership from 2,500 to 5,000.
3. A national committee should be set up to administer the drive. It should include some of the comrades who have ~~xxxx~~ pioneered the use of the paper, and myself.
4. The committee in consultation with the branches should establish a quota for each branch. Each branch should assign one person to be in charge of the drive in their branch. (Most likely the comrade already in charge of WP ~~xxx~~ distribution.) Each branch will work out a perspective for filling their quota, in advance of the drive. The quota may be filled through increased factory sales, development of route among branch contacts as is done in St. Louis and subs. The perspective ~~ix~~ must be for a permanent increase. The plan must be submitted to the national committee for approval.
5. Branches should begin a program of members selling twice an issue. The first week in priority places, the second week more experimental. This can be done because we are a bi-weekly and will ~~xxxxx~~ aid the transition to a weekly. When we go weekly we will have to drop places but ~~xxx~~ will be able to weed out the places that proved to be the least successful. Paper routes among contacts should be considered as one weeks selling assignment.
6. NO will have beautiful WP posters printed for mass postering.
7. No will have sub blanks printed.
8. A short pamphlet on How to Write for WP and How to Use WP will be prepared before drive begins.
9. Members of circulation committee and WP staff should give workshops for members and contacts in each branch, on writing and using a socialist newspaper. /for
10. Contacts should be encouraged to help in this campaign.
11. WP will publish the progress of the campaign as is done with the fund drive.
12. Editors Report will publish ideas that prove effective and helpful in the various branches.
13. NC members will aid in assuring that this drive is taken seriously and is ~~xxxxx~~ thus successful.

## PRELIMINARY STATEMENT OF THE SOCIALIST CAUCUS (S.C.)

drafted by Lil Joe & Connie Hayes

Upon its joining the International Socialists (I.S.), the Socialist Collective made its philosophical and political perspectives a matter of common knowledge. In total, we discussed our views on 1) Philosophy, 2) The Russian Revolution, 3) Permanent Revolution, 4) The Relation of a Proletarian Political Revolution to State Monopoly Capitalism and Communism, 5) Party and Class, i.e., Class and Party, 6) Activity in the Working Class, 7) C.L.U.W. and 8) Black Nationalism. The Socialist Collective "desolved" into the I.S. with the understanding that its individual members would maintain the right to fight for the views developed through research and practical struggle when in the Socialist Collective. It was also our understanding that our views would be respected inside the I.S. as we struggle to advance them through the norms of democratic centralism, that is, freedom of discussion, unity in action.

Since our entry into the I.S., several problems have emerged. First and foremost, it is quite clear that the "old I.S. comrades," as they call themselves, do not intend to either take seriously the former S.C.'s differences with the I.S. majority nor to respect their ideas. The "old I.S.ers" are interested only in the "political assimilation" of the former Socialist Collective comrades. In the process of "assimilation," the "old I.S.ers" have become more and more aggressive in "laying down the political and philosophical law," i.e., telling the former S.C.ers the way things are going to be--period! Well, the way things were is not the way things are nor is it the way that things will be! Remember all of the old talk about how the Socialist Collective's "merger" with the I.S. would transform (change) both organizations in the unfolding of a higher unity--i.e., a new organization?

Given the fact that the former Socialist Collective members have not had the time or resources to put forward their views in a systematic fashion, it is admitted that this defect may well be a source of the current confusion. The purpose of this paper is, therefore, to put forward a sketch of the views held by the former Socialist Collective comrades and to announce to the I.S. leadership and rank and file the formation of the Socialist Caucus (S.C.) to fight for these views to become majority views inside and outside the I.S.

### POSITIONS OF THE SOCIALIST CAUCUS

#### 1. On Philosophy.

In a small booklet entitled "Who Was Socrates?!", Winespear lays bare what the former Socialist Collective calls the materialist conception of philosophy. Winespear, himself an historian and philosopher, was not (or is not?) a Marxist, however, to the degree that he was consistent in his pursuit of knowledge concerning the social conditions which gave rise to and shaped the contrasting philosophies of Hericlitus, Socrates, Plato, the Sophists and others, he consistently came to the Marxist conclusions that philosophy and ideologies grow out of and reflect the contradictions of class society. In every class society there is an on-going debate between the apologists for the given order and those who are challenging that order. The conservative philosophy is generally metaphysical and ultimately idealist, justifying the given order by means of religious, superstitious, traditionalist, racist, nationalist and sexist arguments. The critics of the existing order are usually materialists, dialectical in their approach, decidedly anti-superstitious (often anti-religious) and empirical toward tradition. Winespear proved this by showing the "development" of Socrates from a dialectical thinker into a metaphysical one (metaphysical insofar as the conclusions of his thinking were concerned;

e.g., the arguments advanced by Socrates through Plato concerning "ultimate reality," "the unmoved mover," the "ideal world as the real world and the real world as an illusion," etc.) and at the same time, obviously, Socrates ceased to be a materialist. Winespear explains this philosophical change in Socrates' world view to be the result of Socrates' changed life style and acquaintances. When Socrates, the ragged street corner philosopher, ceased to hang out with the radical and democratic artisans, stone cutters and merchants, drawing closer to the society of poets, playwrights, land owners and aristocrats, Socrates also dropped his radicalism in favor of conservatism, his dialectics for metaphysics, and his materialism for idealism.

Winespear showed; through the example of Socrates, what Feuerbach and other materialists had shown in general, that is, that men are products of circumstances and upbringing and that, consequently, changed men are products of other circumstances and changed upbringing. What Winespear did not show was what gave rise to the conflict which was fought out philosophically as radicalism vs. conservatism, dialectics vs. metaphysics, materialism vs. idealism--the movement of the petty bourgeoisie of Athens against the old order, which defended the privileges of the landed aristocracy and the clergy. What was not explained by Winespear was that the circumstances were changed by men and that the consequent changing of the circumstances concretely gave rise to a situation in which men changed. Winespear's weakness was his failure to comprehend how the products of human labor, i.e., science, technology, industry and the means of production--in a word, the growth of the productive forces--generally gave rise to the comprehension of the social contradictions in Greek society. As Marx explained it: "The mode of production of material life conditions, the general process of social, political and intellectual life. . . ." In other words, economic conditions of production, which can be determined with the precision of natural science, is the basis for "the legal, political, religious, artistic or philosophic--in short, ideological--forms in which men become conscious of this conflict and fight it out."

