

LABOR ACTION

Independent Socialist Weekly

AUGUST 7, 1950

FIVE CENTS

EAST GERMAN STALINISM:
Tightening up in Face of Hatred

... page 6

Belgian Workers Kick out the King

... page 2

The New Line of American Zionism

... page 7

Brazil: Vargas Tries a Comeback

... page 3

UAW Local Rebels Against 1950 'Package'

By WALTER JASON

DETROIT, July 31—The first important sign of dissatisfaction among the auto workers over the Pollyanna policies pursued by the UAW-CIO leadership at this critical juncture came Sunday when Hudson Local members rejected the standard 1950 package of economic gains as inadequate. The package included pensions, hospital cars, and a three-cent wage increase.

It was the tiny wage increase, plus the "routine" hospitalization plan, that seemed to be the source of irritation among the members. At a meeting attended by between 1200 and 1500 members, the ranks were quite vociferous.

The rejection was almost unprecedented, and it came as a shock to the international and local union leaders.

Of course, the easy way out will be to explain this rejection as due to "Communists," but that simply isn't true. Rather, the irritation among the workers in the shops is increasing as talk of a wage freeze gets stronger.

The relative silence of the UAW leaders on price rollbacks and wage boosts has had a disquieting effect among the ranks.

Another significant sign is the move among skilled workers to disaffiliate from the UAW and form their own union. The Tool & Die Council paper is filled with criticisms of the do-nothing and get-no-real-gains policy of the top leaders. Although the skilled men get far higher than the assembly-line workers, the UAW scale is

(Turn to last page)

Judges In Uniform

As we go to press, the U. S. Court of Appeals has ruled on the appeal of the eleven Stalinist leaders against their conviction under the Smith Act. The court's decision upheld the constitutionality of the gag act. The fact that the CP defendants are followers of the totalitarian despotism of Moscow does not lessen by a whit the disgraceful flouting of democratic rights represented by the reasoning and very wording of the court's opinion, which openly was based largely on the needs of the cold war rather than on judicial determination of the law.

LABOR ACTION will give a full analysis of this important development next week.

Truman Holds Back Price Control As War Profiteering Soaks Labor

By GORDON HASKELL

President Truman's mid-year economic report to Congress was in line with the idea that a half-way mobilization of America can meet the present military, diplomatic and economic needs.

As such, it is safe to say that the report was obsolete before the ink on it was dry. And the first reactions of Congress to the report indicate that measures much more far-reaching than those proposed will be put into effect either immediately, or within the course of the next few months.

The president proposed a tax increase which is calculated to bring in an additional five billion dollars in revenue. The excise taxes are to be retained. Wage withholding taxes are to be raised from 15 to 18 per cent starting next quarter. Corporation taxes are to rise to 25 per cent on the small corporations, and to 45 per cent on corporations making more than \$25,000 in profits per year, retroactive to January 1950.

Consumer credit is to be cut drastically. The president is to be given power to establish priorities and to allocate any commodities to such industries and uses as he sees fit. The government is to be empowered to grant loans and "incentives" to industries which won't expand fast enough without them.

Emil Rieve, chairman of the CIO Full Employment Committee, issued a statement on July 31 calling for immediate price controls, a drastically revised tax schedule, and stand-by authority to ration scarce commodities.

At the same time, Rieve stated that some CIO unions would demand higher wages even if prices were controlled. "The existing inadequacies and inequities in the buying power of American wage earners cannot be ignored," he said. "The fact remains that within the framework of existing price and profit margins, there is adequate room for the collective bargaining process to proceed without forcing prices upward."

This statement is certainly in the right direction. The important thing is for the CIO ranks to take up such a program and ram it down the throats of the employers and politicians, who will seek to make wages the first item to be frozen.

But already Congress shows signs of wanting to go much further than the president's proposals. Bernard Baruch appeared before a Senate committee and proposed full-scale price, wage, and labor production controls as they existed at the height of the last war, gaining wide support in Washington.

It seems that the administration's resistance to such controls is based on a feeling that to do this might swing votes to the Republicans in the coming elections. Yet they are torn by the fear that if the controls are not imposed, the resulting inflation may be even more dangerous to Demo-

cratic political ambitions. This fear is well justified.

GOING UP!

Before the war started in Korea the American economy was rolling into the greatest boom in its history. Already shortages in critical raw materials had appeared. The steel industry had been operating at about 100 per cent of capacity since April. Despite continued unemployment of over 3 million workers, the labor market had been tightening in many industries. Prices in several fields had been inching up before the war in Korea broke out.

The minute it was apparent that

this war was going to result in a really large-scale military expansion program at home, prices began to zoom. When the president wrote his report, the daily spot index of prices on 28 major commodities had risen 10 per cent since June 23. But by the time his report was printed in the papers, the rise had already reached 13 per cent, with no stop in sight.

The American economy stands today at the peak of its all-time power. The figures are dazzling. Per capita consumption of food this year is about 11 per cent above the 1935-39 average. Industrial production per capita is up about 65 per cent, as is productivity per man-hour.

All of this indicates a standard of living far above that of the depression years. Yet this very fact, instead of easing the problem of the American economy in the face of war mobilization, makes it more difficult.

OUT OF THEIR HIDE

This is so because any great shift to war production now must come mainly out of the standard of living of the American people. That is probably the chief reason why, in this economic report, coming shortly before the elections, Truman has chosen to propose what appear to Congress to be inadequate measures to cope with the situation.

When America mobilized for World War II, the situation was (Turn to last page)

Equality of Sacrifice

At the hearing on a bill dealing with industrial mobilization, Secretary of Commerce Sawyer urged immediate passage. Robert S. Allen, Washington columnist, reports:

"After he had finished urging prompt enactment of the measure, a young man walked up to Sawyer and asked, 'How do you reconcile your being in favor of drafting American boys for military service and not drafting American industry? Frankly, that question means a lot to me. I expect to be called up any day for active duty to be shot at.'"

"Following was Sawyer's answer: 'I'll admit that going into the service means a boy may be shot at. But don't forget this: A businessman can be indicted.'"

(Turn to last page)

Baruch Economic Plan Heralds 'Guns-not-Butter' System in West

By HENRY JUDD

At each critical period in recent American history, particularly those involving the threat of world war, an individual basking in the title of "America's Elder Statesman," and expounding the wisdom he apparently absorbs on park benches, comes forward periodically with his "all-out war mobilization plans." There seems to be nothing more pleasurable in Bernard Baruch's long life than the formulation of plans for rigid war economies, accompanied by the hamstringing of labor as an independent force in American life.

Truman's present rejection of the Baruch proposals may not last long. This all-out war economy will not come into effect at one stroke, but will be imposed upon the nation in accordance with the speed at which full international war approaches. It is the blueprint of the future.

The effect of America's partial mobilization for war upon international commitments is clear enough. Cynical writers and journalists have already pointed out that the confounding problem of "dollar shortages" and closing the infernal "dollar gap" will now

become of secondary importance, since America must increase its import of raw materials (rubber, food stocks, metallic ores, etc.) from the Latin American countries and Africa, while American exports will obviously fall off once the diversion away from commodity exports (autos, machinery, etc.) gets fully under way because of the revival of armaments production.

At last, then, capitalism in America finds a way of "solving" the dollar-shortage problem—just as unemployment and other problems are "solved" by war, the great dissolver of all issues. But the typically illusory nature of this "solution" is indicated by the fact that it means abandonment of the Point 4 program of economic assistance to underdeveloped regions, that program whose alleged objective was to build up the economy and purchasing capacity of regions suffering from the worst dollar shortages. Point 4, of course, never really got under way and will now take its place beside the discarded housing projects, schools, hospitals, etc., which belong to the pre-Korean epoch.

(Turn to last page)

West Coast Longshoremen Hit by T-H on Hiring Hall

By BOB OROZCO

Relegated to a minor position by the Korean war and other international and national conflicts, the Taft-Hartley Law machinery continues to grind away at the hard-won gains of the labor movement.

The most recent important decision of the National Labor Relations Board was the ruling that West Coast longshore hiring halls are illegal under the Taft-Hartley Law. The grounds on which the NLRB ruled were typical of the T-H spirit—namely, that hiring halls give preference to union members.

A similar ruling had been passed by the NLRB previously with respect to the hiring halls of the CIO Marine Cooks and Stewards.

Although an appeal is possible, it is significant that the decision was 4-0, with the board chairman not participating.

CHIPPING AWAY

In the maritime industry the working of each ship constitutes a job. If the employers controlled hiring it would be a simple matter for them to keep out union militants without having to fire a single union member. Thus it is clear that the hiring halls are absolutely necessary for union security in the maritime industry.

In a recommendation made last year by an NLRB examiner it was stated that the hiring-hall principle does not necessarily conflict with the law, but, he added, in actual operation, West Coast longshore halls were in violation. This seemingly contradictory statement is, however, consistent with the general strategy of the Taft-Hartley Law: constantly and systematically to chip away the foundations of the labor movement in small enough quantities so as not to arouse and unify the rank and file.

Thus, although the maritime unions will probably be able to retain some control of hiring, there is no doubt that the board's ruling will result in weakening union security in the maritime industry.

