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WORLD MOVEMENT REPORT

By Andrew Pulley

(The general line of this report was approved by the National Committee on June 7, 1973.)

The purpose of this report is to present to you the thinking of the YSA National Executive Committee on the disputed questions currently under discussion in the Fourth International. This discussion is focused on differences over questions that raise fundamental Leninist principles.

The adaptation to the Castroist rural guerrilla war strategy in Latin America approved by the majority of delegates at the Third World Congress Since Reunification (Ninth World Congress) totally disoriented our Bolivian comrades during a revolutionary period of mass upsurge with disastrous results. Despite their personal heroism and courage, the official Argentine section of the Fourth International has followed the line of the last world congress to its logical conclusion and has politically degenerated into a populist-terrorist group.

Many of the methodological errors that underlie the resolution on Latin America adopted by the last world congress are clearly reflected in the document entitled, "Building Revolutionary Parties in Capitalist Europe" which was adopted by a majority of the International Executive Committee at its plenum in December, 1972. This document also employs the schematic projection of a time table for revolution and a continental strategy which tries to find a shortcut to the construction of a mass revolutionary party.

At this same IEC meeting last December, a majority defeated a resolution which clearly opposed the Provisional Revolutionary Government's call for a coalition government with the bourgeoisie in Vietnam. The majority adopted a resolution which expressed confidence in the political line of the Vietnamese Communist Party and in its ability to lead the Vietnamese workers and peasants to socialism.

Also at that same meeting, a document entitled, "Argentina and Bolivia--the Balance Sheet," was submitted by comrades Hugo Blanco, Peter Camejo, Joseph Hansen, Anibal Lorenzo and Nahuel Moreno. This document called for the formation of a tendency to reverse the erroneous guerrilla warfare strategy and to return to the program and method of the Transitional Program. That document was rejected by the IEC majority.

A majority of the IEC formed a tendency based on the line of the European perspectives document and for reaffirming the guerrilla war strategy of the last world congress. The IEC Majority Tendency also stands on the document written by Comrade Ernest Germain entitled, "In Defence of Leninism: In Defence of the Fourth International."

Leninist-Trotskyist Tendency

In March of this year, some leaders of the international movement met in Santiago, Chile, and decided to take the responsibility to organize the Leninist-Trotskyist Tendency. Its platform is the following:

1. For approval of the general line of the document "Argentina and Bolivia--the Balance Sheet."
2. For reversal of the Latin American guerrilla war orientation adopted at the Third World Congress Since Reunification (Ninth World Congress).
3. For reversal of the projections of this turn in various fields as it became extended both geographically and programatically following the congress.
4. For resumption by the leading bodies of the Fourth International of the method outlined in the Transitional Program to solve the problems we face in bidding for leadership of the proletariat in the class struggle.
5. For reaffirming the basic program, tradition, and practices of the Fourth International as they stood up to the time of the Third World Congress Since Reunification (Ninth World Congress), that is, specifically, of commitment to the Leninist strategy of building a combat party. The more revolutionary the situation, the more decisive becomes the role of such a party.
6. For democratic organization of the coming world congress. In addition to representation, this means specifically the translation and distribution of the documents in at least French, German, Spanish and English well in advance of the congress so that the membership of the Fourth International can have adequate time to study, debate and decide on them.
7. Against any moves that endanger the authority of the coming congress and the unity of the Fourth International such as undemocratic selection of delegates, curtailment of discussion, or failure to issue, translate, and distribute resolutions and other documents on schedule.

The membership requirement of the Leninist-Trotskyist Tendency is agreement with this platform. All those in agreement must take an open stand and inform the leadership of their organization.

Owing to reactionary legislation, the YSA and the SWP are not formally affiliated to the Fourth International. But the YSA is one of the largest organizations in political solidarity with the International, and we are certainly part of the world Trotskyist movement. We play an active role in the debates within the International, seeking to clarify the disputed questions and endeavoring to resolve them on a correct principled basis which is indispensable for the building of mass Trotskyist parties and youth organizations,

Internationalism

Our internationalism flows from our understanding of the impossibility of achieving the liberation of the working class and its allies, without the defeat of capitalism on a world scale. We understand capitalism to be a world system, an international system, not a national one. Therefore, any struggle of the oppressed anywhere in the world, whether it be in Vietnam, Latin America or France, is of great importance to us. These struggles are in fact our struggles, the struggles of our class and its allies. In order to lead our class to victory, it is necessary to build the Fourth International on fundamentally Trotskyist principles in all countries.

Ever since Marx and Engels in the Communist Manifesto called for workers of the world to unite, the vanguard of the world's labor movement has tried to build the necessary vehicle for workers power. The First, Second and Third Internationals failed to carry out this historic task. They were all won away from the revolutionary program and degenerated into obstacles across the revolutionary path.

The Comintern, or Third International, organized by Lenin and Trotsky with the authority of the October Russian revolution and the program of the Bolshevik Party, attracted hundreds of thousands of revolutionists to its banner. However, with the rise to power of the Stalinist bureaucracy in the Soviet Union accompanied by the suppression of both workers democracy outside and inside the party, the rejection of proletarian internationalism and the theory of the permanent revolution, and the acceptance of the theory of "socialism in a single country" which rationalized the class-collaborationist practices of the bureaucracy, the parties of the Comintern degenerated. They were transformed into diplomatic agencies seeking favors for the privileged caste in the Kremlin from the ruling classes in their own countries. These Stalinist parties led the working class to defeat in country after country. Finally, in Germany in 1933, following the orders of the Kremlin, the CP refused to form a united front with the Socialist Party, and stood by and watched Hitler come to power without a struggle. In the face of this historic defeat Trotsky concluded that the Third International could not be reformed into a revolutionary instrument, and that it was necessary to begin to build a new International, the Fourth International.

Members of the International Left Opposition, Leninists from around the world who had been expelled from the Com-

munist Parties for advocating a revolutionary socialist program, answered Trotsky's call. The American Trotskyists played a key role in helping to make contact with Trotskyists all over the world before the call for the formation of the Fourth International. When that call was made, the SWP, together with Trotsky, played an instrumental role in founding the Fourth International in 1938.

Transitional Program

The SWP was the first party to adopt the Transitional Program and, in concurrence with Trotsky's request, the SWP presented it to the founding world congress of the Fourth International. The first sentence of the Transitional Program states, "The world political situation as a whole is chiefly characterized by a historical crisis of the leadership of the proletariat." That was true 30 years ago and it's true today.

The historical task of the Fourth International is to solve that crisis of leadership of the working class and its allies. The program and method to that end is the Transitional Program. This is one of its central concepts:

The strategic task of the next period--a prerevolutionary period of agitation, propaganda, and organization--consists in overcoming the contradiction between the maturity of the objective revolutionary conditions and the immaturity of the proletariat and its vanguard (the confusion and disappointment of the older generation, the inexperience of the younger generation). It is necessary to help the masses in the process of the daily struggle to find a bridge between the present demands and the socialist program of the revolution. This bridge should include a system of transitional demands, stemming from today's conditions and from today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat.

In those words Trotsky summarized our historic mission and the programmatic concepts essential to accomplish it.

In the United States, the dominant imperialist power that attempts to preserve capitalist rule on a world scale by trying to crush revolution wherever it develops, proletarian internationalism is fundamental to revolutionists. Our task is to fight against that imperialist power, to take the lead in the struggle to build a world party capable of leading the fight to end capitalist rule.

Development of Current Debate

In the world movement report to our plenum last June, Comrade Andy Rose discussed the differences in the world movement as they had emerged at the last world congress in 1969. Permit me to briefly review them.

The most serious difference was over the strategic orientation of the Trotskyist movement in Latin America. The

majority at the last world congress theorized that because of immense repression carried out by the military dictatorships in the bulk of Latin American countries, it was impossible to do open mass work in the unions and among the youth.

This problem existed in spite of their erroneous assertion that the peasants had assimilated the lessons of the Cuban revolution and that the whole continent was in a prerevolutionary period. The majority concluded that the correct strategy was rural guerrilla warfare on a continental scale for a prolonged period. They felt that even if a mass movement did develop and threatened capitalist rule, it would be immediately crushed by the intervention of imperialism. They felt that a Bolshevik party could not be constructed without implementing the rural guerrilla war strategy. Comrade Livio Maitan, a leader of the IEC Majority Tendency and the reporter on the Latin American resolution at the last world congress, maintained that the Fourth International would make a fast breakthrough in Bolivia and had to subordinate other work towards that end.

A minority at the last world congress--about one third of the delegates whom the SWP and the YSA supported--rejected this doomsday analysis, the "big breakthrough" schema, and rural guerrilla warfare as a strategy. The minority said that the class struggle in Latin America would, in general, tend to follow a more classical pattern with the urban working class playing a decisive role. The minority said that the revolutionary party must fight for their demands, root themselves in these mass struggles, recruit from them, and, using the method of the Transitional Program, build the party to lead the working class to power. We view guerrilla warfare as one of many tactics that can be utilized in the course of the struggle for state power.

The minority warned that the guerrilla warfare line as a strategy would not be restricted to Latin America, but would inevitably be extended to other parts of the world. The minority pointed out that if this line were applied in Latin America, it would decimate our cadres there.

In addition to Latin America, there were differences at the last world congress over the characterization of the Chinese regime. There were differences on the definition of Stalinism. The majority felt that Peking's foreign policy was often objectively revolutionary and that the regime itself was bureaucratic centrist.

The minority rejected this position and pointed out the fundamentally opportunist line of the Chinese Communist Party and ruling caste. We held that it was a Stalinist bureaucracy, a crystallized caste, a petty bourgeois social formation. Comrade Joseph Hansen, a leader of the Socialist Workers Party, pointed to Mao's overtures to Nixon and predicted a rapprochement.

In spite of the majority's characterization of the Mao regime as bureaucratic centrist with an objectively revolu-

tionary foreign policy, it concurred with the call for a political revolution to eliminate Mao's bureaucratic caste to achieve worker's democracy. Although this was inconsistent we viewed it as a step forward as it was the first time that the International had specifically called for political revolution in China.