This world view was driven home to and internalized by the Socialist Collective in the course of its intellectual and political life. This world view was important to the Collective not so much as a "guide to action" or a dogma, but as a useful method of analysis.

## 2. The Russian Revolution.

The Socialist Caucus is of the opinion that:

1. "No social order is ever destroyed before all the productive forces for which it is efficient have been developed and new, superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society." (Marx)

2. A political revolution is a consequence of, not a precondition for, socio-economic development.

Given these perspectives, when studying the Russian revolution, the comrades of the S.C. have developed a methodology which have us first to analyse the growth of the Russian economy prior to the 20th century and in the light of that analysis, to concretely analyse the growth of the Russian (in the context of world) economy during the first quarter of the 20th century.

only able to economically purchase factories and force the Russian masses to accept and/or work them. But, as soon as the Tsars died, the nobility and the clergy re-asserted the sacred principles of feudalism and everything went back to 'normal.' On the other hand--in particular in those very spots for industrial development chosen by Peter and Ivan (e.g., Petersburg and Moscow)--when, after the invasion by foreign capital entered Russia and industry as capital began to grow--the Tsars and nobles, who felt threatened by it and the radical demands for reforms which accompanied it, were unable to halt it.

The peasants' revolts, e.g., the Razin uprising in the 17th century, was a correspondence to the 1825 "Decembrist" revolt. The more repressive the Tsars were, the more determined the revolutionists became. The "nihilist" movement was followed by a political anarchistic and, finally, a communistic one. The revolts of 1905 and 1917, with their bourgeois demands and Soviets, were both routed in objective reality. The productive forces had developed unevenly. Due to the introduction of large-scale industry and socialist ideologies into Russia from Europe, the Russian proletariat rose with the bourgeois-revolution in its own name.

The Russian revolution of 1917 was a bourgeois-democratic revolution, in which the working class as a class played the leading role. In this revolution, the leading party of the proletariat sought to consolidate its own powers, resting that power upon the organized strength of the Russian proletariat. The first communistic attempts of the Russian communists was the introduction of an emergency system of war communism. This was, in fact, a system of forced communism; i. e., a system in which the state nationalized industries and organized labor armies, forcing them to work in areas dictated by the necessities of war economy (at the time, Russia was in the midst of a civil war) while, on the other hand, forcefully expropriating the surplus products of the Russian peasants. In spite of this, commodity production in the Soviet Union continued to develop and peasants resisted the efforts of war communism through the medium of sabotage on the one hand and black marketing on the other. In spite of the force exerted by the Soviet state, capitalism, not communism, was the order of the day. The New Economic Policy (NEP), which legitimized the market economy, was in fact the recognition in theory and an adjusting politically to the reality of capitalist economic relations within the Union of Soviet Socialist Republics.

### 3. Permanent Revolution.

The old S.C. and the new S.C. have serious differences with the theory of permanent revolution. Although Trotsky, the main advocate of this theory, is able to advance quotes from Marx and Lenin to prove his point, such "proof" is not sufficient. Discussions and analysis of the results and prospects of the Russian revolution has lead the S.C. to reject this theory in total.

According to the theory of permanent revolution (advanced not only by Trotsky, but by the arch anti-Trotskyist, Mao Tse-Tung), the underdeveloped state of the productive forces not withstanding, a workers' and peasants' revolution in a backward country can grow over into a socialist revolution. Trotsky argued for a "dictatorship of the proletariat relying upon the peasantry" and saw that dictatorship inevitably introducing socialist measures into the national economy. Where Trotsky saw no possibility of the peasantry acting independently in the bourgeois-democratic revolution, Mao saw them not only capable of independent action, but also as a force for socialism! Lenin alone was sensible. Calling for a "democratic dictatorship of the proletariat and the peasantry," Lenin recognized that, by themselves, the small prole-

tariat in an underdeveloped country could not advance toward a socialist revolution and that, on the other hand, while the peasantry is capable of both independent revolutionary activity (against feudalism), its class goals were for the break-up of the old natural economy and clearing the way for an economy based upon commodity production and its necessary consequence, bourgeois equality and free trade. When Lenin called for a "democratic dictatorship of the proletariat and the peasantry" (and later introduced a new form of capitalism, i. e., state capitalism, into the Soviet Union), he once again confirmed his ability to come to grips with practical reality.

The position held by the Socialist Caucus on the theory of permanent revolution is not simply a statement advanced to declare its "side" in the Lenin, Trotsky, Radek, Stalin debates. In answer to the questions:

1. Can the bourgeoisie of underdeveloped countries act independently in the interest of its national capital?
2. Can the working class of underdeveloped countries act independently in its own class interest, i. e., against national and international capital? and
3. Can the peasantry act independently in a struggle for its self-emancipation from feudalism and the destruction of imperialism?

The S. C. emphatically answers all of these questions--NO. The Socialist Caucus holds the position that:

1. In countries that are industrially underdeveloped;
2. In which commodity production is limited;
3. In which commodities are not yet circulated by money (i. e., in countries where the natural economy and barter predominate);
4. In which labor-power has yet--for the average toiler--become a commodity (the overwhelming majority is peasant);
5. In which the circulation of commodities has not yet produced an all powerful merchant class, i. e., a national bourgeoisie, as the predominate owner and director of that country's national wealth; and
6. Where the above is retarded by:
  - a) the power of chiefs, nobles, and clergy
  - b) the needs of foreign capital.

In these countries, e. g., Guinea Bissau, the bourgeois-democratic revolutions can go no farther than the creation of a democratic-dictatorship of its proletariat and peasantry, with the proletariat in the vanguard.