The NLRB decision comes at a

time when the Longshore Union—for many years Stalinist dominated—is engaged in a bitter struggle over which side to support in the Korean war. Those union members who do not support totalitarian Russia, where the workers are slaves, are abso-

LABOR SCOPE

Anti-War Resolution at Longshore Local

We have received from our correspondent on the West Coast copies of three resolutions on the Korean war which were taken up by Local 10 of the longshore union (CIO) in the San Francisco area. In this union which is, as a whole, still dominated by Harry Bridges, one of the resolutions presented was naturally a pro-Stalinist one. In Local 10, however, it was the resolution supporting U. S. intervention which gained the overwhelming majority. A third resolution, which we present below, opposed both sides in the war.—Ed.

"As a part of the working class of the world, which supplies practically all of the blood, the sweat, and the tears actually shed in modern wars, we oppose World War III, which is being forced upon us. As human beings who want the amazing scientific achievements of our age used to produce a better life for all people, we condemn their use to create atom and hydrogen bombs, and we struggle against the impending ghastly war which threatens, with the use of these bombs, to destroy the whole fabric of our civilization and perhaps mankind itself.

"We condemn the invasion of South Korea by the puppet government of North Korea, and we condemn the Russian imperialism that stands behind and pulls the strings.

"We condemn the reactionary and oppressive South Korean regime and its provocative actions, and the American imperialism

lutely correct. But the attempt of the U. S. ruling class to cripple the labor movement through the Taft-Hartley Law is evidence that the war aims of this government are neither the strengthening nor preservation of the labor movement.

that brought it into being and props it up.

"We condemn the armed intervention of the United States masquerading as the police force of the United Nations.

"We declare that the masses of people in Asia, and the common people of the whole world have nothing but misery and continued oppression to gain from the victory of either of the imperialist giants, United States and Russia.

"We declare that the interests of the working people of the world can be served only by the stopping of this conflict, and by the removing from power in each country of the ruling class whose imperialist policies have brought the world to the brink of this catastrophe.

"We reject the policy of the right wing which demands that workers support and carry out the butchery of millions in the interest of the American robber barons who want to rule the world.

"We reject the policy of the so-called 'left' wing, the loudest and most servile supporters of the last war, who, with oceans of double-talk about peace, hide the nakedness of their support of every crime of Russian imperialism and totalitarianism.

"We appeal to the workers of our country and of the world to reject these false prophets, to speak out their determined opposition to a third world war in one generation, to prepare the way for common action to stop the war and destroy its roots."

Belgian Workers Kick out the King

By LARRY O'CONNOR

The socialist workers of Belgium won a significant political victory last week when they forced King Leopold to turn over all his powers to his son and extracted from him a promise that he would formally abdicate the throne when the crown prince reaches his majority in 1951. This victory was gained over Leopold and his Christian Social Party supporters only after a series of strikes and demonstrations which brought the country to the verge of civil war.

For a whole week the major industrial cities of the country were completely paralyzed by strikes. A state of siege was proclaimed throughout the country with a ban on any public gatherings. Despite this the workers continued to demonstrate in the face of brutal police attacks which claimed at least three lives and many tons of wounded. The government called in its crack troops from occupied Germany, and the streets and roads were patrolled by armored cars and troop contingents.

On the surface, the event which aroused this tremendous movement on the part of the workers and which paralyzed the country was the return of a hated monarch to the throne. In a constitutional monarchy like Belgium the king is supposed to be a symbol of national unity. He is supposed to be "above" the parties, and to

act as a figurehead without power or responsibility.

But in Belgium Leopold has become the symbol of the most reactionary section of the ruling class. The Socialist Party has been willing to accept the constitutional monarchy as their form of government in the past. But to the workers the return of Leopold, who capitulated to the Nazi armies and lived in comfort throughout the Nazi occupation of the country, is a symbol of the frustration of all their post-war hopes, a cynical slap in the face to their struggle in the underground resistance against the Nazi invader and a betrayal of their hope that out of this struggle a better life would come.

WORKERS TOOK INITIATIVE

Behind the royal mantle of Leopold stands the old order of capitalist exploitation in its crudest, most conservative and even reactionary form. That is why ever since the war the question of the eventual return of Leopold to the throne divided the country with a passion which, to Americans, may well seem all out of proportion to the apparent issue of a choice between individuals for the throne.

When the plebiscite on Leopold's return last March gained a small majority for the king, the Socialists served notice that they

could not accept him as an imperial constitutional monarch. Leopold made a statement last April which could be (and was) interpreted to mean that upon return to Belgium he would abdicate in favor of his son, and this dampened the ardor of the opposition to his return to the country.

But after his return, he refused to abdicate. And the Socialist workers burst forth into tremendous and continuing strikes and demonstrations to force his abdication. On Thursday, July 27, the Socialist leader Paul-Henri Spaak told the Parliament: "I warned you before the advisory referendum [of March 12] that a vote on the king's return would split the nation. I had asked what the government expected the Socialists to do to create an atmosphere conducive to compromise. We suggested before all this trouble started to go back to the king's message (of April 15) and work out a compromise but you rejected our proposal. All the workers see that our opposition in Parliament is not getting them anywhere, so they have taken the initiative into their own hands."

THREATEN INSURRECTION

After that the crisis became so sharp that Socialist leaders were openly talking of insurrection. When informed of the killing of three workers in a peace-

UN 'United' Again—They Dont Like It

By L. G. SMITH

The Korean war has evidently finished the United Nations as a world-wide body to preserve the peace. Ever since the UN was formed in San Francisco five years ago, LABOR ACTION has insisted that this body was and could be nothing more than an arena for the diplomatic and propaganda maneuvering of the great powers in the struggle for the world.

And when the delegation of the Russian totalitarian government returned to the Security Council this week after a boycott of seven months' duration, the nature of the UN was thoroughly demonstrated.

It would appear that in a body created to preserve world peace and adjust international differences by orderly and peaceful procedures, the return to the fold of an absent member (and especially such a powerful one as Russia) would be an occasion of universal rejoicing. All peace-loving nations, it would seem, should be happy that the unity of the world has once more been restored by Russian participation in the UN.

But instead of this, when Jacob Malik informed the UN that he would take his turn as chairman of the Security Council on August 1, consternation prevailed. Hurried conferences were held to pass resolutions and establish procedure which would permit the Western members of the Security Council to continue the war in Korea without Russian interference.

Anyone who now has illusions about the UN as a body capable of preserving the peace is badly in need of head-fixing. The consternation of the capitalist bloc at the return of the Russian delegation, and the charges hurled back and forth in the Council indicate that if the form of the UN continues to be preserved at all, it will be simply as an alliance of the powers grouped around the United States in the struggle for the world. In the present atmosphere it is plain that neither India nor Yugoslavia nor any other small nation or group of small nations will be able long to preserve even a semblance of neutrality.

But the other "peace-loving" nations had seen the representative of "peace-loving" Stalin coming.

SAW HIM COMING

The actual events at the first session presided over by Malik confirmed the worst fears of the capitalist bloc of nations. Malik immediately ruled, as chairman, that the representative of the Chiang Kai-shek government could not participate in the deliberations, and placed as first point on the agenda the seating of a representative of the Stalinist government of China in the Security Council. The second point on the proposed agenda was "the peaceful solution to the Korean crisis."

But the other "peace-loving" nations had seen the representative of "peace-loving" Stalin coming.

and they were ready for him. They immediately overruled the chair on the question of the Chinese delegate by a vote of eight to three (India and Yugoslavia voted with Russia on this question). The United States delegate then took exception to the agenda and demanded that the business which had carefully been left unfinished from the day before (namely, a resolution denouncing North Korean aggression and calling on all UN members to give no support to it) be placed first on the agenda.

At this point the tragic farce of the United Nations blew open even more widely than ever before. Malik made a speech in which he denounced the United States as the aggressor in Korea, China, Indo-China and the Philippines. He charged that the United States had carefully planned its aggression, and now was seeking to involve other nations in it, and to spread the war throughout Asia. He stated that only this could explain the rejection by the United States delegation of placing the question of a "peaceful solution" of the Korean crisis on the agenda.

Austin, the U. S. delegate, declared that the Russian government was trying to create a diversion by bringing up the question of Chinese representation in the UN and by wording the point on the Korean situation with a view to propaganda rather than to the actual situation of naked aggression with which the UN had been trying to cope for over five weeks.

Anyone who now has illusions about the UN as a body capable of preserving the peace is badly in need of head-fixing. The consternation of the capitalist bloc at the return of the Russian delegation, and the charges hurled back and forth in the Council indicate that if the form of the UN continues to be preserved at all, it will be simply as an alliance of the powers grouped around the United States in the struggle for the world. In the present atmosphere it is plain that neither India nor Yugoslavia nor any other small nation or group of small nations will be able long to preserve even a semblance of neutrality.

Anti-Morbidity

The vice-president of the U. S. Chamber of Commerce, Clem D. Johnson, has come out in favor of depressions.

Speaking before a distinguished audience at the University of Virginia, Johnson declared that alternating periods of prosperity and depression "are a sort of rhythmic pulsation, the one the natural and proper corrective of the other."

"I don't share the politicians' morbid fear of even a slight downturn in business," added the Chamber of Commerce man, who will not have to go hungry no matter what happens to employment. "In my experience, depressions even at their worst are merely a time when some people are forced to do without things which their parents never had."

"Busts," he declared without a trace of morbidity, are necessary to "correct the commodities market and labor market." In plain words, to knock down the prices received by farmers for their products, and to make workers willing to accept lower wages and longer hours, by creating lines of jobless men at factory gates.