Prior to the world congress, the United Secretariat had unanimously approved the document entitled, "The Worldwide Youth Radicalization and the Tasks of the Fourth International," to present to the congress. During the pre-congress discussion there were no differences expressed on this document. Therefore, it was a surprise to us when we were confronted at the world congress with opposition to the analysis and tasks outlined in the document. As a result of these last minute differences, it was agreed that a vote would not be taken on the document at the congress and that it would serve to initiate the discussion.

The IEC Majority Tendency has since expressed their disagreement with this document by dissolving Trotskyist youth organizations throughout Europe.

We feel that in order to best take advantage of the opportunities in the student movement provided by the worldwide youth radicalization, it is necessary to construct Trotskyist youth organizations to lead these youth in an anti-capitalist and pro-working class direction.

As you know, the YSA adopted the youth radicalization document at our 1969 convention. The report by Comrade Rose to this plenum will draw a balance sheet on the student movement and our approach to it since that time. (This has since been printed in International Internal Discussion Bulletin, Vol. 10, No. 19. --A. P.)

Test of Events

What happened in Latin America? Did the class struggle confirm our prognosis, or did it proceed in accordance with the line of the IEC majority? In other words, did the class struggle consist fundamentally of rural guerrilla warfare for a prolonged period on a continental scale?

In Latin America, four countries experienced pre-revolutionary situations. They were Chile, Uruguay, Bolivia and Argentina. In all four countries the class struggle was characterized by mass urban mobilizations of the working class and the youth. Rural guerrilla warfare was not the main form of struggle in any one of these countries! In fact, it has progressively disappeared even in all the countries where it existed at the time of the world congress, except Colombia. The rural guerrilla groups, bypassed by the class struggle, migrated to the cities trying to "link" themselves up with the masses.

The strategy of the guerrilla currents, including the Bolivian and Argentine sections of the Fourth International, made

it easier for the bourgeoisie to attack them as they were isolated from the masses. The comrades who followed the guerrilla warfare line were caught off guard by the big opportunities that opened up with the mass upsurges.

What Happened in Bolivia?

As early as May 1, 1968, the masses in Bolivia began to confront the military dictatorship in the streets. Scores of demonstrations in major cities condemned the Barrientos regime for aiding the US in murdering Che Guevara. The government did not attempt to break up these actions. This signified a victory for the mass movement which spurred it onward. The movement became bigger and broader, tending to follow the classical patterns of proletarian revolution.

Barrientos was succeeded by Salinas, who was ousted by Ovando in a coup d'etat on September 26, 1969. Under the Ovando regime, the trade unions began to function. The Central Obrera Boliviana (COB), the national trade union federation, began to rebuild its structure. The masses of the proletariat, students, teachers, the urban petty bourgeoisie and sectors of the peasantry, began exploiting the semi-legal openings to win some important gains. These actions were so significant that they enabled the COB to engage in open mass work. In some actions the students took over entire campuses. Deep divisions developed within the army and the ruling class as a result of the mass mobilizations.

A national crisis was precipitated by a battle for control of the University of San Marcos which led to Ovando's resignation and a new government headed by General Miranda who represented the right wing of the Bolivian ruling class.

Mass explosions broke out. Students and workers took to the streets to block the rightist takeover. General Torres declared his opposition to the dictatorship. The miners union federation called for arms to defend their social gains and raised a series of demands including nationalization of imperialist holdings. The COB called for a general strike and ordered its members to stop the troop movements in La Paz. Armed civilians assaulted the houses of ultra-right military men.

The counter-revolutionary forces attempted another coup in January, 1971. Again they were beaten back. Thousands of miners paraded through the streets of La Paz calling for a socialist revolution.

During the October upsurge the COB and the left parties had set up a Political Command. In February the Political Command converted itself into the Popular Assembly. This was very significant. The Popular Assembly had the potential of becoming a soviet. This indicated the desire of the working class to form a common fighting front with its natural allies to struggle for state power. Its grave weakness

was the absence of representation from the ranks of the army and the absence of significant support from the peasantry. Above all, it lacked a revolutionary socialist party to lead it.

On August 15, 1971, 15,000 rightists demonstrated in Santa Cruz. Torres tried to arrest some of the rightist generals, including Banzer. This sparked a bid for power by the right-wing forces in the army four days later.

The reformist leadership of the working class--which consisted of the pro-Moscow Communist Party, the Partido Obrero Revolucionario (Lora) and the heads of the miners union--were indecisive and paralyzed, waiting for Torres to do something. This allowed the relationship of class forces to shift in favor of the rightists. The army ranks went over to the side of the counterrevolution. The virtually unarmed working class began to refuse appeals for them to challenge the army. The workers had become demoralized and only a small vanguard of workers and students confronted the army. They fought heroically, but proved to be an insufficient force against the Banzer coup.

The coup launched a murderous repressive campaign against the left organizations. The working class suffered a heavy blow. Today, confusion and demoralization prevail. However, the class struggle will continue. Given the incapability of the Bolivian capitalist class to solve the socio-economic problems in any way--its inability to mobilize the petty bourgeoisie to construct a fascist regime and its inability to set up a reformist regime with broad mass support--the working class can be counted on to resume its struggle as it did under earlier regimes.

Strategy of the Bolivian Section

What was the orientation of our comrades during this pre-revolutionary and revolutionary period of mass struggles of workers and students in Bolivia? Our comrades of the Partido Obrero Revolucionario (Gonzales)--Revolutionary Workers Party, the Bolivian section of the Fourth International--were politically blinded and disarmed by the line of the last world congress. They were engaged in technical preparations for rural guerrilla war. As a result they played no role in the uprising in October, 1970. They were absent from the united front organizations which created the Political Command. The development of the class struggle caught them off guard.

The POR (G) finally realized that the class struggle was not proceeding in accordance with the projection made at the last world congress, but the Bolivian section turned its back on the existing Political Command, because it was bureaucratic and led by reformists--just as the trade unions are. The POR(G) should have oriented to this already existing Political Command which had mass working class support. They should have tried to join it and win it away from the misleadership of the reformist union leaders, the Stalinists, and the POR (Lora).

The Bolivian comrades, after the January, 1971, insurrection which gave birth to the Popular Assembly, made a turn towards it but still maintained an aloof attitude. When the turn was made, the POR (G) initially limited its intervention to speech making. They viewed the Popular Assembly as a kind of national parliament, not as a body with the potential of becoming a soviet and taking power. Although our comrades pointed out the need to arm the masses against the coming rightist coup, they also made this call in an abstract way--not tied to the question of intervening in the Popular Assembly or winning over the ranks of the army. The POR (G) felt that the real struggle would come after Torres was overthrown--that is, when guerrilla war would be launched.

Our comrades also failed to raise a correct governmental slogan. Under Ovando they should have called for all power to the COB which was the largest and most influential mass workers organization at that time. Under the Torres regime, the POR (G) should have raised the slogan of all power to the Political Command and then to the Popular Assembly.

It was necessary to broaden the influence of the Popular Assembly among the peasantry and the ranks of the army. Instead of working within the army, our comrades called on the progressive soldiers to desert and join a non-existent "revolutionary army."

After the workers movement was defeated with the victory of the rightist coup, the POR (G) joined with the betrayers of the revolution in the Frente Revolucionario Antiimperialista (FRA--Anti-Imperialist Revolutionary Front) which has a class collaborationist program.

Germain's Distortions

Comrade Germain, in an attempt to refute our arguments, has produced a brilliant piece of demagoguery full of distortions and statements which are not factual in his document entitled, "In Defence of Leninism: In Defence of the Fourth International." For now, let me correct some factual errors and distortions he makes in defending the implementation of the last world congress line by our Bolivian comrades.

Comrade Germain says that the line of the last world congress was not rural guerrilla war. He says that Joe Hansen and the Leninist-Trotskyist Tendency are all wrong. He says that he doesn't know where we got this idea. But let's look at the Resolution on Latin America that was adopted by the last world congress:

Even in the case of countries where large mobilizations and class conflicts in the cities may occur first, civil war will take manifold forms of armed struggle, in which the principal axis for a whole period will be rural guerrilla warfare, the term having primarily a geographical-military meaning and not necessarily implying an

exclusively peasant composition of the fighting detachments (or even necessarily preponderantly peasant composition). In this sense, armed struggle in Latin America means fundamentally rural guerrilla warfare. (International Internal Discussion Bulletin, Discussion on Latin America (1968-1972), p. 48.)

Comrade Germain asks how we can conclude this to mean what it emphatically says. He says that although the document was open to interpretation, it certainly didn't mean guerrilla warfare.

But it was not only the minority at the last world congress who interpreted the line to mean rural guerrilla war. Comrade Livio Maitain also interpreted it to mean rural guerrilla warfare as a strategy. In an article in Intercontinental Press he stated:

This is why we share the conclusion of the great majority of Latin American revolutionists--that is, for a phase of revolution whose length cannot be predicted a priori but which in general will probably be long, the armed struggle will be fundamentally a guerrilla struggle.... If you take account of the geographical facts, the demographical structures of the majority of the population, and technical and military considerations stressed by Che himself, it follows that the variant of rural guerrilla warfare on a continent-wide scale will be the most probable one. ("Cuba, Military Reformism, and Armed Struggle in Latin America," Intercontinental Press, April 20, 1970, p. 360.)

So comrades, it appears that Comrade Maitain interpreted the line to be rural guerrilla warfare too! But most tragic of all is that scores of comrades have unnecessarily lost their lives carrying out the line of guerrilla warfare. Did these comrades die because they misinterpreted the line of the last world congress? It looks like Comrade Germain is the only one who really knew what the line was all about!