Finally, since the productive forces in countries described are of such a low level, they lurch forward only in the direction of a healthy commodity economy. The economic task of social revolutions in such situations can do no more, therefore, than free the productive forces from tribalism, slavery, feudalism and international strangulation.

International capitalism-imperialism has introduced elements of commodity circulation and industry into the backward regions of the world. It has already established banks and industry, creating a small class of salaried employees and wage workers. In these areas, what the S. C. argues for independent proletarian parties, with their own independent task and perspectives, that these proletarian parties must struggle for hegemony and economic and political

power. They must struggle to expropriate all capital and concentrate it in the hands of its state. They must champion the struggle for land reforms, expropriate the landlords and imperialists and lead in revolutionary alliances with the peasantry. They must fight for the economic emancipation of the productive forces under guidelines of the early Russian experiment in state monopoly capitalism, i. e., the Russian experience of 1918-24; however, this time, under the political rule of a democratic dictatorship of the proletariat and the peasantry.

#### 4. The Relation of a Proletarian Political Revolution to State Monopoly Capitalism and Communism.

The notion that the Soviet Union is a workers' state, as advanced by Stalinists and Trotskyists alike, and the various critiques of that state for being overly bureaucratic--up to and including the class analysis that the Russian bureaucracy constitutes a new ruling class (i. e., the Bureaucratic Collectivist theories of Shactman and Parker; and the State Capitalist theories of Tony Cliff)--all tend to examine Russian society from the standpoint of those in power. This is the inevitable result of these tendencies having originated with the success of the Russian revolution and the Third International being run by a group of functionaries who became the ruling class (involving its international collaborators in answering a number of practical questions by appealing to their revolutionary sentiments). Hence, 1) the international debate over how to best solve (for the Party in power) the "scissors crisis," 2) the Stalinist-Trotskyist debate over which faction was "first" to introduce the five year plan, etc. The Trotskyists and the Shactmanists tend to criticize the Stalinist bureaucracy from the viewpoint of "if we were in power, we would do things differently!" They do not, in general, criticize it from the standpoint of the oppressed. Consequently, they, with the exception of Cliff, avoid analysing economically the roots and nature of the oppression faced by the working masses of the USSR.

The S. C. says that Russia is state monopoly capitalist. (This does not in any way imply an answer to Trotsky's absurd question of "When did the counter-revolution occur." We ask the Trotskyists, "When did the socialist relations to the means of production exist?" That is, when was the commodity economy abolished? The answer is "never." We further point out that Lenin, himself, from 1917, to the day of his death, characterized the "transitional" economy of the Soviet Union as state monopoly capitalist--e. g., read The Impending Catastrophy and How to Fight It and Left Wing Childishness and The Petty Bourgeois Mentality.)

We say that the USSR is and has been, since October 1917, state capitalist. Does this mean that a proletarian revolution has never occurred there? Not at all. This means that whenever there is a proletarian revolution and the working class, in the course of that revolution, constitute itself as the new ruling class (classes can rule, but not govern; only parties govern) that the first task of its government is to nationalize the whole economic life of the country, laying bare the basis for its later socialization. The nationalization of the economy differs from its socialization as a distinction between the first (so-called "socialist") stage differs from the second stage of communism. What most people think of as "socialism" and what Marx referred to as the first or lower stage of communism, the S. C. calls state monopoly capitalism under the guidance of a proletarian dictatorship. We call this stage of social evolution, brought about by a social revolution, state monopoly capitalism because all of the economic and political features of capitalism--capital, wage-labor, profit, rent, social equality, political democracy, etc., etc.--continue to exist. State monopoly capi-

talism under the dictatorship of the proletariat, given the success of world proletarian revolutions, is, however, transitory in character. It is only when the proletarian revolution fails to spread that the governing party can merge with the state, intrench itself, politically expropriate the working class and, thereby, body and soul become a new ruling class--i. e., the new representatives of the power of capital, collective owners of the means of social production, employers of wage-laborers, exploiters and profiteurs.

In situations where proletarian revolutions stagnate at the stage of state monopoly capitalism, the duty of revolutionaries is to be critical of rather than apologetic for the new ruling class. As related to the Soviet Union, we must explain the new forms of working class oppression--economically as well as politically (the Trotskyists and Bureaucratic Collectivists limit themselves to political criticism of the Soviet bureaucracy, e.g., that they forbid free speech, opposition parties, etc.). Revolutionaries must explain the economics of the oppression suffered by workers in the USSR in order to overcome it.

5. Party and Class, i. e., Class and Party (SEE Appendix #2).

6. Activity in the Working Class. (by Woody)

"The Social Democrats' ideal should not be a trade union secretary, but a tribune of the people, able to react to every manifestation of tyranny and oppression, no matter where it takes place, no matter what class of the people it affects." (Lenin) As revolutionaries, we are not to be blinded by one struggle--blacks, women, miners, etc.--but engage in the struggle of workers in general. It is true, as Marx said, the emancipation of the working class is the task of the working class itself, however, until the struggles of that class are able to represent a general, social struggle, workers will never be emancipated. To raise the political consciousness of the workers through a struggle against all forms of oppression, violence and abuse in general, is consistent with introducing socialism in the working class movement. The working class must concern itself with more than trade unionist and economic struggles--e.g., Boston, busing and what's happening in Hamtramck. The fight against police (pigs), unemployment, the extortion of taxes, the militarist conduct towards the students and so on and so forth, do they represent a lesser oppression? Oppression is oppression!

We are revolutionaries not reformists. By toning down social antagonisms and agitation, and restricting the labour movement to narrow trade unionism, makes one a reformist. We should not assume that the workers don't know politics; they may not know Marx's formula, C-M-C, but they won't run if we tell them we're ready to take over the factories.