He also rejoiced that a good old-fashioned depression would make American people give up their demands for such things as higher old-age pensions. A depression would stop "welfare state socialism" and restore American "freedom."

Read THE NEW INTERNATIONAL

Brazil: Dictator Vargas Tries a Comeback

By V. F. M.

The recent period has been full of important events on the Brazilian political scene. It can be stated that the picture of the political struggle in prospect for the general elections of October 3, 1950, is already perfectly outlined. These events culminated in the definitive consolidation of the "Popular Front" of the Bonapartist demagogues Vargas and Ademar de Barros and in the spectacular presentation of the candidacy of former Dictator Getulio Vargas, supported by the "Labor" and "Social Progress" parties for the presidency of the republic.

The interminable maneuvers and counter-maneuvers of President Dutra's clique prevented the formation of the "coalition"—the sacred union—of the bourgeois political forces around a common candidate. This was the greatest desire of the liberal and conservative Brazilian bourgeoisie as well as its demagogic faction, after two years of negotiations. This setback was brought into the open when President Dutra and his clique refused to accept the name of the famous jurist and writer, Alfonso Pena Jr., which had been put forward by the National Democratic Union in order to cement the "coalition."

In the impasse, the National Democratic Union was forced to put up its own candidate, the present Eduardo Gomes, the man who was the leader of the fight against the Vargas dictatorship in 1945 and who wielded immense prestige as the most illustrious leader of the Brazilian liberals.

This movement, however, is completely powerless to pursue the struggle for the democratiza-

tion of Brazil, under the banner of which it marched in 1945. In 1945 there was a real differentiation among the Brazilian bourgeoisie. The middle classes and a part of the agrarian section united against the sacrifices imposed on them by the dictatorship. The task of the democratic standard-bearer fell to them because the socialist and advanced workers supported the then powerful Communist Party and were thus prevented from playing an independent role.

Nevertheless, under the Dutra government, elected by the old supporters of the dictatorship, this differentiation ceased; the National Democratic Union (NDU) capitulated. Typical of the lack of social basis for bourgeois liberalism in Brazil was the passive and capitulationist position of the NDU toward all the reactionary actions of Dutra, particularly their silence or impudent support of the government which was concerned with the actual totalitarianization of the labor movement in Brazil.

The Gomes movement is no longer one of real struggle. It is part of a "supra-partisan" plan, that is, it is still hoped that at the last minute the governmental party will come to its support against Vargas and at last form the coalition. The Gomes movement acquires a more and more rightist character as his own chances of victory diminish.

IN PERON'S IMAGE

The governmental party is split into groupings. One of these remains faithful to President Dutra and has its own candidate. One fairly large wing tends to be drawn into the ranks of the Vargas movement. The only source of strength of the government's candidate, Cristiano Machado, is the control his party has over the key positions of the administrative and financial apparatus.

The Vargas candidacy is an extremely interesting phenomenon in the Brazilian situation. It is also an extremely dangerous one for the future of democratic freedoms.

Vargas was dictator from 1937 to 1945. He played a role in Brazil similar to that of Peron in Argentina. He was the instrument of a bourgeoisie that was impotent in its attempts at industrialization and independence. He was at the whole time the instrument of the same Brazilian ruling class which maintained its weak social edifice by means of police tyranny.

One of the greatest Bonapartists that South America has yet known, Vargas, in order to be able

to profit by a certain independence, exploited to the full the contradictions between the various imperialisms which disputed for control of South America in the period which preceded the last war and during the first years of the conflict.

Vargas, like his Argentine prototype, developed an intense social demagogy while crushing the workers' movement. This demagogy, and the social concessions typical of the totalitarians, won for Vargas some popular sympathy, especially among the young proletarians drawn by the industrial commission from the deep interior of Brazil. To the Stalinist party goes the historical responsibility for the fact that large sectors of the Brazilian proletariat were not freed of the demagogic influence of Vargasism. The Stalinists proclaimed "national union" with Vargas and killed the social-revolutionary possibilities which were contained within the 1945 struggle against Vargas.

U. S. IS SUSPICIOUS

Under the Dutra government a regroupment of political forces took place and conditions ripened for the re-entry of Vargas on the scene. Dutra did not dare to follow the industrial policy of Vargas. The common fear of the independent action of the masses which was already overthrowing traditional politics; the precariousness of the bourgeois political cadres; the necessity of supporting the state apparatus—all this caused almost all of the sectors of the dominant class to unite around Dutra. They feared above all the liberation of the workers' movement.

Another part—especially the diverse "groups," the camarillas which had been torn from posts they occupied under Vargas—continued to dream of the restoration of Vargas. Demoralization of the liberal NDU, illegalization of the PC and weakness and impotence of the Socialist Party left the field free for a return of Vargas' demagogy.

The Brazilian bourgeoisie does not want Vargas right now. The former dictator has already fulfilled his "historical mission" for them. His candidacy today has a violent, "socialistic," plebeian, nationalist character. It will tend to arouse strong agitation among the masses of the big cities. His victory—which is probable, particularly since the "coalition" was not consummated—would be the first victory of the opposition move-

ment of the masses in the presidential elections in Brazil. Such a victory is generally considered to be a revenge against the army, which deposed Vargas in 1945 and handed over power to the Supreme Federal Tribunal, as the NDU proclaimed it.

American imperialism is also disturbed over the possible return of a notorious Bonapartist. Ademar de Barros announced the Vargas candidacy in the same place where Brazil proclaimed its national independence from the Portuguese. He thus confirmed the fact that the struggle for the economic independence of the country was going to begin now.

It is Peronism which will be pleased by the return of Vargas. Peron is in debt to Vargas as an apprentice to a master. Batista Lussardo, former Brazilian ambassador in Buenos Aires, one of the principal Vargas men, is considered by all to be Peron's man in Brazil. Some days ago, Vargas gave an interview, saying that he was always opposed to the existence of colonies of Europeans in American lands; he affirmed Argentina's right to the Falkland Islands, which was always one of the pillars of Peronist nationalism.

Vargasism is more contradictory than Peronism since the social structure of Brazil is much more complex than that of Argentina. Nevertheless, it is most significant and menacing for the U. S. because the natural resources and the strategic position of Brazil interest American imperialism much more than those of Argentina.

THREAT OF DICTATORSHIP

The Vargas candidacy signals an incontrovertibly progressive fact. It shows that large masses are already trespassing the traditional limits of bourgeois parties, even if their political backwardness throws them into the arms of the demagogues. But do not believe that a Vargas victory will signify anything progressive or revolutionary. Do not lose sight of the tragically reactionary implications, direct and indirect, which it carries within itself.

Currently many advocates of the conservative-liberal bloc openly say that they ought not to oppose Vargas, given his past as a dictator, in case he wins the elections.

Even the minister of war declared that "a man like Vargas ought not to be a candidate." A blow against Vargas would bring the threat of civil war and whoever might be victorious, the result would be a military dictatorship. If Vargas wins and succeeds in preventing

the blow; if conditions—above all international—permit nationalist, industrialist and demagogic experiments, then he will have strong opposition. And since Vargas never knows how to govern under opposition, we will have once again the threat of dictatorships and revolutions. We will also be certain of continued enslavement of the workers' movement, aggravated still further by demagogic and paternalist assaults.

However, it is more likely that once elected Vargas will forget his demagogy and capitulate to the most conservative elements. Everything will end in a colossal "pacification of the Brazilian family" around this mediocre, changeable caudillo.

SOCIALISTS IN DILEMMA

Today Vargas deeply fears that his demagogy will bring reprisals upon him by the most conservative elements. For many months, like a picturesque South American Hamlet, he hesitated over whether to be or not to be a candidate. The Dutra clique almost succeeded in extinguishing his "Popular Front" by putting pressure on Ademar de Barros. One of the events that finally decided Vargas was the victory of a general, a friend of his, in the elections to the Military Club. This showed him that he still retained influence in the ranks of the army. Before he stood for election, he made a last appeal to the other candidates, demanding that they withdraw and come to an agreement which would include him and run a common candidate.

The tragic element in the present polarization in Brazil is the absence of perspective by the socialist forces. They cannot support Vargas or the Dutra clique for obvious reasons. Neither should they place themselves in the train of the liberals when the masses are rebelling against traditional politics. However, the Socialist Party is very weak, and by and large has not taken into account the necessity for its own protest and for an active independent campaign in order to unmask all the forces in the struggle, under a radical democratic banner and a Marxist analysis of the social structure of Brazil.

The important aspect of the Brazilian situation today is that great masses are already beginning to awaken politically. Insofar as they succeed in getting rid of Stalinist tutelage and nationalist demagogy, lengthy perspectives will open for the workers' movement in South America.

The BEST recent book on the labor movement—

"The UAW and Walter Reuther"

by Irving Howe and B. J. Widick

\$3.00 Random House

Order from:
Labor Action Book Service
4 Court Square
Long Island City 1, N. Y.

New York SOCIALIST YOUTH LEAGUE SUMMER SCHOOL

Six sessions. Every Tuesday night for six weeks

Session 6 on Tuesday

AUGUST 8

I

THE THEORETICAL ROOTS OF MARXISM

7:30-9:00 p.m.

II

THE RUSSIAN REVOLUTION AND THE EUROPEAN REVOLUTION 1917-1923

Instructors: Max Shachtman and Hal Draper

9:00-10:30 p.m.