According to Comrade Germain, "The Bolivian section of the Fourth International, which had begun to prepare its cadres for armed struggle during the period of the Barrientos dictatorship, and had centered its orientation towards guerrilla warfare under that dictatorship, understood the necessity of making a turn as soon as the Ovando dictatorship allowed a semi-legal margin for working class activities. It started to publish a semi-legal paper, repenetrating the unions, and raised a whole series of appropriate demands...." ("In Defence of Leninism: In Defence of the Fourth International," IIDB, Vol. 10, No. 4, pp. 6-7.)

If the comrades understood the need to orient towards the mass movement, they certainly did not do so. In an interview printed in IP, Comrade Hugo Gonzalez Moscoso, a leader of the POR (G) explained their real position. "Under the Ovando government the party operated in completely

clandestine conditions and was totally absorbed in armed work." ("The Current Situation in Bolivia," IP, June 14, 1971; reprinted in IIDB, Vol. 10, No. 14, p. 48.)

Comrade Germain says, "It is simple nonsense to say that during the Torres regime they [the POR (G)] were preparing 'rural guerrilla warfare'; they were preparing and had started to organize workers and peasants militias." ("In Defence of Leninism: In Defence of the Fourth International," p. 9.)

Is it really nonsense to say that the POR (G) was preparing to carry out guerrilla warfare? Not according to Combate, the newspaper of the POR (G). In November, 1970, a month after Torres came to power, its headline read, "Despite the setbacks, guerrilla warfare continues to be the way to national and social liberation." (IIDB, Vol. 10, No. 14, p. 45.) The POR (G) only began to make a turn after the insurrectionary struggles in January, 1971.

Comrade Germain says that it was correct for the POR (G) not to join the Political Command of the COB because the Movimiento Nacionalista Revolucionaria (MNR), a bourgeois party, was in it. He also says that it was correct for the POR (G) to join the Anti-Imperialist Revolutionary Front (FRA).

But the Political Command was the leadership of the central trade union federation, and as the mass movement developed, the Political Command expelled the MNR and developed into the Popular Assembly, an incipient soviet. What is the FRA? The FRA consists of the CP, the POR (Lora) and some capitalist and ex-military forces initially including General Torres himself, all under a class collaborationist program which no one in the FRA is allowed to criticize publicly. Today these people call for armed struggle in words--only to cover up for their betrayal yesterday when mass armed struggle for power was on the agenda. Our comrades should not be allied with them. They should be exposing their pernicious role and trying to win the masses away from their influence. But our comrades have subordinated their politics because they want to use the FRA as a vehicle to launch guerrilla war.

The IEC Majority Tendency is making their stand on Bolivia. They say that it was a test of their line. We agree it was a test, but we maintain that it proves the complete bankruptcy of their position.

What Happened in Argentina?

Unlike Bolivia, in Argentina there existed two groups affiliated with the Fourth International. One group, the Partido Revolucionario de los Trabajadores (Combatiente)--Revolutionary Workers Party--agreed with the majority at the last world congress and was recognized as the official section. The other group, the PRT (La Verdad) agreed with the minority and was recognized as a sympathizing section.

The PRT (Combatiente) carried out urban guerrilla warfare. The PRT (Verdad) carried out the Leninist strategy of party building. In the course of this the La Verdad group fused with the Argentine Socialist Party and has since changed its name to the Partido Socialista de los Trabajadores (Socialist Workers Party).

Just as in Bolivia, the development of the class struggle in Argentina rejected the IEC majority's rural guerrilla warfare schema and developed along lines similar to the "classical variant" of the Russian revolution, that is, mass mobilizations of the working class and its allies in the urban areas.

The situation in Argentina has been pre-revolutionary since May, 1969, when a semi-insurrectionary situation occurred in Rosario, touched off by a student struggle. A general strike paralyzed Rosario and major flare-ups took place in other cities, the biggest and most violent taking place in Cordoba. The word "Cordobazo" was derived from that great struggle.

These semi-insurrections altered the relationship of class forces. No longer was the working class retreating; it was advancing. This advance caused confusion among the ruling class and the military. They used both repression and concession, but every concession only whetted the masses' appetite for more. Bending to the pressure of the first Cordobazo, the government promised to ease the repression, but resumed its hard line when it felt it was safe.

The working masses responded to this repression in what is known as the second Cordobazo. This consisted of a paralyzing strike in the city, massive street demonstrations, the setting up of barricades and clashes with the police and army. This mass struggle compelled the ruling class to shift its orientation under General Ongania, later ousting him by a coup d'etat in June, 1970. General Levingston, who replaced Ongania, was himself ousted by a coup which installed General Lanusse.

The military government of Lanusse called for elections and made a deal with Peron to use his immense influence to attempt to strangle the mass movement in bourgeois parliamentarism. The election has since been held with the Peronist Campora winning overwhelmingly and the military government resigning.

Campora took office on May 25 and 40,000 people demonstrated at a prison demanding he release the political prisoners. The masses have tremendous illusions in Peronism. These illusions will begin to be dispelled as Campora proves to be incapable of solving the economic problems confronting the Argentine workers, and thus proves to be a servant of capitalism and imperialism.

The Argentine developments are proof that the mass actions of the working class and its allies are stronger than the military dictatorship and can force it to retreat. They are

a stunning reminder to those who have confidence in the power of the bourgeoisie, but have little confidence in the power of the masses of workers!

Two Lines in Action

How did the comrades of the PRT (Combatiente)--the group that refuses to call itself Trotskyist and that hopes to form a Fifth International with General Giap, Mao Tse-tung, Kim Il Sung, Fidel Castro and the Albanian CP--relate to the class struggle in Argentina? Well, at least they realized that the action was in the cities. They carried out urban guerrilla warfare, and engaged in terrorist actions including kidnapping. They think they are in the midst of a civil war and that they're the nucleus of the Red Army.

Comrade Germain says that the actions led by the PRT (Combatiente)'s Ejercito Revolucionario del Pueblo (Revolutionary Army of the People) are not terrorist. In his "Defence of Leninism," he compares the kidnapping and subsequent execution of Sallustro and other acts of the PRT-ERP with the mass armed peasant movement led by Hugo Blanco which involved hundreds and thousands of Peruvian peasants defending their land against the big landlords. Where is the similarity? Where is the comparison in the action led by Blanco and that of the PRT-ERP? Well, they both used arms and people got killed in both, but Germain doesn't point out that Blanco's action, as against the PRT-ERP's, grew out of and were a part of the mass movement!

Unlike the PRT-ERP, the PRT (Verdad) rejected the guerrilla line of the Ninth World Congress and has carried out consistent mass work. The PRT (Verdad) helped form class struggle tendencies in many factories and has led many strikes. These comrades took advantage of the legal openings which resulted from the strength of the mass movement.

When the dictatorship promised elections, the PRT (Verdad) took the opportunity and found a way to legality by fusing with the Argentine Socialist Party. This initiative enabled them to publish a legal paper and run in the election. They were thus in a position to present a socialist alternative to the rule of the bourgeoisie by opposing the military's maneuvers and Peronism. The PSA (Argentina Socialist Party) and later the PST (Socialist Workers Party) invited workers candidates to run on their slate in what was called the Workers and Socialists Pole. Two thousand workers, many who were not members of the Verdad group, accepted that offer.

What did the PST gain through the campaign? It came out of the elections with a well known national party with more branches and cadres throughout the country, especially in the major industrial centers. It strengthened its ties with the working class, and it now has members in almost every plant where major struggles against the union bureaucrats are going on.

At the start of the campaign, Avanzada Socialista, the PST's weekly paper, had a circulation of 8,000. At the close of the campaign it was 25,000. Most important of all is the actual growth of the party. It accepted 1,500 new members on a probationary basis. These are the kind of political gains that can be made in a pre-revolutionary situation by applying the method of the Transitional Program, orienting to the mass movement, and taking advantage of political openings.

Comrade Germain criticizes the PST's policy in the election. He says that our comrades gave credence to Lanusse's fake elections because the central focus of their campaign was not denouncing the elections as fraudulent. But, Comrade Germain, aren't all bourgeois elections fake and fraudulent? Can you show me a bourgeois election that wasn't? Comrades of the IEC majority, show me an honest capitalist election!

The problem for revolutionaries is to use these fraudulent elections to put forward a program that answers the needs of the masses and points the way for the masses to organize to realize those answers--that is, to build a party that can lead the socialist revolution. That is just what the Argentine comrades did.

Has the PRT (Combatiente) Changed?

Now it seems that the IEC majority is backing away from their 100% support to the PRT-ERP. They claim it has changed. "It's not what it used to be," they say. To that we reply, "The PRT (Combatiente) has not changed. They are continuing to do what they've been doing--taking the line of the last world congress to its logical conclusion!"

This is what Livio Maitan wrote in Intercontinental Press, "The strategic perspective the Argentine comrades are following is the one laid down by the Ninth World Congress of the Fourth International--elaborated and made more precise by the last two national congresses of the PRT...." (IP, April 26, 1971, p. 388.)

On April 21, 1972, an unsigned article that appeared in La Gauche, which is edited by Ernest Mandel, said this about the PRT after they had executed Sallustro, "... affirmation of our agreement with the general orientation of the PRT of developing the armed struggle, while expressing the hope that our comrades will find the means to link this struggle in the most intimate way to the development of the mass struggle...." (SWP Internal Information Bulletin, No. 5 in 1972, p. 35.)

And in a letter to the 1971 SWP convention Comrade Pierre Frank pointed out his approval of the PRT actions. He said, "Concerning the activities of our comrades of the Argentinian section, the PRT... and its armed organization, the ERP... we don't look at them as being ultraleft. We

think that their policy corresponds largely to the present needs of the class struggle of their country." (International Information Bulletin, Reprinted from 1968-1971, p. 23.)

In the face of these quotes from the three central leaders of the IEC Majority Tendency, how can the IEC majority now say that the PRT is deviating and not carrying out the line of the last world congress? At present, the PRT is the only section implementing the line of the last world congress!

The acid test of different political lines is what actually happens in practice. The comrades of the IEC Majority Tendency want to shift the discussion away from Latin America because events there have proved the incorrectness of their position. However, the Latin American discussion is still the center of the entire debate because the errors that were made on Latin America are the same errors that are being extended today by the IEC majority.