"Economic" concessions (or pseudo-concessions) are, of course, the cheapest and most advantageous concessions to make, from the capitalists point of view. They know unemployment committees, fighting for petty reforms, are not real threats. Capitalists are quite willing to give up food stamps and medi-care when confronted with the prospect of having their factories expropriated. Workers can acquire political consciousness only outside the economic struggle--forums, rallies that are not called by the U.N.C., J.A.R.U.M., etc.--but a real socialist revolutionary party. Workers know all about trade union politics and nothing about socialist politics. Most are sick of hearing the same old stuff: trade union politics.



## 7. C.L.U.W. (Coalition of Labor Union Women).

As revolutionaries, we approach workers' organizations with the perspective that that is where the workers are and we, therefore, will fight within these existent organizations for revolutionary politics and orientation. It would be nice if we could "wish" for a perfect workers' organization, or "create" one ourselves, but, unfortunately, we can't. The workers are in organizations that are only working class in tradition and in name; and that is where the workers are. We cannot abandon them to these conservative organizations, but must fight within these organizations for revolutionary politics and, during that fight, expose the bureaucrats and so-called workers' leaders.

In this way, we also approach the Coalition of Labor Union Women (C.L.U.W.). C.L.U.W. was instituted and constructed (according to information and data at our disposal) by women bureaucrats who wanted to be "big shots" in the bureaucratic circles. Also, many of the women bureaucrats (at the head of C.L.U.W.) are now, or have previously been, affiliated with the Communist Party, U.S.A. (CPUSA)--about which I will comment later.

At present, let's concentrate on our orientation to CLUW and our responsibilities and perspectives as revolutionaries. CLUW, we must remember, is not a union, nor is it a representative body for a union or unions. It is a "colition" of labor union women, some militant, some reactionary, some conservative, all representing mostly themselves. In other words, CLUW is not a significant force within the labor movement, but a potential contact-recruiting-propaganda ground for revolutionary politics--dependent on the amount of democracy allowed in the organization. In CLUW, there are many militant and revolutionary working women who we can make contacts with, discuss politics and possibly change or raise their consciousness. We see CLUW as a place that, while we argue for our politics--the politics of a working class struggle--in the process draw militant and revolutionary minded working women around us. These women we bring to our classes, forums, meetings, etc., and possibly they will then fight for our politics within their union--the real power (at this point) in the working class movement.

We must, while we are looking at the advantages to CLUW, recognize its limitations. CLUW, although composed of several hundred women in trade unions, is not a trade union and the women in CLUW represent themselves and not the trade union to which they belong. In other words, decisions made in CLUW meetings are only binding on those women who are CLUW members and cannot be binding on any unions. It is, therefore, a propoganda-suggestion organization whose decisions are only "recommendations" to the labor bureaucrats. For example, CLUW, which postares itself as being for organizing the unorganized (women), cannot itself organize these working women, but merely make suggestions to the trade unions for such organization. Its power, in that respect, is the ability to organize within the unions to support the "recommendations" made by CLUW and this organization will have to include men and women (and CLUW purports to restrict men in the organization). So CLUW takes its place alongside those organizations that have a form, but no power; a voice, but no say. In this context, it cannot be considered as a real working class movement itself, but a "soap box" on which revolutionaries can win worker-militants to the politics of revolutionary Marxism (and to those who will take this context "out there," I do not mean to be another SL!)

We must also recognize for what reasons CLUW was instituted and what real effect we (revolutionaries) might have in it. As was stated before, CLUW was instituted by women bureaucrats to have more "presence" in bureaucratic circles. As the bureaucratic

structure of the organization indicates, it is not to be a fighting workers' organization. The convention of an organization should be the highest and final deciding body, but in CLUW the convention made suggestions to the bureaucrats (National Coordinating Committee) and they went about the business of deciding what they wanted. There were also some convention votes and recommendations that were distorted and rescinded by the NCC. It is apparent that the bureaucrats are "running the show."

Also, we must recognize the probable role of the CPUSA in CLUW. As has been our understanding, several of the main CLUW leaders (Eleanor Glenn, etc.) are former or present CPUSA members. Consistent with the analysis of state capitalism (see section on state capitalism), the CP all over the world has interests to protect world capitalism. The benefit to the CP in being a so-called communist organization is that it can co-opt worker militants and revolutionaries and have them working against the workers' movement and actually trying to control the workers' movement and communist politics. CP members are known to work as non-party, party cadre; in this way, they can isolate militants and red-bait revolutionaries while they claim to be for the best interests of the workers. They play a reformist and conservative role inside the workers' movement while trying to protect world capitalism.

In the same way, the CPUSA cadre inside CLUW can isolate militants, red-bait revolutionaries and direct CLUW in a conservative, reformist direction. Inside CLUW, we must fight for our politics, recognizing the odds and our limitations and, during these fights, expose the CPUSA, the bureaucrats and raise the consciousness of the working women within CLUW.

Recognizing CLUW's benefits and limitations, we should build it only so that we are legitimate in it. CLUW is not a working women's movement, but an organization of working women that we can win to our politics. CLUW should not be built as a working women's movement for to do so would discourage and misdirect many sincere militant workers. To direct women to CLUW with the perspective of building a working women's movement will only discourage those women when they come up against the strength of the CPUSA and bureaucracy, the bureaucratic structure of the organization and the many (apparent) sect fights over certain political issues and demands. If we build CLUW and direct women to join with the clear understanding that we are not building a revolutionary women's organization, but are using CLUW to fight for our politics, we will then, in the process, educate and develop many revolutionary women. These women will not be discouraged by the fact that CLUW does not become a working women's organization, but will learn from the fights and still be able to fight within their unions for a working class perspective.

## 8. Black Nationalism.

In the building of the United States of America (USA), slavery was an important institution. Slaves were needed to provide free labor--slave labor--to build the country, its economics and industry. At the same time, the triangular trade provided an important and profitable market for England. Cheap commodities were shipped from England to Africa; slaves were exchanged for these commodities and, once purchased, shipped from Africa to America. Gold, sugar and rum were the price of the slaves. These commodities were, consequently, shipped from America to Europe. Mercantilism was the system of capitalism which guaranteed that all such trade operated through the colonial empire for the benefit

of the mother country's ruling classes. At a time when men, women and children were being enslaved in the USA, the States purported to be for equality for all. This contradiction between the needs of capital and the "theories" of an economic system based upon commodity exchange had to be reconciled. It was, and quite easily.