50 cents for each class or 10 cents for each session

at

LABOR ACTION HALL
114, West 14th Street, 3rd floor
New York City

THE HOME FRONT AT WAR

With big business opposing price control to make a last grab for absolutely uncontrolled super-profits, key items of consumption jumped in price over most sections of the country. Milk up a cent and cigarettes up a cent a package in New York. Standard Oil gas up a half cent in Ohio, wholesale price of Procter and Gamble soaps and shortening up 1 per cent, two price rises in the last two months by American Woolen, etc.—there is little doubt that 1950 corporations profits will beat the record by at least as great a percentage as the casualty rate on the Korean front.

A one-cent price boost may not sound like much, but (for example) it has been estimated that an advance of one cent a pound in the price of sugar would increase the profits of the sugar barons by \$150 million a year.

Meanwhile—

"Housewives may be paying soaring prices for fresh vegetables in New York City, but little of the money is finding its way back here to Rockland County where much of the produce is grown. In fact, the farmers here are on the verge of open revolt against metropolitan area wholesalers who, they say, are robbing them while making fantastic profits." (N. Y. Post, August 1.)

Details follow to prove it. Growers were offered three cents for a cabbage retailing at 18 to 36 cents, etc.

General Lewis B. Hershey is in charge of the draft system, where he does battle in the tranquility of his office. Maybe that's why he revels in bloodthirsty language.

"In the last war," he boasted last week, "we had seven million killers. But the killers are old now . . . used up, burned up." So we need a new batch of young boys to be turned into "killers."

"Killers"—that's what the army turns out, according to the military mind. As a union paper commented, "The boys who fought the war which Hershey himself sat out in the ease and elegance of Washington have proved they are not 'killers' of the kind Hershey seems to admire." But

the military do their best to implant that psychology.

New York police, with the support of Mayor O'Dwyer, refused permission to a Stalinist group (posing under the name of the "New York Labor Conference for Peace") to hold a "peace rally" in Union Square. The ground was that it was likely to create "disorder."

This violation of civil liberties is as hypocritical as the Stalinists' claim to be for peace. It reflects in miniature the moral and political character of the two sides of the war itself.

And nothing could be clearer than that the CP will be much happier with the police ban than without it. Their rally might have been a sad affair anyway. Now it doesn't matter. The propaganda value has been created for them.

With the same degree of simple intelligence, not to speak of respect for democratic rights, the Department of Justice has moved to revoke Harry Bridges' bail and send him to prison pending the outcome of his appeal, thus

doing its best to make him out a double martyr. As the N. Y. Post editorializes:

... his [Bridges'] declining prestige as a labor leader has virtually vanished. . . . But the government's newest move may conceivably win him a reprieve from the repudiation he faces on the San Francisco docks; martyrdom may save him at the ball. In describing him as a threat to the security of the U. S. A., the Justice Department perversely compliments Bridges at the moment of his lowest influence in fifteen years. It also displays a degree of timorousness unworthy of a great democracy."

. . . But characteristic of a capitalist government which has nothing with which to combat Stalinist influence except prison sentences.

Major General Clovis Byers testified before a House committee that the armed forces are getting "relatively few" men by voluntary enlistment. There has also been a rash of newspaper stories (with no official verification) that most of the men who volunteered have been turned down for physical or mental defects.

The ISL Program in Brief

The Independent Socialist League stands for socialist democracy and against the two systems of exploitation which now divide the world: capitalism and Stalinism.

Capitalism cannot be reformed or liberalized, by any Fair Deal or other deal, so as to give the people freedom, abundance, security or peace. It must be abolished and replaced by a new social system, in which the people own and control the basic sectors of the economy, democratically controlling their own economic and political destinies.

Stalinism, in Russia and wherever it holds power, is a brutal totalitarianism—a new form of exploitation. Its agents in every country, the Communist Parties, are unrelenting enemies of socialism and have nothing in common with socialism—which cannot exist without effective democratic control by the people.

These two camps of capitalism and Stalinism are today at each other's throats in a world-wide imperialist rivalry for domination. This struggle can only lead to the most frightful war in history so long as the people leave the capitalist and Stalinist rulers in power. Independent Socialism stands for building and strengthening the Third Camp of the people against both war blocs.

The ISL, as a Marxist movement, looks to the working class and its ever-present struggle as the basic progressive force in society. The ISL is organized to spread the ideas of socialism in the labor movement and among all other sections of the people.

At the same time, Independent Socialists participate actively in every struggle to better the people's lot now—such as the fight for higher living standards, against Jim Crow and anti-Semitism, in defense of civil liberties and the trade-union movement. We seek to join together with all other militants in the labor movement as a left force working for the formation of an independent labor party and other progressive policies.

The fight for democracy and the fight for socialism are inseparable. There can be no lasting and genuine democracy without socialism, and there can be no socialism without democracy. To enroll under this banner, join the Independent Socialist League!

INTERESTED?

Get acquainted with the Independent Socialist League—

4 Court Square Long Island City 1 New York

I want more information about the ideas of Independent Socialism and the ISL.

I want to join the ISL.

Name

Address

City

State

Youth and Corner

Rally Against Korean War at U. of Calif.

By ROBERT MAGNUS

BERKELEY, Calif.—In less than a week after the beginning of armed conflict in Korea by the American and Stalinist troops, the Berkeley unit of the Socialist Youth League held an anti-war rally and street speech at the University of California's Sather Gate.

This meeting was given advance publicity via leaflets and was the first of its kind in the entire Bay Area.

About 350 students and professors listened to the organizer of the Berkeley unit outline the Korean situation. No booing occurred during the entire speech; the audience listened quietly and attentively.

The speaker pointed out that the Second World War solved not a single problem—political or economic—that beset the world in the 1930s, the apologists for the "people's war," like Henry Wallace et al., notwithstanding.

On the contrary, it was shown how the big powers greedily divided up the peoples of the world into "spheres of influence," colonies and subordinate countries in the imperialist system of the major states.

The Asiatic peoples, such as the Indians, Egyptians, the Indonesians and Indo-Chinese, got what they wanted only by fighting bloody battles against their "saviors."

The cynicism with which Korea was divided at the 38th Parallel between the United States and Russia was only one part of the Yalta farce by which the grand partition of the world was carried out in complete disregard for the wishes and desires of the subjected and colonial peoples of the world.

NOT A WAR FOR UNITY OR FOR FREEDOM

This partition of the world was never accepted by the Korean people, who have been battling against superior odds for a quarter of a century, for the independence of their country, and it was this repartition which contained the seeds of the present imperialist conflict over Korea.

The Stalinists of Northern Korea and the landlord government of Syngman Rhee are both puppet governments. They are under the absolute control of foreign masters who give them arms, head their armies and control their policies. The Korean war is thus not a civil war for the unification of the country; it is not a war for freedom and national independence against colonial overlords. It is an open and brutal imperialist war carried on by the U. S. and Russia by means of Korean personnel and property.

The speaker went on to point out, furthermore, that the independent socialists are opposed to this war. They are equally opposed to the fake unification of Korea under the aegis of totalitarian Stalinism, for this would merely replace a rotten landlord clique tied to world imperialism by a more efficient and more brutal Stalinist despotism under the control of the Kremlin.

One of the students asked if independent socialists advocated refusal to sign for the draft. He was told that they did not; that they favored opposing the war out of jail rather than in it. He was told that socialists are in favor of active political opposition to the war and the policies and social system in back of it. They therefore opposed pacifism because it left the field to the warmongers and retreated into the prison camps.

MURDER IN MEXICO The Assassination of Leon Trotsky

by General Sanchez Salazar in collaboration with Julian Gorkin

The story of the assassination of Trotsky written by the ex-Chief of the Secret Service of the Mexican police who was in charge of the investigation which led to the conviction of the

235 pages \$2.50

Order from: LABOR ACTION BOOK SERVICE 4 Court Square Long Island City 1, N. Y. (Orders must be accompanied by payment)



LABOR ACTION Independent Socialist Weekly

Vol. 14, No. 32

August 7, 1950

Published weekly by the Labor Action Publishing Company, 114 West 14 Street, New York City 11, N. Y. GENERAL EDITORIAL AND BUSINESS OFFICES: 4 Court Square, Long Island City 1, N. Y. Telephone: IRonsides 6-5117.

Subscription rate: \$2.00 a year; \$1.00 for six months. (\$2.25 and \$1.15 for Canada and Foreign.) Re-entered as second-class matter May 24, 1940, at the Post Office at New York, N. Y., under the act of March 3, 1874.

Editor: HAL DRAPER

Assistant Editors: MARY BELL and L. G. SMITH Business Manager: L. G. SMITH

Opinions and policies expressed in the course of signed articles, by contributors do not necessarily represent the views of Labor Action, which are given in editorial statements.

Reading from Left to Right

PERONIST CRISIS, by Allison Williams Bunkley. (Yale Review, Spring 1950)

This article summarizes the development of internal crisis, economic and political, in Argentina under dictator Peron. Peron and his regime made wide use of social demagoguery—the author's references to "leftist" Peronist leaders and to Peron's "labor movement" does not refer to bona-fide trade-union leaders or radicals but to the tools of the regime who sought to set up a working-class base for the dictatorship.

"Since the January-February-March [1949] crisis, the shift in the political orientation of Peronism has been very evident. The leftist leaders have been removed, or their power has been minimized. Evita Peron, the symbolic leader of the 'dear descamisado' [shirtless one—the poor] of Peronism, has retired into the background. She has sold her powerful newspaper, Democracia. Her public appearances have become less frequent, and her position in national politics has become less important.