The IEC Majority Tendency implies that our opposition to guerrilla warfare as a strategy means that we oppose armed struggle, that we believe that capitalism can be defeated without armed struggle. We reject that implication as an utter absurdity! What we reject is not armed struggle, but their anti-Leninist concept of armed struggle.

We were told that in Latin America armed struggle meant fundamentally rural guerrilla war. We reject this strategy and its urban variation as well.

Marxists view armed struggle as something which grows out of the mass movement at a certain stage of the struggle. At a certain point the masses will experience the need to defend themselves with arms against the capitalist rulers and their fascist thugs. An indispensable aspect of arming the masses is revolutionary socialist work within the army to win over the ranks. The prerequisite for a successful conclusion of the insurrection is for the revolutionary party to win the masses of workers to its banner.

The IEC Majority Tendency form of armed struggle has to be "linked up" to the mass movement, that is, it doesn't grow out of it. The fact that they speak of having to "link" the armed struggle with the masses indicates that their concept of armed struggle is not as a part of the mass movement but is apart from it.

Some of the leading French comrades talk about a need to reintroduce revolutionary violence to the working class. It is a petty bourgeois concept to think that we only need to teach the masses how to throw a Molotov cocktail or fire a gun to topple capitalism. If it only required "exemplary action" of that sort, then capitalism would already have been overthrown. The masses would have become revolutionary simply by watching television. We don't have to teach the working class how to be violent in Europe or Latin America and certainly not in the US. We have to politically win

them away from the capitalists, the union bureaucrats, and the Stalinists, and to the banner of Trotskyism.

Dispute on Vietnam

Differences have also developed in the international movement on Vietnam. The Communist League and some of the other European sections supported the original PRG 7-point peace proposal, the 9-point proposal, and, finally, the Vietnam accords signed in Paris. They organized demonstrations demanding that the US "Sign Now."

We believe that it is unprincipled for Trotskyists to support the terms of these accords which violate the Vietnamese people's right to self-determination. A resolution presented to the meeting of the IEC last December reaffirming these Trotskyists principles was rejected.

Since we fundamentally oppose the US imperialists' "right" to be in Vietnam, we must also reject their right to negotiate about the future of the Vietnamese, and any imperialist-imposed accords.

Unlike the Vietnamese Communist Party, we oppose any coalition governments with sections of the bourgeoisie. Trotskyists reject all variants of class collaboration as unprincipled and as grave dangers for any revolutionary struggle. Many revolutions have been lost precisely because of Stalinist class-collaborationist blocs with so-called progressive capitalists and their strategy of popular frontism.

The Sterne-Walter resolution on Vietnam, which the last IEC approved, expressed confidence that the Vietnamese Communist Party would lead the masses to power. This implies that many supporters of the IEC Majority Tendency evidently believe that the Vietnamese Communist Party is not a Stalinist party. If it's not Stalinist, then what is it? The IEC Majority Tendency evidently thinks that it's a revolutionary party. Does this rule out the necessity to build a section of the Fourth International in Vietnam?

The reason these comrades think the VCP is a revolutionary party is because it sits at the head of the Vietnamese revolution. The Vietnamese masses have fought long and heroically, but length of struggle is not necessarily a virtue.

The fact that the struggle has been so long is precisely because of the Stalinist misleadership. The VCP is really a classical Stalinist party. What about the history of this party, which followed the zigzags of Moscow during the ultra-left "Third Period" and the Stalin-Hitler Pact period, and which followed the rightward turns of Moscow during the Popular Front period and World War II? Following the war, it welcomed the British imperialists, who then restored French control of Vietnam. This so-called non-Stalinist party murdered Trotskyists in Saigon for opposing the British landing.

The Stalinists in Vietnam were not fighting for socialism,

but for capitalist democracy--the "first stage" of the revolution. The French came back in and forced the Viet Minh to fight under the most unfavorable conditions.

After establishing the workers state in the North, the Vietnamese Communist Party pulled back from pursuing the struggle in the South. They were trying to build socialism in a single country--North Vietnam. They didn't become heavily involved in the revolution in the South until the US began bombing the North in 1965. That is, like all Stalinists in control in workers states, they got involved in the revolution in the South in order to defend their rule of the North once it became clear that imperialism was not going to co-exist peacefully.

The IEC Majority Tendency suggests that the VCP is not Stalinist because they think Stalinists can't fight; therefore, if a party fights, then it is not Stalinist. If that's true, then Stalin also was not a Stalinist. Stalinists can and will fight, not as revolutionists, but against imperialism if in the last analysis it is necessary to defend their privileged rule.

A revolutionary party would tell the masses the truth about concessions wrung from the Vietnamese by imperialism and by Moscow and Peking's treachery. The Stalinists lie when they hail the Paris accords as a victory. It is clear that the imperialists have threatened to resume bombing of North Vietnam if the North doesn't restrain the revolution in the South and in Cambodia and Laos. This is all the more reason to speak the truth to the masses. To do otherwise will only undercut mass support on a world scale.

The history of the VCP is a Stalinist history. It has continued to preach and practice the theory of the revolution by stages. It has repeatedly stated that the revolution in the South is not a socialist one, but a democratic one. The VCP is trying to build socialism in a single country--North Vietnam.

The history of the Vietnamese struggle has proven that, in spite of misleadership, the struggle against imperialism and its puppets will continue. That is why the Fourth International must have the perspective of building a Trotskyist party in Vietnam.

The Antiwar Movement

Comrade Germain and the IEC Majority Tendency disagree with our approach to building the antiwar movement. Germain wonders why we did not mobilize the vanguard as well as the masses. But in the process of mobilizing the masses, we did mobilize the real vanguard forces, and we recruited the best of them to Trotskyism. The mass mobilizations we helped organize were an invaluable aid to the Vietnamese revolution, and they helped limit imperialism's military options in Southeast Asia.

As revolutionists, we had the obligation to defend the

Vietnamese revolution against US imperialism. To do that, we helped to mobilize the largest possible number of people in action around a principled demand that could both express the Vietnamese people's right to self-determination and be understood by the masses it was possible to reach. The "Out Now!" demand was just that.

The IEC majority comrades had a different approach. In 1969, in a report to the IEC, Comrade Germain said that only the American antiwar movement could objectively aid the Vietnamese revolution, and that the only way European revolutionists could aid the Vietnamese revolution was to make socialist revolutions in their own countries. He also claimed that in any case the Vietnam war was winding down.

The European sections had done some good antiwar work in the early years of the Vietnam war, but after the 1969 world congress the comrades turned their backs on any attempt to build a mass antiwar movement. Several years later, after it became clear that the war was not winding down, they resumed antiwar activity. But their approach was not to mobilize the masses (which certainly could have been mobilized), but to mobilize the so-called vanguard around so-called more "radical" demands, like "Victory to the NLF," "Sign the 9 Points," "Implement the Accords," and "Revolution Until Final Victory." By having an incorrect line for the antiwar movement, they missed valuable opportunities to defend the Vietnamese revolution and further weaken the French CP's hold on the working class.

Is China Stalinist?

At the last world congress there were also differences over the character of the Chinese bureaucracy. The majority of delegates felt that the bureaucracy was bureaucratic centrist and its foreign policy was often objectively revolutionary.

In light of the Mao-Nixon detente and Peking's betrayal of the Vietnamese revolution, I don't think anybody in the Fourth International (with the exception of the PRT (Combattiente) perhaps) thinks that Peking's foreign policy is objectively revolutionary. The comrades of the IEC Majority Tendency will probably say that, until the detente and betrayal, Mao's foreign policy was often objectively revolutionary.

We reply: No! Mao's foreign policy has not changed qualitatively. What has happened is that American imperialism is weaker economically and politically vis-a-vis other imperialist countries and the workers states. The economic and political problems exacerbated by the Vietnam war forced US imperialism to turn to Moscow and Peking for help and to accept Peking's long-standing offers for peaceful coexistence.

The National Question

We disagree with Germain's contention in "Defence of Leninism" that national oppression can be ended under capi-

talism. Germain gave the examples of Indonesia, Argentina, and Nigeria--countries which have achieved formal political independence. Germain thinks these countries no longer suffer from national oppression, and he draws a false dichotomy between foreign economic oppression and national oppression.

These countries, in spite of formal independence, are nevertheless oppressed and dominated by the imperialist powers that control their economies. A country cannot achieve real national independence without breaking out of the imperialist orbit, that is, without abolishing capitalist property relations. That is the difference between India and China; Algeria and Cuba--the difference between formal vs. real independence. Germain's line would lead comrades to belittle the importance of the national question in the colonial and semi-colonial countries.

Confusion on this question leads Germain to conclude that all nationalism is reactionary because it supposedly plays into the hands of the bourgeoisie--that is, all nationalism except Black and Chicano nationalism.

Germain argues that Black and Chicano nationalism are exceptions because there is no Black or Chicano bourgeoisie. But even if there were a Black and Chicano ruling class, the nationalism of these nationalities would still be progressive because it would be a reaction to imperialist oppression. The fact that the Black masses are basically workers and are centered in the key industrial cities, means that the Black struggle will be central to the coming American socialist revolution. It also means that we can call for the formation of all-Black or all-Chicano parties as a specific means to advance their political struggle and speed the break of these oppressed nationalities from the capitalist parties.

In Comrade Germain's slanderous attack against the League for Socialist Action/ Ligue Socialiste Ouvriere, the Canadian section of the Fourth International, he reveals positions on the national question that imply a misunderstanding of the theory of the permanent revolution. Germain states, "With the epoch of imperialism, nationalism as a rule becomes reactionary. . ." ("In Defence of Leninism," p. 32.) This is completely wrong. It is precisely because of imperialism that the nationalism of the oppressed is progressive, as opposed to the nationalism of the oppressor.

Lenin pointed out the fact that nationalism of the oppressed has a democratic content, and it's that democratic content that we support unconditionally. Comrade Trotsky, as against Comrade Germain, pointed out in The Spanish Revolution that Catalonian nationalism is progressive. Germain's line would lead us to say it's reactionary.