The slaves, being of mostly one race and color and from "barbarian" and "heathen" places could easily be isolated from the rest of the population. The justification for their enslavement was their "inferiority"--mentally, spiritually, morally--to the "white" race. This justification, more commonly known as racism, took on a life of its own. These inferior, black slaves, unlike the white slaves, were unable to work their way out of slavery. They were slaves for life, working and breeding more slaves for the "master." Families were separated--mothers torn from their babies, men from their wives. Racism weaved its own tales and spun its own yarns. The antagonism and hatred of blacks by whites intensified as the years went by. Whites saw blacks as not only inferiors, but, at the same time, superiors in sexual activities. White women were restricted to white men and black men to black women while white men had access to both black and white women. Racism was gradually becoming a part of American society--blacks were seen as dirty, heathen, immoral, sex-craved animals, to name only a few.

Following the civil war, when blacks entered the job market (as always, the last hired), racism was well established. White workers reacted from an economical position--they now had the fear of blacks taking their jobs and threatening their apparent economic security. Blacks consistently, throughout history, would wage a class struggle or react or retaliate against white racist acts, while whites would wage a race struggle. For example, in the Civil War, blacks fought against slavery and for the freedom to work and get paid, while poor, southern whites fought to not only keep slavery as an economic institution, but to keep "niggers" in their place. The fear of blacks being free to work is shown in a lot of the reconstruction era films where blacks are depicted as savage and "running the show." In 1919, when white soldiers returned to the States to find that black workers had taken over their jobs, race riots spread throughout the country as whites acted savagely and blacks reacted and retaliated.

Black nationalism is itself a reaction to white racism. Blacks, trying to "assimilate" into American society and finding it practically impossible, reacted to the racist exclusions by being, themselves, racists. Blacks, trying to be white in a white society were viciously attacked and excluded. Crosses were burned on the lawns of black families; black men were castrated, burned and lynched by racist white mobs; black women were humiliated, raped and beaten by whites; black children were viciously attacked, beaten and killed by racist parents "concerned" about "niggers" going to school with their children.

In the black movement of the 1960s, blacks showed their strongest reaction to racism and rejection of "white" America. Blacks had been excluded and so now would say they didn't want to be included. Blacks, culturally separated from Africa from the first, began to relate to and identify with Africa, its customs and heritage. It was easier to reject "white" America and "adjust" to racism than to deal with the causes of racism and overcome it. Blacks had been struggling against racism for a while and now wanted the easy way out. Theories of blacks "creating" whites and the reasons for white's obvious hostility and racism developed in the nationalist movement. To wave white racists aside as being "animals" was easier than confronting them as human beings and dealing with the causes of racism.

Black nationalism is reactionary. Black nationalists want to return to Africa, or at least identify with tribal cultures, while blacks set up communal homes and do African dances on festive days. We, as revolutionaries, want to move forward, take advantage of industrialization and economic expansion. Blacks have been the ones to move first in most instances, but not because they are nationalists, but because they are the most opposed to this society. Their continued exclusion from American society has made them the least ones to benefit from the system as it is and the quickest to take an attitude of "I have nothing to lose." Black nationalism is not progressive but the healthy attitude that blacks have toward the system (the attitude of fuck the system) is what is progressive.

We do not call for independent organizations of blacks for to do so would be to adjust to racism. We do not want to adjust to racism but destroy it! At the same time, we actively oppose black nationalism as being reactionary and counter-revolutionary. Black nationalists have been consistently anti-labor, anti-communist reactionaries. We are for a working class movement and for the institution of a communist society.

While we do not call for independent organizations of blacks, we do not stand opposed to all such organizations. As racism is rigidly a part of American capitalism, we see that it may be necessary for blacks to organize in the class interests against racists, who are counterposed to the class interests. We are against racism and will fight it whenever it rears its head.

(NOTE: Any statements not included herein will follow in separate document or documents.)

SIGNED BY:

Connie  
Lil Joe  
Woody (participated in writing where indicates)  
Michelle  
Bobbie  
Smitty  
Pam  
Dwight  
Cliff  
Slaus

## E.C. STATEMENT ON FORMATION OF SOCIALIST CAUCUS

(The following statement was discussed and adopted 7-0 by the EC at the meeting of Nov. 27).

The E.C. has been informed of the formation of the Socialist Caucus. The caucus was organized by a number of comrades who had been members of the former Socialist Collective. The purpose of the formation of the caucus is to organize discussion around, and win adherents to, the views of the caucus. These views are substantially those which were developed by the former Socialist Collective prior to joining the IS.

The comrades who have organized the Caucus believe that since their joining the IS, their views have not been treated respectfully or discussed seriously. The EC for its part wishes to ensure that there will be adequate and serious discussion of the views of the Socialist Caucus and of all other comrades. Every group of comrades has the right to organize caucuses or factions to struggle for their views. We would hope that a serious, democratic and disciplined discussion, and representation of different views within collaborative leadership bodies, will mitigate against the necessity to form caucuses. Once caucuses are formed, the continuation of open, democratic and disciplined organizational norms will help to prevent caucuses become permanent, rigidifying into tendencies and leading to faction fights.

Therefore we wish to ensure that a discussion is opened which establishes a serious debate of the views of the Socialist Caucus, assures its right to win adherents and receive representation in leadership bodies, while at the same time preventing the rise of factionalism. Moreover, we are all concerned that the group not return to the internal orientation and debating society atmosphere of the past. We are now at a crucial stage of our development, and at a conjuncture when economic crisis, the revival of working class and radical activity, demands that we make the turns necessary to take advantage of the opportunities now opening for us in mass work, at a much greater speed than in the past. Our discussions must go in the context of making sure that our work does not stop, that we continue to get on with the job of building a revolutionary party.