"Foreign Minister Bramuglia, a former socialist . . . was suddenly removed from office.

Minister of the Interior Borlenghi, the other ex-socialist in the cabinet, has been relieved of most of his duties and will be replaced shortly. In less important administrative posts, similar moves have taken place.

"The new demands of labor have continued to be turned down. An increasing number of strikes have been declared 'illegal.' Indeed, the labor situation reached a most dangerous point in the month of April in the Province of Salta, where a general strike developed into a bloody battle between police and strikers that left four workmen dead and thirty-one wounded.

"In the meantime, the church has broken with Peronism. . . .

"The opposition to his regime is growing, and the economic crisis has not been solved. But it is now less likely that the end of Peronism will come with a military coup. It may be a more popular revolt. The very labor movement that he fostered and built for his own support and for his own designs, the very class consciousness that he fired, may spell the ultimate end for his government and his personalist [personal dictatorship] reaction."

WORLD POLITICS

Head of Rumanian CP Describes Chis in Party, Pushes Purges

The East European Communist Parties, which like to boast of their growing membership, have suddenly realized that many people have joined them out of opportunism.

In Rumania, the secretary-general of the United Workers Party, Gheorghe Dej, has described the situation in an article in the latest issue of the *Cominform Journal*. During the struggle "for the isolation and crushing of the bourgeois parties, the Liberal and National Peasant Parties and the right-wing Social Democrats, the Workers Party has added to its authority and influence. But along with the sound revolutionary elements, which have surged to join in, came members of the opportunist petty bourgeoisie and even downright enemies, whose aim has been to camouflage themselves and undermine the party organizations."

The initial purges were ineffective; the levels of party members were low and they were under alien influence; new members were received without thorough preliminary checking. Thus by the end of 1949, party membership had grown at an inordinate rate to 750,000, of whom only 40 per cent were workers. The remainder consisted of poor and medium peasants, intellectuals and petty bourgeois.

ANTI-CP TERROR

The social composition of the Social Democratic Party, merged with the Communist Party, "for a long time the annex of the bourgeois landowning parties," was also inadequate. The presence of elements totally alien to the cause of the working class manifested itself in different forms, such as the stifling of criticism, inactivity, lack of co-operation and so on. The 1949-50 state plans demanded the mobilization of all available forces, but prior to that, the party had to be purged.

As a result of these purges, over 192,000 members had been excluded, representing about 20 per cent of the total membership before the purge. "Over half of those expelled were members of the exploiting classes, hostile to the workers. Only a minority was made up of people who had joined with good intention, but had not reached the standard expected of party members. In the process of the purge, a number of activists in the state machinery were removed as inadequate, bureaucratic elements. In their place, thousands of young people have been promoted. . . .

"Right from the beginning, it was clear that the enemy would try to hinder the smooth carrying out of the purge; they have repeatedly tried to use the purge in

order to compromise devoted party members. In some places, the class enemy has resorted to acts of terror, thus in the county of Jasy, where several members of the purge commission have been killed. In the county of Cluj, party activists have been murdered. The class enemy have realized that the purge is another blow to their criminal plans and shattered their hope of maintaining their influence among the party ranks."

"PERPETUAL" PURGE

As a result of this purge, the party had been strengthened and the percentage of workers in it increased. But "it would be a grave mistake to believe that the class enemy will now lay down their arms. On the contrary. There is not the slightest doubt that the enemy will increase their efforts to penetrate into the party. Party organizations must not regard the struggle for the cleansing of the party ranks as a passing campaign, but as a perpetual, daily pre-occupation for each party organization and every individual party member.

"At present, the party has 720,000 members. But there are still many unsatisfactory elements in its ranks, who do not follow the party line. Therefore, it is the task of the Rumanian Workers Party to continue cleansing it of adverse and alien elements and to regulate its growth so as to ensure the promotion of the proletarian elements in it."

The so-called criticism of party members means that party members must spy on each other. Spying on the comrades is the mission Gheorghe Dej has given "to any individual party member."

In times of crisis, a wave of purges invariably sweeps over the various Communist Parties. It is no accident that just now in Russia and in her satellites, purges, criticism and "self-criticism" have reached a hysterical peak.

The British Political Scene Is Portrayed Each Week in—

THE SOCIALIST LEADER Britain's Foremost Weekly

Yearly subscription: \$3.00 Shorter periods pro rata

Order from: Socialist Leader 318 Regents Park Road Finchley, London, N.3, England

THE PRO-TITOISM OF THE SOCIALIST LEFT—2

The Political Consequences of Pro-Titoism

By HAL DRAPER

We have promised to take up the arguments and evidence adduced by the pro-Titoists. We shall do so citing chapter and verse in a detailed examination of the politics of the Yugoslav leaders. But there is something to be done first, I think.

It is to raise the question: What are the political consequences of pro-Titoism?

Obviously, to raise this question is not to present an argument against pro-Titoism. If the evidence is going to lead to unwelcome consequences or conclusions, then it is clearly not the evidence which has to be thrown out.

I am moved to start this way, however, because I have in mind the method and approach being employed by so many of the pro-Titoist Marxists in Europe (especially outside the Fourth International Trotskyists). It is almost purely empirical, in the least desirable sense (not the scientific sense) of the word. As we shall see, it consists, indeed, to an overwhelming extent of merely pointing to a speech by Tito (or Kardelj, or Djilas, or Pyade, etc.).

What is wrong with such empiricism in politics? The empiricist likes to think that he is looking at "the facts," unimpeded by "dogma," that is, theory. He likes to repeat that "we must make theory fit the Facts, and not cram The Facts into preconceived theory."

The sentiment is unassailable. Only—how does one make sure one has the relevant facts? How does one even know how to look for them, and how to recognize whether a given fact is relevant or not, and relevant to what?

It is this which points to the unbreakable interconnection between theory and empirical data, and why the scientific method (in politics as well as in the laboratory) requires a constant interaction between observation and generalization, testing both.

Is all this breaking in an open door? I know it is not, after reading enough of the pro-Titoist articles being published especially by independent Marxist groups in Europe. Their writings proclaim this, as clearly as if they wrote it: "Our present theoretical ideas are of little or no help in analyzing this new phenomenon of Titoism. Let us therefore put theory on the shelf for a while. Let us follow where The Facts lead, willily-illy."

(The result is that they do not even pay attention to the real relevant facts. But that demonstration comes later.)

By first asking "What are the political consequences of pro-Titoism?" we hope to point a searchlight ahead along the road being traveled by those who are groping through speeches by Kardelj, Djilas, et al. about democracy. This cannot, by itself, convince them that their present view is false. I merely ask them to keep it in mind in connection with our discussion of the evidence later.

The Question at Issue

What are the political consequences of pro-Titoism?

The pro-Titoism we are discussing is the view that Tito-Yugoslavia is a workers' state, or it is becoming a workers' state, or it is "on the road to socialist democracy." The Fourth International Trotskyists hold the first and most full-blown form: Yugoslavia is a "dictatorship of the proletariat" rapidly introducing workers' democracy; others hold to vaguer characterizations of the same type. The common denominator is the view that, at any rate, Titoism has basically broken with Stalinism.

But what does it mean to assert that Titoism has basically broken with Stalinism? It has broken with Moscow, of a certainty. It has broken with Russian Stalinism. But has it broken with Stalinism?

—Ah, so there can be a Stalinism which is not Russian Stalinism? This is exactly one of the issues at the heart of the difference. It is clearly impossible even to state the question in dispute without immediately raising the issue of the nature of Stalinism—and of Russia. That is why a given position on Titoism contains within itself also a position on Stalinism and Russia. And a position on Stalinism bears all the main questions of our epoch for Marxists today.

It would be foolish for anyone, and doubly reckless for a Marxist, to rush into a position on Titoism without keeping this in mind—and not on the shelf.

They're Back to the "Russian Question"

Our insistence that Titoism cannot be understood apart from the question of the nature of Stalinism and of Russia has been given spectacular confirmation, in their own way, by the furthest-gone pro-Titoists of them all—the Fourth International Trotskyists. At the same time they have demonstrated what the political consequences of pro-Titoism are. We cite their case not to "scare" anyone into agreeing with us but to illustrate the point by other means than our own say-so.

For this group also began by trying to treat the Yugoslav question by itself. Least of all did they want to re-raise the "Russian question" in their own ranks! For this is the group which used to boast in so many words that it had a "finished program"—above all on the Russian question.

Here in the United States, the Socialist Workers Party for ten years—ten years of kaleidoscopic events—has in every instance refused even to meet us in debate on the Russian question. Their invariable reply, again in so many words, was: "We settled that question long ago—in the dispute with you 'Shachtmanites' in 1939-40. There is nothing to re-discuss."

Russia was a "degenerated workers' state," they knew exactly why, and that was that.

Yet, truly wonderful to behold, it is this group which is now in the midst of an internal dispute on the Russian question—all over again!

What has brought this near-miracle to pass?

FORUM SERIES ON THURSDAYS

A series of five public forums and discussions will be held each Thursday evening in the month of August at LABOR ACTION HALL, 114 West 14th Street, New York City. Time is 8:45 p.m.

The first was held on August 3 with Irving Howe, co-author of "The UAW and Walter Reuther," speaking on "Religion and the Intellectual."