Comrade Germain presented quotes from Lenin. That was very good; it proved what we knew all along: that Lenin

was a Marxist, not a nationalist. Comrade Germain engages in false and unnecessary arguments by implying that we're nationalists and not internationalists.

Both our Canadian co-thinkers and the YSA have a Marxist program and proletarian internationalism is at the heart of our program. That means that we understand the theory of permanent revolution and the impossibility of realizing the goal of national liberation without a victorious revolution of the working class and oppressed nationalities over capitalism and imperialism. The errors do not lie with us, but with Germain and the IEC Majority Tendency.

Comrade Germain's assertion that the bourgeoisie can end national oppression, and his contention that the permanent revolution "formula" can't be applied to imperialist countries indicate his lack of understanding of imperialism and permanent revolution. We understand imperialism and the permanent revolution to be objective reality, not formulas! What is the essence of permanent revolution?

Because of imperialism, that is, the economic domination of the capitalist world by metropolitan capitalist nations, and the fact that the indigenous capitalists of underdeveloped countries are intricately tied to the imperialists and that they are afraid to allow their own working masses to mobilize, the indigenous bourgeoisies of underdeveloped countries cannot carry out their historic tasks. The tasks of national liberation, land reform, democratic rights, etc., can only be won by the proletarian victory over indigenous capitalism and world imperialism.

This objective reality is true not only in Asia, Africa, and Latin America; it is true in North America with the struggles of the Quebecois, Indians, Blacks, and Chicanos, and in Europe, too, as in Ireland and the Basque country.

Adaptation to the "Vanguard"

The IEC Majority Tendency thinks that we think their problem is only ultraleftism. Their problem is much deeper. It is the departure from the method outlined in the Transitional Program; it is orienting to the concerns of the "vanguard" rather than to the objective needs of the masses.

The IEC Majority Tendency has adapted not only to ultraleftism, but to right opportunism as well, as exemplified by the Communist League's support to the Union of the Left and their adaptation to Stalinism in Vietnam. Without the methods of the Transitional Program, they will adapt to whatever their so-called vanguard considers to be the going thing.

When we speak about the line of the last world congress being extended to France and Europe, we mean that the same method which produced the guerrilla line in Latin America has been extended to Europe.

We don't think that the Communist League is about to

retreat to the Pyrenees and engage in guerrilla war, because that is not the going thing in the so-called vanguard. But what about the concept of "linking up" armed actions with the mass movement, or that there is not enough time to build a mass revolutionary party because repression is too great or because the decisive battles are coming too soon. What about the "exemplary actions"--the firebombing of the Argentine embassy by revolutionary Marxist militants, for example? This is the extension of the line of the Latin American resolution to Europe.

It is this method which must be rejected by the Fourth International.

Democratic Discussion Needed

The types of questions under discussion demand honesty and seriousness on the part of every comrade. Comrade Germain's document is a good education on how not to engage in a serious political discussion. Playing with the facts,

slandering, and distorting comrades' positions must be avoided.

A democratic discussion is required. This means that all documents must be translated and printed into at least French, Spanish and English, and they must be circulated and discussed. The documents of the last world congress, too, must be made available to all comrades. The membership of the Fourth International has the right to know the positions of every section, including the PRT (Combatiente).

The comrades of the IEC Majority Tendency frequently talk about democratic centralism, but their practices have been a caricature of democratic centralism. The prerequisite for democratic centralism is political homogeneity--not monolithism, but homogeneity. Before we can possibly become politically homogenous, we must have political clarity, and political clarity demands a full and free democratic discussion. If such a democratic discussion takes place, we can be confident about the future of the world movement.

MONOPOLY AND THE RATE OF PROFIT IN THE POSTWAR ECONOMY

By Richard Gordon, Kansas City Local

Since the deaths of Lenin and Luxemburg and the intellectual deaths of Hilferding and Kautsky, Marxist political economy has been essentially on the defensive. Monopoly capital, when Lenin wrote Imperialism, had only begun to exhibit its basic character; today a discussion of capitalism is a discussion of monopoly. Despite this, the initiative in analysis has fallen to economists such as Berle, Means, and Galbraith--an analysis reminiscent of Bernstein, not Lenin.

Baran and Sweezy argued correctly, in my opinion, in Monopoly Capital that Marxist political economy--if it is to reassert its position as a vital and critical tool of revolutionary analysis--must deal with monopoly capitalism in a comprehensive and analytical manner.

I don't pretend to offer even a beginning of that analysis; rather, I have submitted this contribution to the pre-convention discussion in the hope that it will provoke, where possible, a reasoned discussion of monopoly in the postwar U. S. economy and, where necessary, a much neglected study of political economy.

I.

Theses on Monopoly and Profit

Some of the basic characteristics of monopoly capitalism which are generally agreed upon are the following:

The transformation of competitive capitalism to monopoly has meant a qualitative change in the form of inter-firm competition from the volatile form of price competition to the form of competition via the sales effort--advertising, market analysis, and manipulation.

Internally, monopoly capitalism has meant a shift of discretionary power away from the individual capitalist and into the hands of an identifiable, self-perpetuating management elite which identifies its interests with the growth and well-being of the corporation. Qualitatively this means the transformation of individual capitalists--shareholders--into, as Mandel has put it, rentiers and coupon-clippers. The corporation becomes the capitalist institutionalized just as the capitalist is capital personified.

Concomitant with the rise of monopoly has been the rise of state intervention in the economy, particularly in the areas of maintaining full employment and demand in the private sector, but also as a direct employer.

Since Bernstein, liberal political economy has argued that these developments represent a "softening" of the evils of capitalism--a peaceful, gradual resolution of its contradictions, Berle and Means, for example, have argued that

management can and must develop into

... a purely neutral technocracy, balancing a variety of claims by various groups in the community and assigning to each a portion of the income stream on the basis of public policy rather than private cupidity. ¹

Accepting the fact of social change but refusing to accept the social implications of that fact, liberalism has confused a process of change within the framework of capitalism with a qualitative change of capitalism.

The basic theses I intend to argue are as follows:

The sales effort demands a diversion of accumulated capital into non-productive uses --it swells the size of constant capital while making no contribution to productivity--and, as a result, tends to drive the rate of profit down. Furthermore, the capital squandered in the sales effort creates an artificial--unproductive--demand for labor and thereby represents a restraining force on the development of a reserve army of labor.

The passage of discretionary power from the hands of individual capitalists to management has meant in practice an appropriation by management of a portion of surplus value. This appropriation by management expresses itself in a tendency to depress the realized rates of profit and surplus value.

Keynesian economic policy commits the state to two policy goals: counteracting the tendency of underconsumption within capitalism and maintaining high levels of employment. These two goals of public policy, while "sweetening" capitalism also limit the effectiveness of two critical capitalist mechanisms: economic crises and unemployment due to mechanization.

Finally, the rate of capital accumulation in the postwar period has been so high that capitalists have been forced to bid against each other for workers, raising wages at the expense of surplus value.

II.

The Sales Effort and the Rate of Profit

Marx understood two basic types of capitalist crises: that associated with a declining rate of profit and that associated with the inability of capitalists to sell commodities at their full value--a realization crisis. ² For the present I intend to deal with the sales effort and its possible implications for the rate of profit. More particularly, does the sales effort contribute positively to the tendency of a declining rate of profit?

The rate of profit formula contains three elements: surplus value produced, s ; wages advanced, v ; and constant capital, c . Surplus value, quite simply is the value of commodities produced by unpaid labor. Variable capital, v , is self-explanatory. Constant capital is the value of materials and machinery used up in the process of production. The value of constant capital is embodied in the total value of the commodity and is recovered in its sale.³ Constant capital does not increase quantitatively in the process of production; capitalists do not derive profit from constant capital. The formula for the rate of profit, $s/c + v$, measures surplus value as a percentage of total capital expenditures. While profit is not derived from constant capital expenditures, such expenditures can influence profits indirectly through their effect upon the rate of surplus value.

The rate of surplus value, s/v , measures surplus value as a percentage of variable capital expenditures. If, by mechanization, productivity can be raised--assuming constant wages or less than proportional wage increases--the amount of necessary labor time will fall and the amount of surplus value produced will rise. If the percentage increase in the rate of surplus value which follows mechanization is greater than the percentage increase in constant capital expenditures which follows from the very process of mechanization, then the rate of profit will rise.

Marx presented two different arguments for the theory that the rate of profit will tend to fall. The argument we are presently concerned with assumes the organic composition of capital, $c/c + v$, will tend to rise while the rate of surplus value will remain constant. It follows necessarily that the rate of profit will decline.⁴

Sweezy has correctly argued, however, as I did just above, that a rising organic composition of capital implies increasing labor productivity and, unless we assume an increase in real wages proportional to the increase in productivity, a rising rate of surplus value.⁵ He then goes on to point out that increasing productivity in a capitalist economy normally implies unemployment which, in turn, exercises a depressing effect on wages.⁶

This is precisely one of the distinguishing characteristics of capitalism, that past labor in the form of constant capital stands in a competitive relation to living labor and keeps the latter's pretensions in check. The assumption of a constant rate of surplus value with rising labor productivity appears to neglect this effect.⁷

Sweezy's criticisms are well taken. But what of an economy characterized by monopoly in which competition is increasingly undertaken through the sales effort--marketing and advertising? Accumulated capital squandered in the sales effort is a constant capital expenditure no less than capital consumed in the form of raw materials or depreciation of plant and equipment. Yet the sales effort adds NOTHING to the productivity of labor and not only does not lead to unem-

ployment but CREATES employment.