The Executive Committee and the Socialist Caucus are for initiating debate on the questions and views raised by the SC comrades. We wish to do so in a systematic fashion. We do not believe that the raising of all questions at once will enhance either a serious discussion, or prevent the tendency of the organization to turn inward. We are therefore proposing that the discussion begin by taking up at first only two questions, before proceeding further. We propose that these questions be first, questions of labor perspectives including subordinate questions allied to labor perspectives; and secondly, theoretical questions revolving around the Russian Revolution and Permanent Revolution.

For the discussion to occur in a methodical and thoroughgoing manner, we believe that it should begin with a literary debate, i.e. with the exchange of views in writing prior to any ~~exam~~ oral discussions or debates. If proper norms are maintained, if views are discussed respectfully and in a comradely fashion without the necessity for factional exaggeration, then such a debate can have a beneficial effect in clarifying and developing the views of all the comrades and the whole organization.

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## IS EDUCATIONAL PROGRAM

Jack Trautman

This program was presented to the NAC and passed as the basis for the development of a national educational program in the IS. Branches and Organizing Committees should use this program flexibly, and send feedback on it to Jack T.

The Proposed "Introductory Class Series" is really four separate series which, when taken together, form a solid core of understanding of Marxism and IS politics; of historical materialism and strategy and tactics for revolutionaries. The idea is that these classes ought to be handled on a one to one or one to two basis rather than on a one to six or more basis (traditional class). This method will allow for much greater flexibility in scheduling the meetings (which, given the duration of this series, will be essential). It will also allow for much greater flexibility in determining the pace. Some people may not need one or more classes, or even one ~~six~~ or more whole series. Good. They can be skipped. Others may need or wish more than one session on a particular piece. Fine. That can be carried out, as well. The point is to go through the material thoroughly. The material is suitable for contacts as well as for less advanced members, and they can enter it where they feel it most appropriate. Although the current order is recommended, there is no need to fetishize it.

The method of one to one or one to two is not meant to place undue pressure on the most developed comrades. All comrades should be prepared to take on one or two tutees. The general rule of thumb should be that if you can't teach the class you should take it. Needless to say, the experience of having to teach someone else forces one to clarify one's ideas and is an important learning experience itself.

For the first time around branches which feel strapped for an adequate number of people who are adequately prepared to teach this series may wish to revert to the traditional class mode of operation. But in general it should be avoided.

There are good tapes available for some of the classes. Other tapes and better worked-out guidelines for study must now be developed. Tapes exist for: The Communist Manifesto; State and Revolution; the Peasants (its text is ~~six~~ selections from the 18th Brumaire of Louis Bonaparte, but its content is the same as Harris' piece; Results and Prospects; and all five classes in class series C. They will be made available from the NO for a minimal price. It is not recommended that they be used in place of a class, but rather that they be listened to in advance (by tutor, tutee or both). Of course they are not required but only supplemental.

The material itself in the classes is experimental. Suggestions for different readings or for more carefully selected passages will be welcome. So will feedback on methods. Suggestions that are sent in regarding how to carry on these series will be passed along to ~~x~~ other branches.

The other form of nationally-directed class series will be like the two this year for NC and pre-convention discussion. From now on they will be more like the series on stalinism than that on modern capitalism.

¶ In addition to these, branches will of course wish to establish their own class series. Subject to limitations the educational secretary will attempt to help them in recommending materials they should use. This help, however should not be seen as a crutch--branches should attempt to work things out as far as possible and then contact the NO. As before, all information regarding class series should be sent to the ~~x~~ educational secretary.

In addition, individuals and groups will wish to pursue subjects not covered in the above three categories. They should be encouraged to do so to the extent possible. Local ~~xx~~ ~~execs~~ should attempt to find more experienced people for them to work with if they so desire. The NO will attempt to help by providing bibliographies insofar as we are capable of it. Branches, organizing committees, ~~etc~~ etc. should keep me posted on this matter.

The following introductory class series for contacts and less advanced members is aimed at education people in the fundamentals of basic Marxism, the elaborations on it developed by the second generation of revolutionary Marxists, the lessons of the Third International, and the basic of IS politics. For this purpose it is divided into four separate series embodying each of these distinct topics. These classes are experimental: they should be carried out with maximum flexibility and with the intention of providing feedback on their usefulness. As should be ~~xxx~~ obvious, the guidelines provided are not finished. In some cases none are provided for the specific readings; in others they are incomplete. It was not possible to finish them all and get this series in a reasonable time. Over time the outline will be filled in. Those using it should send in their suggestions for changes or additions where they feel they have something to contribute. Similarly, suggestions for alternate readings, particularly if they lighten the burden, are welcome.

#### INTRODUCTORY IS CLASS SERIES

##### A. The fundamentals of Marxism

###### 1. The Communist Manifesto

- Main Points:
- a) What are classes?
  - b) What is the class struggle? What is it all about? What are its possible resolutions? How can it be ended?
  - c) Why is it that "the history of all hitherto existing society is the history of class struggle"?
  - d) What is Marx's attitude toward the bourgeoisie? Why?
  - e) In what way is the state "the executive committee for the ruling class? Why is it?"
  - f) Why is the working class the central agency for change?
  - g) How does capitalism create its own gravediggers?
  - h) What is it now that makes socialism possible when it never was before?

###### 2. Value, Price and Profit

- Main Points:
- a) What is exploitation? What is surplus value? How is it gotten?
  - b) What is the relation of surplus value to the class struggle?
  - c) What is the labor theory of value?
  - d) What is scientific socialism?

###### 3. Man's Worldly Goods (Chapters 1-18)

- Main Points:
- a) How does exploitation under capitalism differ from exploitation under feudalism? Under slavery?
  - b) How and why do the social system change as the economic bases change?
  - c) Law?
  - d) Culture?