The second will be on August 10, on the subject "Contemporary Science Fiction: Its Social and Political Ideas." Speaker is Hal Draper, editor of LABOR ACTION.

It has come to this because last year they began to try to develop a political position on Titoism. They had hardly begun before it had turned into a discussion on all of Eastern Europe. And, with just another exchange of polemics, it had become a dispute over why Russia is a workers' state.

It could not have been a half-serious discussion without taking this turn. Is Tito-Yugoslavia a workers' state? What's the criterion? How does this criterion apply to the other states of East Europe? Is it the same criterion that they have been using for Russia?

There are now two groups among them arguing it out—the lines cutting across the leadership of the Fourth International in Europe as well as across the leadership of the SWP here. (A sad state of affairs only for people who once gloried in their "unanimous" resolutions!) Lengthy polemical documents have been written. We shall here consider this dispute only as it bears on our own topic.

The Two Horns of the Dilemma

The question in dispute among them is not whether Russia is a workers' state but why it is a workers' state. We stated their dilemma a long time ago, long before their noses were bumped against it by Titoism, and in exactly the same terms they are discussing now.

• Why is Russia a workers' state? Is the decisive reason the existence of completely staffed economies? This was, beyond question, their confident position in 1939-40. But since then a brace of new states have come into existence with staffed economies—Russia's satrapies in East Europe. If these do not yet have completely staffed economies, they are already mostly there, above all, on their way to that goal at a fast rate.

• Then all the East European lands are workers' states too, if their Russian analysis is to be maintained. But no workers' revolution took place there. Still, a change in their class character—a social revolution—has taken place. It clearly took place through a purely military-bureaucratic road, from above, indeed from outside: on the bayonets of the Russian army—a "bureaucratic socialist revolution!"

• The only way to avoid the "bureaucratic socialist revolution" is to maintain that the East European satellites are not workers' states. But this can be done only by (openly or sneakily) revising the criterion which was so insistently applied for Russia.

I stated their dilemma in LABOR ACTION last year in this way: "The extreme piteousness of the plight of the orthodox Trotskyists is that they cannot even be orthodox, easy as that usually is! For them, either the heterodoxy of a new analysis of Russia, or the heterodoxy of the 'bureaucratic socialist revolution.'"

These are exactly the two choices in accordance with which the two disputing groups have lined up. For the first: the supporters of Ernest Germain and a majority of the SWP leadership here; for the second: the supporters of Michel Pablo, apparently a majority of the Fourth International leading committee, and a U. S. minority led by Bert Cochran and Joseph Hansen.

Both sides accuse each other (quite correctly) of opening the door to "Shachtmanism." Both drive the impulse to their position from their views on Titoism, under the impact of the Tito-Cominform break which made scraps of paper out of their previous resolutions.

Both accuse each other (also quite correctly, in different respects) of abandoning the orthodoxy of 1939-40. They are disputing what new position will fit their pro-Titoism. Each proposal leads into a swamp. Their polemics consist in each pointing out the dangers of the other's swamp.

Let us take a look at both swamps. No pro-Titoist position can avoid them.

(Next week: the meaning of the dispute in the Fourth International)

Footnotes on a Critic

A lengthy attack on our analysis of Titoism by one Gérard Bloch appears in the current issue of the SWP's magazine *Fourth International*, translated (with omissions) from the March-April *Quatrième Internationale*. Everything resembling a political thought in this piece will be taken up in its place in the course of the present series of articles on pro-Titoism. Meanwhile we introduce this Gérard Bloch to our readers with a couple of samples.

1. Straight from the GPU

On page 52 of *Quatrième Internationale* (this is from the section omitted in the English version), Bloch inveighs against—"the Shachtmanites who come out for a revolutionary overthrow of Tito by the Yugoslav masses—in agreement on this point with the Cominform! . . ."

The method is reminiscent. Let's try it out: Bloch is for a revolutionary overthrow of the Polish regime; so is Wall Street; therefore Bloch is in agreement with Wall Street on this point. . . . Trotsky was for a revolutionary overthrow of Stalin; so was Hitler; therefore Trotsky agreed with Hitler on this point. . . .

Beria (or better, Tito's Rankovic) could use a man like Bloch.

2. Coming and Going

For his peroration, Bloch chooses to beat a stick over the discussion article by Henry Judd in *The New Internationalist* on "The Relevance of Trotskyism." He appends his own footnote, which we translate here from the French (the English version is falsified). His footnote consists of two paragraphs (our emphasis):

"Judd's article, it is true, was presented as a 'discussion article'; but apparently the ideas expressed in it meet with quite general agreement among the members of the ISL, since no other contributions to this 'discussion' has appeared up to now in *The New Internationalist* . . ."

"As this issue goes to press, we have received the January-February 1950 number of *The New Internationalist*, in which Gates, another ISL leader, combats Judd's ideas. In the 'Independent Socialist League,' the leaders are at the least very independent of one another."

With people like Bloch, you can't win either way. If you don't reply to Judd: "Aha, they agree with it!" If you do reply: "Look at them, they can't agree among themselves!"

Evidently Bloch has all the necessary qualifications to defend the official Trotskyist line on pro-Titoism.

East German Stalinism: Tightening Up in Face of Hatred

By EUGENE KELLER

With the eyes of the world understandably focused on events in the Far East, developments in Germany must not be lost sight of. This is necessary not merely for a proper evaluation of world political trends but because the industrial potential and high culture of Western Europe generally and Germany in particular continue to be the major objectives of Russian and American policies.

In briefly assaying the results of American policies in Europe, it might be said that it has success in stabilizing conservative governments. But up to now no decisive measure of European unity has been achieved, not even in the sphere of armaments, certainly not on any vital economic plane. The response of the European governments—not the people, but their conservative governments!—to the Korean crisis which has starkly confronted America has been characterized by much volubility, little enthusiasm and reluctant pledges of support.

How will they react to a major crisis if one comes? Western Europe's neutralism, given the weakness of its politically progressive forces, is its only means of resistance—passive resistance, unfortunately—to being dragged into another war. It is not primarily Stalinism but this neutralism which makes Europe's future position in the coming war uncertain; and such uncertainty adequately bespeaks the failure of American policy.

In reviewing the American failure in Europe it is not difficult to see that it has not automatically redounded to the benefit of Russia.

CP Used Up Its Good Will

The latter's assets in Western Europe have consisted not only in the existence of a large apparatus subservient to it; more important, it had accumulated a great reserve of good will during and immediately after the war; and many of those whom capitalism and fascism had reduced to misery and upon whom had been imposed the necessity of a difficult and unrelenting struggle for a livelihood without worthwhile perspectives for a decent future—many of these were sympathetic with Russia, for wasn't it too a "have-not" nation, fighting for a better life?

This genuinely popular base by which Russian policy might have advanced has vanished; Stalinism has exposed itself by its actions, and in its attempts to bring the movement and collective sentiments which were friendly or conciliatory toward Russia under its stifling control, it inevitably alienated the bearers of such good will.

Nowhere is this more apparent than in Germany. Germany has retained the potential power

to affect decisively the outcome of any future world crisis. If it appears improbable that this will actually come about, then this is only because neither Russia nor the United States has been able to devise a policy appropriate to that end. The bankruptcy of the politics of both is still most sharply illuminated by the state of Germany.

An inkling of the situation of the working class as well as of the crystallization of a new ruling strata in the Russian sector of Germany was given by Barois in last week's LABOR ACTION. We can add important details to that picture. In this article we will attempt to analyze some of the recent changes within the "Socialist Unity Party" (the SED, in its German initials), which is the Stalinist party of East Germany.

A clue to these changes was given in the keynote address, delivered to the recently held third congress of that party by Wilhelm Pieck, its chairman, as well as by the election to the position of party secretary-general of Walther Ulbricht.

New No. 1 Man

Hitherto it was the combined chairmanship of Wilhelm Pieck and Otto Grotewohl which ruled the SED. The former is an old Stalinist hack who, in the late '20s, together with Ulbricht brought the German Communist Party under the control of the Russian Politbureau, having deprived all intraparty opposition of its voice by the methods peculiar to Stalinism.

The latter, Grotewohl, was a leading Berlin Social-Democrat who led the East German sector of his party into "socialist unity" with the CP in April 1946; on which fateful step he prevented a vote of his party's membership from being taken. This chairmanship was not abolished by the SED congress but the election of Ulbricht, who is far younger than the 75-year-old Pieck, supersedes it in importance.

Ulbricht, like Pieck, was a leader of the "Free Germany Committee," organized after the battle of Stalingrad, with headquarters in Moscow. According to Ruth Fischer's *Stalin and German Communism*, he was the organizer of a German division of the GPU during the Spanish Civil War, responsible for the "investigation" of German-speaking Trotskyists and other dissenters and for their subsequent torture. As indicated above, he had, together with Pieck, instituted the disintegration of the old democratic structure of the original German CP. With this personal history it is beyond doubt that he enjoys Stalin's trust and that his new position is designed to tie the SED not only closely but also safely to the Kremlin.

The election of Ulbricht is only part of the structural changes which have occurred within the SED and have been formalized by its recent congress. Before further outlining these, the following must be recalled:

Defeats for the Stalinists

The proposal for the fusion of the Social-Democratic Party and the CP in 1945 originally arose from a genuine desire for working class unity; for, naturally enough, the victory of Nazism was held to be due to the lack of such unity, and in 1945 the great majority of the Berlin workers favored it (this held probably true for Germany generally but for Berlin it can be proved). Yet the merger of the two parties took place only in Eastern Germany and only after it had been imposed by Russian authority.