If we examine Baran and Sweezy's data on corporate advertising, we see that expenditures on this activity--merely one part of the sales effort--increased nearly five-fold in the period from 1946 to 1963.⁸ Furthermore, looking at Table I in the statistical appendix, the rate of surplus value declined significantly during the same period. (Comrades should read the explanation of my data now, particularly my notes on the differences between the analytical tools s/v and $s/c + v$ as Marx conceived them and as I have used them.) On the basis of these two trends alone we would expect the rate of profit to have fallen during the period unless other constant capital expenditures declined during the period to such an extent that they would offset these other trends. The observed decline in the rate of surplus value means on an average basis, wages increased more than proportionally with productivity increases in non-financial corporations; increased at the expense of surplus value.

The growth of the sales effort is an attempt to overcome the uncertainty of the market, to guarantee the realization of surplus value. The dilemma of monopoly capitalism is that the very mechanism of that guarantee must tend to erode the rate of profit by adding to c without adding to s .

III.

Competitive capitalism was an atomistic, highly individualized economy. Monopoly capital has destroyed this; it has reduced the direct decision-making authority of the individual capitalist and placed that power into the hands of "committees of the propertied class." The corporation is the institutionalization of the capitalist function.⁹ It would be incorrect to argue that the management is a separate class--its members are, in fact, largely recruited from the upper class and are among the largest property owners.¹⁰

However, their position within the corporation enables them to divert a portion of surplus value into their own pockets in the form of excessive salaries and expenses. In the national income accounts this profit element is entered as a part of variable capital. Although this is an incorrect classification, it also seems to me, if we seek to measure the rate of profit in terms of its practical significance for the corporation, that this should not be classified as a portion of surplus value. Success, from the "corporation's perspective" is measured in terms of income available after all "necessary" expenditures for the payment of dividends and for reinvestment. The profit element of executive salaries reduces this fund of capital and, as such, is a drain on the rate of profit. I don't maintain that this is an accurate measure of surplus value, but that it is an accurate measure for determining the rate of profit as defined by monopoly capitalism.

IV.

The State, Accumulation, and the Rate of Profit

Since the end of the second world war the state in every advanced capitalist economy has been committed to the maintenance of full employment. Its tools have been those of Keynesian economic policy and have centered around the maintenance of demand. This is a response to the problem of realization in a capitalist economy; an attempt to prevent unemployment due to insufficient demand. As such it deals with only one aspect of capitalist crisis.

Aggregate demand can be divided into two categories: the demand for consumer goods and the demand for producer goods (machines and equipment). The expansion in social security funds makes it possible to avoid an extreme drop in expenditures (in demand) for consumer goods after the outbreak of a crisis. The expansion in public expenditures (especially in military expenditures) makes it possible to avoid an extreme drop in expenditures (in demand) for producer goods.¹¹

Does this type of state intervention have still deeper implications in terms of the rate of profit? It seems to me the answer is yes.

Marx argued that the business crisis was a specific mechanism of capitalism for restoring profitability, that

... the depression, through filling up the reserve army and depreciating capital values, restores the profitability of production and thereby sets the stage for a resumption of accumulation.¹²

The action of the state in a neocapitalist society prevents the operation of this mechanism or at the least mitigates its effectiveness. Furthermore, the actions of the state tend to heighten the very problem which an economic crisis would indicate exists. To be brief, the actions of the state serve both directly and indirectly to prevent the development of a reserve army of labor capable of effectively restricting wage demands. The actions of the state combined with the development of unproductive employment as a result of the sales effort are two real forces tending to prevent the development of a reserve army of labor in monopoly capitalism.

Finally, the very prosperity of the postwar period must tend to erode the basis for a continued undisturbed accumulation. I earlier stated that Marx presented two basic theories of the declining rate of profit. The first was based on the tendency of a rising organic composition of capital. The second--the one that concerns us now--is the argument that capital accumulation implies an increase in the demand for labor. This increase, if it exceeds the supply of labor, results in capitalists bidding against each other for workers, raising wages and, in the absence of offsetting productivity

increases, depressing the rate of surplus value and thus the rate of profit. The postwar period has been one of extremely rapid capital accumulation and thus economic expansion. Capital expenditures as indicated in the appendix have increased more than five-fold in the period from 1946 to 1970. Mandel has pointed out that the period which began with the second world war has been characterized as one of expansion and that this expansion has allowed concessions to the proletariat.¹³ Baran and Sweezy have documented the tendency of a rising surplus.¹⁴ This rapid expansion is the overwhelming fact of the postwar U. S. economy and its character is of extreme importance. Looking at the appendix we can see that the organic composition of capital has essentially remained constant throughout the period of expansion. In other words, since the end of the war there has not been a tendency, on the average, to substitute constant capital for variable capital. Capital accumulation has meant proportional increases in the demand for labor. I've already pointed out that the rate of surplus value has, in fact, declined. Increases in surplus value have been more than offset by increases in variable capital. The reason, in my opinion, rests overwhelmingly in the fact that the rate of accumulation has been so great as to prevent the development of a reserve army of labor capable of effectively holding down wage demands. In short, the real advances in the standard of living of the working people of the United States since the second world war have come at the relative expense of the capitalists.

V.

In summary, I have argued two basic theses. First the sales effort represents a diversion of constant capital into non-productive use and, because it adds nothing to productivity, is a positive force contributing to the tendency of a falling rate of profit. Second, postwar accumulation has been so rapid that it has tended to exhaust the reserve army of labor. Wages have risen due to competition among firms for workers at the expense of surplus value, again representing a positive force contributing to a falling rate of profit. Furthermore, the impact of the sales effort in creating jobs, combined with the amortization of economic fluctuations by state policy has reinforced the negative effects of postwar accumulation on the rate of profit.

The 1929 depression and the second world war were the results of the most basic and widespread structural crisis of capitalist experience. Resulting from this structural crisis, they were at the same time the mechanisms of its resolution. For twenty-five years capitalism has expanded at a fantastic rate and that expansion has been the basis for a real and widespread prosperity. I have attempted to outline what I consider to be some of the internal limits to this expansion and to document that throughout the postwar period they have been at work, eroding the rates of profit and surplus value.

Faced with the trends indicated in the appendix, capital

accumulation in the United States cannot continue undisturbed.

If the rate of profit is to be restored, the rate of surplus value must rise. This may be accomplished by lengthening the working day, lowering real wages, or increasing productivity.¹⁴

It is my opinion that the focus of the attack (at least the initial attack) upon the American working class will be an attempt to reduce real wages.

Competitive capitalism's response to a declining rate of profit would be to undertake labor-saving mechanization, throwing workers into the ranks of the reserve army where they would exercise a restraining effect on wage demands, preventing those demands from increasing proportionally to productivity increases. Should the crisis be so basic as to be structural in nature then capitalists would withhold their accumulated wealth from investment, choking off production on a scale such as 1929.

Mandel has explained a structural crisis as

... a crisis in the very conditions of the production and realization of surplus value. It is the impossibility of continuing a 'natural' accumulation of capital under the given competitive conditions on the world market (i. e., with a given level of real wages, labor productivity, and access to raw materials and markets).¹⁵

The response by monopoly capital to a falling rate of profit need not be exactly identical to that of competitive capitalism. Competitive capitalists face a given price for their output determined by the socially necessary costs of production as imposed by competition. Monopoly capital is distinguished from its competitive counterpart by the ability to administer prices within certain limits. Certainly one conceivable response by monopoly capital to a declining rate of surplus value would be administered price inflation. Unable to realize an acceptable rate of profit strictly through the "relations" of production, monopoly would attempt to achieve that rate of profit artificially, in the process of exchange. The increase ultimately passes throughout the economy, showing itself in the final price of the commodity. The consumer, in brief, must pay the bill in terms of higher prices and, unless the consumers can increase their money incomes by an amount proportional to the price increase, their real purchasing power falls. Independent of any productivity increase, monopolists can raise the rate of surplus value provided the working class docilely accepts lowered real wages.

Administered price inflation would seem the most probable initial response of monopoly capital to a falling rate of profit. It is the "least expensive" option both in a strictly economic sense and also in political terms. As concerns the cost economically the other option capable of increasing the

rate of surplus value involves the introduction of labor-saving mechanization. In the case of contemporary capitalism this means "scrapping" a huge amount of embodied capital in the form of existing plant and equipment. The scale of retooling that we are considering here--capable of effecting a change in the average rate of surplus value--would involve an unprecedented diversion of capital into new plant and equipment--unprecedented, that is, except in wartime. Politically it would also mean an unprecedented rate of structural unemployment--unemployment because the worker's job is done by a machine.

This is not to say that rationalization cannot take place--it does to one extent or another in virtually every industry as old equipment is worn out--but that the level of mechanization required very probably would not be undertaken except under the most extreme conditions.¹⁶

There is one final option--short of massive shutdown--which may increase the rate of surplus value: a widespread and "long-term" economic recession. Such a long-term stagnation, characterized by high rates of unemployment, could effectively limit wage increases without affecting basic productivity increases.

* * *

The truly independent variable in all this remains the same as it was when Marx wrote: the proletariat's response to an attempt to reduce real wages. Should the mass of the working people effectively resist, the result could well be a structural crisis leading to a prerevolutionary situation. Should the workers fail or be unable to resist, the result must be the reentrenchment of capitalism in the United States, setting the stage for renewed accumulation. Between the initial attacks upon the workers and the outcome lies a struggle more clearly drawn along class lines than any time since 1929.

If we unthinkingly mouth only the barest outlines of Marx's economic theory without truly understanding its implications for contemporary developments, if we are unable or unwilling to analyze monopoly on the basis of such an understanding we shall have failed Marxism.

Statistical Appendix

The rate of surplus value, rate of profit and the organic composition of capital as they appear in the statistical table are not the same analytical tools as explained by Marx. They are modified in that I have attempted to measure what I call the effective rates of profit and surplus value. The effective rate of profit is the ratio of profit available to the corporation for payment of dividends and reinvestment to total "necessary" capital expenditures. This involves including within *c* and *v* elements which are, in fact, surplus value; constant capital includes net interest and rent paid out by the corporation and variable capital includes the

element of the compensation of corporate officers which is, in fact, profit. What I have attempted to do is to measure the rate of profit and surplus value as it is understood by the corporation.