4. State and Revolution (Recommended: Sidney Hook, Towards an Understanding of Karl Marx, Chaps 17-19; Marx, The Civil War in France)

Main Points: a) What is the state?

b) What is the dictatorship of the bourgeoisie? What are its possible forms?

c) What is parliamentary democracy?

d) Why is a revolution necessary to end the dictatorship of the bourgeoisie?

e) What is the dictatorship of the proletariat? What did it look like in the Paris Commune? In the Russian Revolution?

f) Why must the dictatorship of the proletariat be a democracy, as opposed to the dictatorship of the bourgeoisie?

g) Under what conditions will the dictatorship of the proletariat (the state) wither away?

5. The Revolutionary Role of the Peasants (Nigel Harris in IS #41; to be reprinted in forthcoming pamphlet on China)

Main Points: a) What is it about peasant life that prevents the peasantry from carrying through a revolutionary overturn by themselves?

b) Why are the peasants unable to rule themselves or to control their own leaders?

c) Is a revolutionary alliance between workers and peasants possible? On what basis?

## B. The further elaboration of Marxism

1. Reform and Revolution (Luxembourg); Revolutionary Leadership (Patrick)

2. Party and Class (Harman); also, if possible selections from Trotsky's The Russian Revolution: Vol. 1, Chapt 8 (Who led the February Insurrection?), Vol 2, Chapt 13 (The Bolsheviks and the Soviets), Vol. 3, Chapt. 6 (The art of Insurrection).

Main Points: a) What is the role of the revolutionary party?

b) Why is a revolutionary party necessary?

c) How does a revolutionary party differ from a social democratic party?

d) How does it differ from a stalinist party?

e) What is the importance of discipline? Is it undemocratic?

f) Discuss the relation of the party to the state.

3. The Right of Nations to Self-Determination; also, if possible, JT, Lenin on the National Question, Draper, the ABCs of National Liberation (both from The Socialist Experience #6, "National Liberation and Class Struggle -- forthcoming)

Main Points: a) How may nationalism conflict with the class struggle? What is the role of the bourgeoisie in this process?

b) Is there a difference between the nationalism of an oppressor nation and that of an oppressed nation? If so, what is it? What is the reason for the difference?

c) Why do revolutionaries stand for the right of all oppressed nations to self-determination?

d) What does the right to self-determination mean?



- e) Are we for it even under bourgeois or stalinist leadership? Why?
- f) Can the proletariat of the oppressor nation be won to support of this point of view? How?

**4. Results and Prospects (Theory of Permanent Revolution)**

- Main Points:**
- a) How did socialism become possible in the advanced countries?
  - b) Do the backward countries have to go through the same experience? How can they be avoided?
  - c) What is peculiar about the bourgeoisie in the backward countries?
  - d) About the development of industry?
  - e) Why is it "possible for the workers to come to power in an economically backward country sooner than in an advanced country"?
  - f) When the proletariat comes to power in a backward country does it establish socialism? How does that process occur?
  - g) What happens if the revolution fails to spread? Why?
  - h) How does it spread the revolution?
  - i) Is Socialism in one country possible? Why?
  - j) What does the theory of permanent revolution have to do with oppressed nations?

**5. Imperialism, The Highest State of Capitalism**

**C. The Experience of the Third International**

- 1. The Russian Revolution (selections from Trotsky, tape)
- 2. The World Revolution (tape, Frolich, Rosa Luxemburg, chaps. 11-14)
- 3. Defeat of the Russian Revolution (Schachtman, "Is Russia a Workers State?", Serge, From Lenin to Stalin)
- 4. The Rise of Fascism (IS selections from Trotsky; tape; recommended: Chile pamphlet)
- 5. The Popular Front ("The Popular Front of the 1930's; Revolution and Counter-Revolution in Spain by Felix Morrow)

**D. IS Politics**

- 1. Modern capitalism (Document adopted at the convention)
- 2. Stalinism (document adopted at the convention)
- 3. Unions (IS Labor Perspectives; Hyman, "Marxism and the Sociology of Trade Unions" & selections from Left Wing Communism)
- 4. Blacks (IS black perspectives)
- 5. Women --?
- 6. Democratic Party - Labor Party - ?

EC MINUTES 11/27

Present: ALL

O.NATSEC REPORT. Membership: 1) Application for MAL from Pittsburgh PASSED ALL FOR. Resignation of RS in Madison noted (RS was previously suspended by the EC for refusing to withdraw from candidacy for county sheriff on a reform-the-jails program, a campaign of which we were not notified until it was already well in progress. See earlier EC minutes).

Louisville: proposal for organizer discussed. EC is favorably disposed to the proposal, and MD will draw up concrete motion for next meeting.

New York. MOTION: The EC has been asked to re-discuss our attitude toward Mike S. ~~xxxxxx~~ remaining in New York. The EC is still committed to concentrating our resources on the building of industrial centers. Since making our initial decisions, a number of factors have changed in the NY situation. The branch has begun to recruit; there have developed greater opportunities in ~~xxxxxxx~~ industry, while on the other hand there has been a weakening of the branch exec and the organizer will shortly be transferred to Los Angeles. The EC is therefore for MS remaining in NY, contingent upon our ability in collaboration with the branch exec to shift the branch to an industrial concentration, and to overcome the weakening of branch leadership. Specifically, we are for:

1) The consolidation of the CWA fraction, primarily through recruitment.

2) The creation of a UAW fraction.

3) The gradual shift of the AFT fraction to concentration on NY rather than New Rochelle.

4) The above to be carried out through a vigorous program of recruitment, and the industrialization of older comrades and new recruits, almost entirely in IBT and UAW.

5) Organizing branch life around industrial and trade union, including CLUW, activity.

6) Continuation of the work of the branch in Philadelphia and in establishing a Latin study group.

7) Strengthening the branch leadership and exec.

8) If the EC can convince the branch of the above program, and secure the branch's rapid action on it, the EC is for securing an organizer for the branch. We recognize that there is now no immediate possibility of this and we cannot promise rapid fulfillment of this pledge.