Obviously, as the truth about Russian dismantlings became known, as the Stalinists took contradictory lines on unification, and as they revealed themselves more and more as apologists of the Russian regime, the workers began to view unity far more critically. When in April 1946 a plebiscite on the merger question was held, Russian officers closed down the polling stations in their sector (including in Berlin); the results from the Western sectors of Berlin

showed that of 72 per cent eligible to vote, 80 per cent were against the merger.

This was but the beginning of defeats for the SED. The pressures it was able to exert in its zone obviously make election results unreliable indices of its "popularity."

It suffices to cite two indicative instances: (1) the Berlin communal elections in October 1946; (2) the electoral policy of the present East German government.

The former yielded but 29.8 per cent of the total vote to the SED in the Russian sector, with 43.7 per cent going to the Social-Democrats and 26.5 per cent to the two right-wing parties, also in the Russian sector. Regarding (2), the present German government in the Eastern Zone has yet to be elected. It was self-appointed last October; elections are scheduled for the coming October but only a single list of candidates is to be presented to the voters; all candidates belong to the "National Front of Democratic Germany," and all—unanimously, it goes without saying—have adopted a "unified electoral program." This is a new development from 1946 when the other parties of the Russian Zone had an opportunity, if a curtailed one, to run independently, and when the SED received only 50 per cent of the total vote.

Getting Rid of Old Tools

The true sentiment of the Germans of the Russian sector has been expressed far more powerfully than any elections can express such sentiments by their stand during the blockade of Berlin; and before that in the March 1948 celebrations of the centenary of the Berlin insurrection; and again in the May Day 1950 mass meetings, called by the Social Democrats and attended by vast multitudes, estimated at 500,000. The fact that such masses of people turn out against the Russians and their German tools whenever the opportunity arises and in the face of clear and present danger remains of tremendous significance.

The structural changes within the SED, mentioned above, have attempted to cope with this opposition as well as with more specific pressures within the party which endanger Russian aims. Thus a Central Control Commission to which regional and local control commissions are subordinated was established last year by a party plenum, as a result of a report made to it, entitled: "Theoretical and Practical Significance of the Resolution of the Information Bureau [Cominform] on the Situation of the Communist Party of Yugoslavia and the Lessons for the Socialist Unity Party." A complicated structure of such commissions, which in reality are police agencies, already exists in the economic field.

Most important in the creation of a "party of a new type," as this process toward more effective dictatorship is called, has been the elimination of both Social-Democrats and old CPers from the cadres of the SED. This, Pieck asserts, has been the result of "serious inner-party discussions... which resolutely eliminated the ideological differences between Communists and former Social-Democrats. Numerous party cadres which previously had not belonged to any of the old parties were brought to the forefront. [Hence] the party conference abolished the principle of parity in filling leading posts."

Thus the organizational changes involve significant changes in the party's personnel.

LABOR ACTION BOOK SERVICE

can help you build your own labor and socialist library.... Write for free book list. And remember: we also supply books of ALL publishers. Get ALL your books from

LABOR ACTION BOOK SERVICE
4 Court Square Long Island City 1, N. Y.

A Discussion of the Recent Convention of the ZOA—

The New Line of the American Zionists

The following article is from The Jewish Newsletter, July 14 issue, a weekly review published by William Zukerman. The views expressed are Mr. Zukerman's, of course, and are presented here for their interest toward a discussion of what has been happening to Zionist ideology since the birth of Israel.

We are planning to present further discussion material on the nature of Zionism and Israeli nationalism today, as well as on the "Jewish Question" more broadly—soon, we hope. As always, the columns of LA are open to viewpoints on this question from our readers, including comment on Mr. Zukerman's article. We look forward to the clarification of socialist thinking on this field as a result of such a discussion.—Ed.

By WILLIAM ZUKERMAN

It is not yet widely recognized that the last Zionist convention in Chicago was a landmark in American Zionist history and that it has ushered in a theory of Zionism, or at least an interpretation of it, which contradicts the one which dominated the American Zionist movement for two decades. Superficially the convention dealt mostly with the so-called "autonomy" question, or the independence of the Zionist Organization of America. But behind that question, another one which goes deeper to the heart of the Zionist theory, occupied the minds of the delegates.

Indeed, the question of independence of the ZOA and the consequent clash between the Israeli and American Zionist leaders, was but one aspect of the larger problem. This was: a new conviction that American Zionism can no longer be the same as in Europe and in Israel; that conditions of the Jews in America are different from those in other countries and therefore Zionist theory cannot be applied in the same manner to American Jews as to Jews in Europe and in Israel.

In Europe, Zionism has always been a movement to transplant the Jews themselves from their places of persecution and homelessness to Israel. In America, Zionism has been a movement to help other Jews to go to Israel. Stated differently, European Zionism has been nationalistic; American Zionism, philanthropic. For a time when Zionism was but a theory, the distinction between the two brands could be overlooked or glossed over. But now that Israel has been established, the difference between the two has become so sharp that they cannot parade as one any longer.

Zionism as Philanthropy

All this is, of course, not new. The distinction between Zionism and nationalism has been debated in Europe and in this country among nationalists and anti-nationalists for years. The new development now is that at the ZOA convention in Chicago, American Zionists have taken a new stand on the question which is both radical and unique and which will affect the Zionist movement for years to come.

The American Zionist movement began fifty years ago as an avowed philanthropic movement intended to help Jews of Czaristic Russia leave their homes and settle in Zion. That phase of the American Zionist movement continued approximately until after the end of the first World War. During the tragic years which followed, with the rise of Polish and Nazi anti-Semitism, American Zionism became more and more Europeanized and nationalistic, partly because of the psychological atmosphere created by

Nazism, and partly by the impact of the large masses of Jewish immigrants who came to this country from Central and East European countries. Shortly before and during the second World War, it looked as if American Zionism had almost blended with its European counterpart and both had become one united Jewish nationalistic movement.

It was this intensified nationalism, known in America as "militant" Zionism that called forth the first organized reaction in the United States against Jewish nationalism in the form of the American Council for Judaism (a movement, incidentally, which had its counterpart in Europe in the Jewish Labor Bund and other anti-nationalist groups many decades before the Council was born in the U. S.). It is important to add that almost all Jewish anti-nationalistic parties were never opposed to philanthropic Zionism—they fought only the political and nationalistic aspects of Zionism.

Letdown

But so intense was Jewish nationalism in this country before and during the war that even such partial opposition was met with hatred and passion that far transcended political partisanship and became almost pathological. The anti-nationalists, especially of the Council for Judaism, were the enemies of the Jewish people, traitors, anti-Semites, and they were hated with the same hatred as were the Nazis.

This lasted until the establishment of the state of Israel, when a new great "let-down," as it was called, set in the ranks of the American Zionists. The "let-down" was not with regard to

Israel, or aid to it. On the contrary, the interest in Israel has probably increased with the new feeling of collective pride which the emergence of the state called forth.

The decline was in nationalistic feeling and this for a very understandable reason, for the establishment of the state of Israel has confronted American Zionists with a concrete and painful dilemma:—If they were, as they said, nationalists, then they had no other recourse than to "settle in Israel, or at least to start packing. For Jewish nationalism has always meant that Israel is the home of all Jews and that no Jew can live fully and happily except in Israel. American anti-nationalist Jews, or even non-nationalists, could be excused for remaining in the United States, but no self-respecting Zionist, if he adhered to the nationalistic interpretation, could remain here and keep his self-respect.

Ingathering

This was the deeper reason why American Zionists began to leave the Zionist Organization in the thousands. It is not pleasant to be aware constantly that one's action contradicts one's words, and that one acts conspicuously the part of hypocrite. This moral discrepancy of the ordinary Zionist could be done away with only by leaving the United States and settling in Israel (which a very few Zionists did); or by changing the interpretation of the Zionist theory.

Adding to the complication, the Israelis began to exacerbate the painful dilemma by reminding the American Zionists of their numerous nationalistic promises and to demand their fulfillment. Ben Gurion, Dobkin, Lurie, Golde

Meyerson, Greenbaum and the other leaders of Israel have always remained consistent nationalists. They sincerely believed their own propaganda that all Jews outside Israel are in "exile" and have to be "redeemed" through a process of "ingathering" to the Jewish state and that no Zionist with a feeling of dignity can remain in the diaspora now that Israel is established as a state. They thus began to send their calls to American Zionists to honor their nationalistic promises and to come to Israel or at least to send their children.

New View

American Zionists found themselves in the position of men who had issued promissory notes and could not meet them on demand. This, not the question of autonomy or leadership, is the real issue behind the clash between Israeli and American leaders.

It is a clash between a theory which grew up in one part of the world (Europe and Israel) and conditions of life which prevailed in another part of the world (the United States and other overseas countries). In such a clash, reality usually takes the upper hand and theory adjusts itself to life. This is what happened at the Zionist convention in Chicago.