Much of the statistical methodology I have used is borrowed from Baran and Sweezy's Monopoly Capital. Comrades wishing to check my methodology should read the appendix in Monopoly Capital by Joseph Phillips. The focus of my work has been the non-financial corporation (excluding finance, insurance, and real estate).

Taking gross receipts from sales as a statement of total value and subtracting from this value stated profits, we are left with a preliminary figure for $c + v$. It is preliminary because it includes an excessive estimate of capital consumption--depreciation. I have estimated this excessive depreciation and added it to stated profits, giving us the figures listed in the column "total profits."¹⁷ This is the value I present as s . Subtracting s from sales leaves $c + v$.

The last two columns are three-year moving averages of the rates of profit and surplus value. The three-year moving

average is a statistical method of "averaging out" erratic fluctuations in a time series in order to accentuate any possible trend over time.

To avoid complications due to inflation every item of data for any given year is from one source and reflects one price level. Only two sources were used. All data for the years 1946-1965 are from the National Income and Product Accounts 1929-1965. Data for the years 1967-1970 are from the July 1971 Survey of Current Business. The year 1966 was omitted simply because neither source listed data for that year. Adjusting the data for the different price levels used in the two different sources will not alter the basic trend as it appears here, although the absolute figures would be different.

The specific sources of data are listed below:

Sales: Table 6, 19

Official Capital Consumption Allowances: Table 6, 18

Compensation of Employees: Table 1, 14

Profit plus Inventory Valuation Adjustment: Table 6, 12

All data is in billions of dollars.

TABLE I

	Sales	Capital Con- sump. Allow.	Excess Capital Consump. Allow.	Total Profits	$c + v$	Comp. Em- ployees	$\frac{s}{c+v}$	$\frac{s}{v}$	$\frac{c}{c+v}$	$\frac{s}{c+v}$ Aver.	$\frac{s}{v}$ Aver.
						46	67.0	.082	.309	.732	
1946	270.619	4.249	2.350	20.550	250.069	47	78.9	.083	.337	.754	.087
47	347.092	5.365	2.696	26.596	320.469	48	87.6	.095	.385	.725	.091
48	388.103	6.460	3.345	33.745	354.358	49	85.1	.095	.376	.748	.097
49	369.495	7.305	4.428	32.028	337.467	50	94.6	.100	.417	.758	.097
50	431.103	8.116	4.909	39.409	391.694	51	110.0	.096	.389	.753	.097
51	487.701	9.453	5.764	42.789	444.912	52	118.0	.094	.362	.759	.093
52	498.513	10.613	6.848	42.648	455.865	53	128.4	.090	.335	.732	.091
53	522.253	12.191	7.982	42.982	479.271	54	126.2	.090	.339	.733	.092
54	515.707	13.838	9.556	42.746	472.961	55	138.2	.096	.381	.747	.092
55	598.156	16.125	11.051	52.591	545.565	56	151.0	.091	.348	.756	.091
56	631.088	17.487	11.578	52.478	578.610	57	158.7	.086	.333	.743	.086
57	670.266	19.189	12.958	53.158	617.108	58	155.6	.082	.320	.744	.086
58	656.907	20.231	14.605	49.805	607.102	59	170.6	.089	.352	.747	.085
59	737.302	21.573	15.464	60.064	677.238	60	179.0	.083	.326	.746	.085
60	763.198	22.721	16.138	58.338	704.860	61	181.3	.082	.326	.749	.084
61	780.652	23.880	17.423	59.023	721.629	62	194.7	.087	.348	.764	.086
62	849.102	27.459	20.084	67.684	781.418	63	204.4	.088	.354	.751	.089
63	892.629	29.006	21.229	72.429	820.200	64	218.7	.091	.368	.752	.090
64	963.910	30.892	22.194	80.394	883.516	65	235.5	.091	.374	.757	.089
65	1056.762	33.185	22.804	88.104	968.658						
						67	275.8	.086	.347	.753	.087
67	1212.642	39.341	26.974	95.674	1116.968	68	301.5	.084	.340	.754	.081
68	1326.752	42.926	29.622	102.622	1224.130	69	330.5	.072	.298	.758	.074
69	1463.762	46.855	32.063	98.563	1365.199	70	344.2	.066	.273	.757	.304
70	1512.349	51.238	35.704	93.804	1418.545						

Notes

1. Adolf Berle and Gardiner Means, The Modern Corporation and Private Property, quoted by Baran and Sweezy in Monopoly Capital, p. 21.
2. Paul M. Sweezy, The Theory of Capitalist Development (New York: Modern Reader, 1968), p. 146.
3. Ernest Mandel, An Introduction to Marxist Economic Theory (New York: Pathfinder Press, 1970), p. 42.
4. Sweezy, p. 100.
5. Ibid.
6. Ibid., pp. 100-101.
7. Ibid.
8. Paul A. Baran and Paul M. Sweezy, Monopoly Capital (New York: Modern Reader, 1968), p. 389.
9. Ibid., p. 44.
10. Ibid., pp. 34-35.
11. Mandel, p. 67.
12. Sweezy, p. 153.
13. Mandel, pp. 55-56.
14. Baran and Sweezy, p. 382.
15. Ernest Mandel in the Introduction to The Struggle Against Fascism in Germany (New York: Pathfinder Press, 1971), p. 17.
16. See Baran and Sweezy, pp. 93-96. "...the giant corporation will be guided not by the profitability of the new method in isolation, but by the net effect of the new method on the overall profitability of the firm... from the monopolist's point of view, the introduction of new techniques in a manner which involves adding to productive capacity will normally be avoided. He will prefer to wait until his existing capital is ready for replacement anyway..." The authors go on to cite a study which indicated that even in 1958 it would have cost \$95 billion to replace obsolete capital stock with its most productive new counterparts.
17. The estimation of excess depreciation posed a difficulty because my sources didn't break down private investment data according to type of business. Specifically, I needed to know the share of private investment in nonresidential structures and equipment undertaken by nonfinancial corporations. Phillips argued that real depreciation is a relatively fixed proportion of investment; in this case 26%. To arrive at an estimate of nonfinancial corporation's share of private investment I assumed that this share is roughly equal to these corporation's share of aggregate capital consumption. Determining this latter figure I then multiplied it times aggregate private investment in nonresidential structures and equipment and took this as an estimate of investment in plant and equipment by nonfinancial corporations. I then multiplied this figure by 26% to arrive at an estimate of actual capital consumption.

November 8, 1973

A REPLY TO THE METHODS OF THE IEC MAJORITY ON THE QUESTION OF LATIN AMERICA

By Gilbert Ramirez, Lower Manhattan Local

After careful reading of the major documents and contributions and reviewing the lessons of Cuba, China, Russia, and the struggle against fascism, I have decided to join ranks with the Leninist-Trotskyist Faction on the question of Latin America.

The Latin American resolution of the Ninth World Congress of the Fourth International outlines a tactical turn towards guerrilla warfare on a continental scale with "elliptical and synthetic" formulas for the preparation of armed struggle. I question the methods used in calling for a continental tactic over a long period of time.

The method of the International Executive Committee Majority Tendency is to draw conclusions from broad generalizations that do not correspond to actual concrete situations.

This is not the first time such a method has been used. In the early 1950's Michel Pablo came to the conclusion that war was inevitable between imperialism and the Soviet Union. From this broad generalization it was held that the Stalinists around the world would have to turn in a leftward direction. Based on this possibility, a direct general tactical conclusion was drawn for application on a world scale-- "entryism sui generis." Sections of the Fourth International applied this tactic regardless of the concrete situation. But when the tactic began to prove a failure, new reasons for carrying it out were found. It was converted into something more than a tactic; it had become a strategy.

The problem facing our movement now and then is a gap between theory and practice. Despite a correct analysis of the situation in Latin America, through wrong methodology a course of action has been projected that has led our sections in Bolivia and Argentina to disasters.

Up to now I have referred to guerrilla warfare as a tactic as the IEC majority claims. Unfortunately, Comrades Germain and Maitan apply it like a strategy. We have only their word that it is not a strategy. Our theory sometimes lags behind the real life unfolding events, the day-to-day actual events. This is mainly because our theories are a combination of Marxist principles and data from the class struggle or trends in capitalist development. Our analysis is therefore projected for periods of time and in a very broad way. For instance, we feel that war and revolution are on the agenda in the colonial countries.

Tactics enter when we go from a long-range perspective and deal with the actual situations. Some colonial countries are in the midst of revolutions, others are not, some are suffering defeats, and some have yet to explode. The tactic must be based on this reality and not on our overall strategy. To do otherwise would open us up to errors of

ultraleftism and opportunism. Comrades, if we feel socialist revolution is on the agenda in America, should we begin to arm for that revolution now?

While Germain doesn't answer this charge, he defends a perspective of guerrilla warfare, a tactic applied to Latin America through a general strategy of the process of unfolding revolution in Latin America. He thus has de facto elevated a tactic into a strategy.

The draft resolution of the Ninth World Congress does this more explicitly than Germain:

The fundamental perspective, the only realistic perspective for Latin America, is that of an armed struggle which may last for years. That is why the technical preparation cannot be conceived merely as one of the aspects of the revolutionary work, but as the fundamental aspect on a continental scale, and one of the fundamental aspects in countries where the minimum conditions have not yet been met....

(17) Even in the case of countries where large mobilizations and class conflicts in the cities may occur first, civil war will take manifold forms of armed struggle, in which the principal axis for a whole period will be rural guerrilla warfare.... In this sense, armed struggle in Latin America means fundamentally guerrilla warfare....

(18) Under the perspective of a prolonged civil war with rural guerrilla warfare as its principal axis, even in the most difficult phases of severe repression and temporary prostration, the problem of liaison between the guerrillas and the masses will be a vital one. (Discussion on Latin America (1968-1972), p. 48).