1. SOCIALIST CAUCUS. Discussion of formation of Socialist Caucus and program for initiating organized debate throughout the organization on the important questions. A motion on this question was PASSED ALL FOR. (Attached).

2. BOSTON DEMO AGAINST RACISM. Report on ~~xxxxxxxxxx~~ demonstrations to take place in Boston Nov. 30 and Dec. 14, and our attitude. Joe to draft national leaflet for the demonstrations (both in Boston and solidarity action elsewhere) to be discussed next week. The EC also discussed whether the IS should, in addition to urging the largest possible attendance for these demos, formally endorse the demo of Dec. 14 despite the fact that its political line is a totally liberal one and doesn't actually defend the busing program itself.

MOTION: 1) The IS supports the mobilization in Boston on Dec. 14.

2) The NY branch will mobilize for the demonstration, including its trade union ~~xxxxxx~~ contacts.

3) In other cities in the East and Midwest where there are functioning committees, branches should take part in them - and decide on whether to mobilize for the Boston demo on the basis of local conditions (e.g. are people going to Boston or will there be local support activity, etc.).

4) In the unions and CLUW we will introduce motions of support, and try to get people out for the demonstration if feasible.

5) The politics of the demonstration are apolitical and liberal. It does not even take a strong stand on the issue of busing. The EC will draft a national leaflet for national distribution, to politically motivate the demonstration

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P.O. Box 187, Fitzroy 3065, Australia. Subscription rates are not listed, but \$5 should cover the cost of a year's sub.

3. BOSTON. Draft of national leaflet presented by Joe. Politically the draft was accepted; editorial work and elaboration of a few points to be worked on by Joe and JG. A lengthier statement based on revised and updated version of initial IS statement on Boston busing crisis to appear in WP (MD and JT to consult with GS).

4. DETROIT BRANCH. Report on progress of work of Detroit branch ~~XXXXXXXXXX~~ commission.

5. NC EVALUATION AND FOLLOW UP. The bulk of the discussion was a political evaluation of the NC meeting (see attached NATSEC REPORT). In general we felt the meeting had many shortcomings flowing largely from the failure of the EC to adequately prepare the discussions and clearly fight for what we wanted to come out of the discussions. Where this was done, i.e. in the case of the industrialization discussion, the debate was clearly the best from all points of view.

We will be taking up all the motions reported out by the committees. At this meeting, however, we dealt only with those we could handle quickly and without important controversy.

From organizational committee: (1) The motion that work in the black community which is critical to our development is to be considered the responsibility of the whole organization, and not to be assigned to black comrades as their particular exclusive responsibility, PASSED ALL FOR. (2) The motion that branch execs are to report out their decisions in the form of regular minutes PASSED ALL FOR.

From trade union committee: JW to begin preparing implementation of motion on emergency colonization in NJ contingent on hiring prospects.

From education committee:

Motion: The role of branch education committees is to implement the EC educational program and to make sure this program is being carried out. PASSED.

Motion: A letter from EC and education be sent to branches, demanding the EC program be implemented, and that they report in writing to the EC via the educational secretary on their program, including any modifications they propose. If there are differences with the conception of the program these should also be put forth in writing to the EC and the organization.

Motion: We feel a theoretical journal is necessary as soon as possible for creating a more political climate inside the organization. TABLED.

Motion: We organize public debates with other important political tendencies (including CP) to aid both in recruitment and in the development of our membership. PASSED (DF, JG abstain).

MOTION: The branches will be asked to organize discussions for branch mtgs that arise from current news (this includes WP articles) or the work place. These discussions should attempt to generalize from the particular - to explain the theoretical underpinnings of our point of view (e.g. in Boston: the role of the state; why we support busing, etc.). The purpose is to prepare comrades to argue these points with fellow workers. PASSED.

Motion: For organizing one-day educational schools on specific topics every two months. PASSED (An amendment to make this once every month FAILED).

The first of these to be organized will be on the questions of: unemployment; party-building; China; and United Front. (An amendment to replace China by the United Front FAILED, in favor of adding the united front as an additional topic).

NATIONAL SECRETARY'S REPORT December 5, 1974

1. NC Assessment: Overall this NC was not a step forward. With the exception

of the industrialization discussion and the NC committees which were quite good, the sessions were disappointing. One of the major problems was that the discussions were not well prepared for by the EC  $\zeta$ , and a clear position was not taken (except for the industrialization discussion), nor were the documents out soon enough.

Although the youth perspectives passed overwhelmingly, there was little enthusiasm shown by the national leadership for the formation of an IS youth organization. This was somewhat mystifying, since this development is clearly one of the most important ones for the IS in the last 4 years or so. Secondly, the discussions on the economy and unemployment perspectives demonstrated that the NC has still not learned to discuss, decide, and in general give leadership to the organization on certain questions. There is still much of the discussion group mentality where the important thing is to make clear any differences, as opposed to putting those differences into the context of basic agreement, thereby providing guidance to the organization as a whole. The CLUW discussion was fair, but again there was little important input from the delegates around the country. And finally, the lack of enthusiasm for increasing the circulation of Workers Power was very disappointing.

In contrast, the industrialization campaign discussion was quite good. The issues were clearly debated, a few comrades were moved by the discussion, and a clear decision was made. This was due primarily to the fact that the EC had the document out earlier than the rest, and had attempted in some branches to carry the discussion.

The first meetings of the NC committees were also quite good. It is clear that the formation of these committees will be important in giving continuity to the NC and will help make it more of a working leadership body. It was also clear that most of the committees needed more time, and that we will have to have more time for the committee reports and a better procedure for handling those reports so that all motions do not have to be automatically tabled to the EC.

Lastly, the agenda was too crowded, and in structuring the February NC, the EC will take care to structure in more free time.

2. Recruitment: 3 more comrades joined, one each in Rk Pittsburgh, Seattle, Portland.