The Ninth World Congress resolution makes clear the need to organize the party into a guerrilla band to prepare for a revolution which as our analysis projects will occur in the coming period. This strategy is an error. The resolution further states:

The existence and functioning of a revolutionary party, far from being an outworn schema of outmoded Marxists, corresponds to the concrete and ineluctable needs of the development of the armed struggle itself.... (*Ibid.*, p. 49).

Armed struggle or guerrilla warfare serve the needs of the party in bringing about a revolution and not visa versa. The revolutionary party doesn't exist for providing cadre to a guerrilla front. The party is not a guerrilla organization. One would think that the IEC majority has finally found the reason for the existence of a revolutionary party to be a guerrilla factory.

The Leninist-Trotskyist Faction proposes, in contrast to the IEC majority strategy, the building of national leaderships and sections in Latin America using our analysis of the crisis of capitalism in Latin America. We leave the tactical questions up to the different sections. The answer to tactical questions is contained in our rich heritage of revolutionary experience and the application of it in the Transitional Program. This tradition is embodied in the call for the Leninist strategy of party building.

Germain feels his ideas represent the continuity of Marxism. He feels we are the deviates. In order to prove his guerrilla perspective, he and Maitan try to reconstruct revolutions and Marxist writings.

I would like to deal with the experiences of Lenin, Trotsky, Engels, and the Cuban revolution on the question of guerrilla warfare which Germain distorts.

In "Once Again on the Revolutionary Perspectives in Latin America--Defense of an Orientation and a Method," Comrade Maitan says that: (1) Engels considered insurrection an art; (2) Engels never changed his opinion on the necessity for armed insurrection; and (3) Engels wrote of guerrilla warfare with regard to the American Civil War and Poland.

What Engels said then has nothing to do with our present discussion. We agree insurrection is an art (not a matter of simple preparation of guerrilla groups) and that the bourgeoisie will not be overthrown except through their destruction by the armed proletariat. The bourgeoisie refuses to give up peacefully. Of guerrilla warfare, Engels looked upon it as an auxiliary in the field of war. It was a nice military technique. But Engels never wrote of a strategy of guerrilla warfare on a continental scale for a long period of time.

Then Maitan draws on Lenin and his guerrilla experience of 1906. Maitan pulls quotations from Lenin out of the context of the period and uses them to defend his perspective. Unfortunately, Lenin and the Bolsheviks refuted their actions which Maitan has used to defend his. What was the situation in 1906?

In 1905 a great revolutionary upheaval occurred. In this immense uprising under the leadership of Trotsky, soviets were formed. It appeared that it might be possible to seize power. There was a need to organize a military apparatus for the insurrection. Guerrilla warfare had broken out.

Lenin weighed this development and concluded that guerrilla warfare should be used as an auxiliary form of struggle when the working class under the leadership of a revolutionary party was within the grasp of seizing power. Lenin looked favorably on the development of guerrilla war.

Unfortunately, Lenin was wrong. He had misjudged the situation. 1906 was a period of decline and the proletariat was backing away, not moving toward, seizing power.

But even in his error Lenin did not see guerrilla warfare as all important. He continued to build and expand the influence of the Bolshevik Party in the soviets and the factories. He developed the equally wrong strategy of boycotting the 1907 elections. He felt that the guerrilla actions were an extra-parliamentary form of struggle linked to the boycott of the elections which he felt could only be successful in a period of general disruption of the monarchy.

Lenin turned right around when he discovered that his tactics were wrong. In "Against Boycott," Lenin urges a change to participating in the elections and ending the insurrection. Lenin always viewed guerrilla warfare as a single tactic that could be utilized, depending upon concrete historical circumstances. He did not view it as a strategy.

In Stalin (pp. 95-99), Trotsky points out that: "At the crest of the civil war guerrilla activities augmented and stimulated the mass movement; in the period of reaction they attempted to replace it, but, as a matter of fact, merely embarrassed the Party and speeded its disintegration." Trotsky points out that: "After the coup of June 3, 1907, he (Lenin) led a resolute fight against the Boycottists precisely because the high-tide had been succeeded by the ebb-tide. It was self-evident that guerrilla activities had become sheer anarchism..."

Trotsky also points out other things comrades should keep in mind: (1) as strike activity of 1906 decreased, guerrilla acts increased; (2) guerrilla acts between major battles of civil war were good when needed but when guerrilla warfare stretches over periods of years or months then we no longer have a civil war but a defeated revolution whose vanguard guerrillas act as mere convulsions of defeat.

But what of Lenin of 1917? Where does he call for a guerrilla strategy? Where does he call for the party to engage in guerrilla acts or to prepare for armed struggle? A politically more mature Lenin writes in a letter to the Central Committee of the Communist Party entitled "Marxism and Insurrection:"

To be successful insurrection must rely not upon conspiracy and not upon a party, but upon the advanced class.¹ That is the first point. Insurrection must rely upon a revolutionary upsurge of the people. That is the second point. Insurrection must rely upon that turning-point in the history of the growing revolution when the activity of the advanced ranks of the people is at its height, and when the vacillations in the ranks of the enemy and in the ranks of the weak, half-hearted and irresolute friends of the revolutions are strongest. That is the third point. (Between the Two Revolutions: Marxism and Insurrection, Progress Publishers, Moscow, 1971, p. 393).

The IEC majority calls on the party to arm itself in pre-

paration for an inevitable civil war (which presumably will be occurring as soon as we are trained and ready). This is contrary to Leninism, Trotskyism, the Russian Revolution, and the Transitional Program. Yes, comrades, Trotsky doesn't even mention guerrilla warfare in the Transitional Program. But what strategy is it compatible with?

The Cuban revolution holds the key to the present clash. Does Guevara's strategy have a future? If this strategy has a future, then Germain's strategy is correct. If it doesn't, then the Leninist-Trotskyist Faction stands correct. Let us review the Cuban experience.

Castro began his career in opposition to the Batista dictatorship. He was for a return to bourgeois democracy. The July 26 Movement's central demand was for the restoration of the constitution of 1940 (under the slogan "Down with Batista"). There were also other demands that included: (1) land reform with compensation; (2) 30% of corporate profits to be shared with workers; (3) a guarantee to sugar planters of 50% of their crops; and (4) confiscation of illegally held lands of the corrupt government officials.

The raid on Moncado prison made Castro a national figure. By his actions and program he gained the support of the workers, peasants, and the dissenting sections of the national bourgeoisie.

The 1956 launching of the guerrilla struggle became a struggle to remove Batista. The campaign was financed from abroad through an international campaign of exiles. Castro was careful to maintain a broad unity, including the national bourgeoisie which was fearful of expropriations.

American imperialism viewed this as a struggle for democratic rights. Our ruling class felt that it could depend on either side to protect its interests. That is why the American government kept open the channels to Castro and our ruling class, through its newspapers, played the role of a bystander. The American ruling class was prepared to intervene, but did not expect it to be necessary in this case. This was a misjudgement by the American ruling class.

After Castro seized power the bourgeoisie began to build its repressive apparatus. Castro chose to oppose this move. He utilized the working class and peasantry to defend the democratic reforms. He dissolved the army and replaced it with a workers and peasants militia. Thus when US imperialism intervened at the Bay of Pigs it was simply too late to overturn the Cuban revolution.

The bourgeoisie was still in control of the government when Batista fled. Castro was faced with the decision of giving in to the bourgeoisie and destroying the uprising of the masses or siding with the people and defending the newly gained rights. Thus the theory of permanent revolution was proven correct. The gaining of bourgeois democratic rights could only be defended through a victorious socialist revolu-

tion. Now what are the diverging opinions?

Comrade Germain states in "In Defense of Leninism: In Defense of the Fourth International" (p. 23): "Castro's growing popularity and support among the masses was not based on the 'use of democratic slogans' but on his actual armed struggle against the dictatorship. . . ." If armed struggle was the reason for a successful revolution, then does Guevara's strategy have a future?

We feel that it does not. American imperialism will not (99.5% probability) repeat its mistake. The ruling class will try to intervene militarily to destroy guerrilla groups fighting puppet governments in Latin America regardless of their program for change. Their success since the Cuban revolution has been enhanced by the inability of the guerrilla groups to relate to the class struggle. These groups feel that they can and should carry out their fighting whether in an upsurge or in a decline of revolution. They have shown their contempt for the power of the masses and the organization of the proletariat. They have doomed themselves by alienation from the masses.

We feel that no revolutionary party or guerrilla group will be able to seize power exactly as the July 26 Movement did. The July 26 Movement seized power without a mobilization of the masses. The masses mobilized after the seizure to defend the government. Guevara thought that it could or would happen again. He paid for this error with his life. The guerrilla front which he started in Bolivia was destroyed.

Does Germain think that this strategy can repeat itself? "Is this a 'model' which can be repeated?" he writes. "In some parts it can, in others it probably won't."

Germain continues in "In Defense of Leninism": "But the specific interrelationship between the mass movement and armed struggle which characterised the Cuban revolution, . . . is likely to occur again wherever the basic starting points of the Cuban revolution are repeated, in other words, wherever a repressive dictatorship suddenly stopping the rise of the mass movement in its tracks, will be challenged by a determined revolutionary vanguard, progressively gaining mass support and helping to relaunch mass mobilisations till the point of a successful overthrow of the dictatorship."

Does Comrade Germain feel that what won't occur again is a July 26 Movement? And further, does he feel that what will be repeated is the Guevara strategy plus soviets and a revolutionary party organized into a guerrilla front? I think he does.

Excluding all the present controversy, the draft resolution on Latin America has proven a grave danger to the building of revolutionary Trotskyist parties in Latin America. Its reaffirmation can only lead to the loss of more of our comrades and the dissolution of our sections through ultraleft and opportunist deviations in our program.

I urge all comrades to participate in the international discussions after a careful review of the documents and allegations. The success of building a revolutionary Trotskyist international rests on our ability to give it a correct course. I urge all comrades to speak against the supporters of the IEC majority in the YSA through the local discussions and the YSA written bulletins.

Notes

1. Lenin's reference to the advanced class is the working class in Russia and not the "new mass vanguard."

November 13, 1973