This was well illustrated in the speeches of Drs. Silver, Neumann, Irving Miller and other more liberal American Zionists. But nowhere was it stated more strikingly than in an article by a conservative Zionist of the nationalistic section of the Zionist movement. Dr. S. Margoshes, who usually voices the official policy of the ZOA, stated in the *Tog* on the day of the opening

of the convention (June 30): "It is no longer possible to deny that the prevalent opinion in Israel is that the historic process of the ingathering of Exiles has placed the State of Israel in a position in which it must preside over the liquidation of the whole of the diaspora. It is no longer a question of the Jewish State receiving those who seek its shores out of necessity or choice. The version that is being entertained now is of absorbing all the Jews of the world. Thus, many in Israel expect not only a mass-migration composed of the remnants of the Jewish people in European lands and Arabic countries, but also of the bulk of American Jewry. To them it seems not only undesirable but inconceivable that the vast majority of the five million Jews should remain in the United States. The Zionist Organization of America must take a definite stand against this view that would equate the Jewish State with the whole of the Jewish people."

These words are significant not because they are new or proclaim a truth unknown before. They have been repeated again and again by anti-nationalists of all parties: by Bundists, Volkists, Freelanders in Europe, and in this country by the American Council for Judaism. What is new and almost revolutionary is that an official spokesman of the ZOA now uses the same language and embraces the same theory.

It is a public acknowledgment of the failure of nationalistic Zionism in America. It marks a retreat from a position held by American Zionists for at least ten years. It is a definite victory for the Jewish anti-nationalist forces in America and a vindication of the struggle of many years....

SWP Leader for Stalinists in Korean War

The leader of the Socialist Workers Party (official Trotskyist group), James P. Cannon, last week came out in complete support of the Stalinist side of the Korean war. This was announced in the July 31 issue of *The Militant* (SWP weekly) in the form of "A Letter to the President and Members of the Congress" by Cannon.

The letter, which is evidently written as a statement of position on the war, gives a virtual 100 per cent whitewash to the Stalinist invasion. The only derogatory remark directed against the Russian Stalinists is the passing sentence: "It is true that the-Kremlin seeks to take advantage of this struggle for its own reactionary ends and would sell it tomorrow if it could get another deal with Washington. But..." (This group plugs the fanciful proposition that Stalin's main aim in life is to make compromise "deals" with the West rather than come into conflict with it.)

The rest of the letter is an attack on American imperialism ALONE, much of what it says in that direction being true. In this respect it is similar to all the

propaganda on the war of the Stalinists, who can also speak part of the truth as long as it is directed against only one side in this two-sided imperialist war.

The Korean Stalinists do not exist, as far as Cannon's declaration is concerned. North Korea is no longer a "puppet state," as it was for *The Militant* of July 3 and July 10. There was no invasion, but rather the outbreak of a Korean "revolution," etc.. Cannon concludes: "The right in this struggle is all on the side of the Korean people," by which he means the North Korean puppet state of the Kremlin.

There is, it is clear, nothing in common between the political position taken here and the Independent Socialist "Third Camp" view of political opposition to both sides in this imperialist war.

Cannon's line is, rather, identical with that of the CP, and also with that of the Fourth International resolution which we quoted and discussed two weeks ago in LABOR ACTION. There has been, then, a marked change from the view of the war taken by Cannon's *Militant* in this first two issues after the start of hostilities as compared with Cannon's declaration now. Along with its Stalinization in so many other respects, the SWP has also adopted the Stalinist practice of switching its line from one issue to another without even a nod to the old one.

Following the July 3 and 10 issues of *The Militant*, LABOR ACTION pointed out why the basic politics of the SWP would force it to support the Stalinist war. They have now done this up to the hilt. That their new line is consistent with their basic Stalinized politics is clear. That it is in crying contradiction with their first reaction to the war is equally clear from the accompanying Zig-Zag box—the same kind of box we have so often had to run with regard to CP switches.

ZIG—

The Militant
July 3-10

• "The contention that either side is concerned with the self-determination of Korea is as foul a lie as Hitler ever concocted." (July 3)

• "This series of events is taking place within the broader framework of the struggle for world domination which is the essence of the cold war and of the current new phase of developments." (July 3)

• "The 30 million inhabitants of both North and South Korea have had no say whatever, especially since their 'liberation.'" (July 3)

• "It is generally taken for granted that Korea most likely represents a testing ground rather than a direct prelude to a world war. But even as a testing ground, the war in Korea must offer some very serious objectives to the Kremlin, to involve it in such a tremendous risk." (July 10)

• "Stalin and his regime bear direct responsibility for the tragic plight in which the Korean people now find themselves." (July 3)

ZAG

James P. Cannon,
Militant, July 31

• "The explosion in Korea on June 25, as events have proved, expressed the profound desire of the Koreans themselves to unify their country, to rid themselves of foreign domination and to win their complete national independence."

• "It [the Korean struggle] is part of the mighty uprising of the hundreds of millions of colonial people throughout Asia against Western imperialism. This is the real truth, the real issue."

• "It is true that the Kremlin seeks to take advantage of this struggle for its own reactionary ends.... But the struggle itself has the overwhelming and wholehearted support of the Korean people."

• "This is more than a fight for unification and national liberation. It is a civil war."

• "Whatever the wishes of the Kremlin, a class war has been unfolding in Korea. The North Korean regime, desiring to mobilize popular support, has decreed land reforms and taken nationalization measures in the territories it has won. The establishment of people's committees has been reported. These reforms, these promises of a better economic and social order have attracted the peasants and workers."

- If You're—
- Against capitalism
 - Against Stalinism
 - For a Socialist Democracy,

You belong with the—
INDEPENDENT SOCIALIST LEAGUE

You should read—
Max Shachtman's "THE FIGHT FOR SOCIALISM"

For information and literature, write to:
Independent Socialist League
4 Court Square, Long Island City 1, N. Y.

By LEON TROTSKY

Marxism in the United States

35 Cents Order from
Independent Socialist Press
4 Court Square
Long Island City 1, N. Y.

Subscribe to
LABOR ACTION

Levittown: How to Make a Pile On U. S. Money and Scab Labor

By EDWARD CORWIN

A friend advised me to read an article about Levittown, N. Y., which appeared in a recent issue of the magazine Time.

I wondered why Time was so enthusiastic about the builder, William J. Levitt, and gave him so much free advertising. After a while I discovered that Levitt does not like union labor. Understand, he's not opposed to it, he just can "get along better without it."

That's an ancient alibi. It means Mr. Levitt can make more millions out of "scabs" than out of union men. Of course, Time doesn't like union labor, either.

Levittown, with more than 10,000 houses and 40,000 people, is just about the biggest development of its kind in the United States. It was put up on some of Long Island's potato fields. That means the site was dirt cheap—for Mr. Levitt.

The article revealed a number of interesting facts. First of all,

Levittown couldn't have been built without the aid of the government. Yet, businessmen are telling us every day that this sort of thing represents "socialism" invented by his satanic majesty.

Uncle Sam put up the money and made the guarantee. Levitt built the houses, all practically alike, all sold for the same price. **NO RISK**

There are a lot of defects in Levittown. Even Time admits that. Transportation is poor and more schools and other facilities are needed. Yet the occupants have roofs over them and that's important.

Levitt, his brother and his father have an immense number of dollars in their pockets, all made without risking a cent. They organized a corporation which pays William and the brother, Albert, \$125,000 a piece a year and pays the father, Abraham, \$60,000 a year for apparently doing nothing except "distributing seeds." In addition, the brothers collect another \$150,000 a piece out of other companies

they have formed.

The profit on each house is a secret. Uncle Sam—while he takes all the risks—has never taken the trouble to find out just how much the promoters make with his money. Funny way to run a government, isn't it?

What will Levittown look like 20 years from now? Some say it will be another slum.

If Uncle Sam built the houses he would have made them more attractive and more permanent and would have thought of schools and other facilities.

Time tells further that there are a lot of similar developments over the country. The best thing about the whole proposition is that it does provide roofs.

It's significant that William Levitt isn't building any house for himself. He's soaking his money away. He lives in a swanky rented apartment, and has a rented mansion, with a swimming pool, at the seashore.

(From "Labor," July 29)

UAW Local —

(Continued from page 1)

far below AFL pay scales and this bothers the skilled workers.

The much-vaunted boasts of the UAW leaders about their defense of democratic rights of the members looked pretty sorry in the past two weeks, as five different incidents of suspected Stalinists being run out of shops occurred in UAW plants. Instead of deploring mob violence—and that is all that the incidents showed—the UAW leaders continue to back Carl Stellato, Ford 600 president, whose statements are literally an incitation to riot.

JIM CROW QUASHED

About the only analogy to the 1941-42 days came last week in the crisis in the Chrysler plants over the upgrading of Negroes on a seniority basis.

A walkout of metal workers protesting the upgrading of the Negroes took place last Friday. This happened after two weeks of agitation against the Negroes in the Kercheval metal shop.

Unlike some of the incidents in 1941-42, firm and immediate ac-

tion of the newly elected Local 7 officials, backed by the leading chief stewards, ended the strike, with the Negroes exercising their seniority rights and workers breaking them into the higher-paid jobs which had opened up.

In the past few months Chrysler has hired hundreds of new workers from the South, and these new employees brought into the shop all their prejudices against Negroes. During the recent local election campaign they were further incited by cheap politicians using race bias as an argument against the victorious caucus.

But when the new men found out that the local union would not back them but that, quite the contrary, it was firmly united against Jim Crowism in the shop, the backbone of the walkout was broken.

Another interesting aspect of this critical situation—and it was touch-and-go for a while—was that appeals among the Negroes to take strike action against the whites for refusing to break in the Negroes were quickly quashed as Negro unionists pointed out that the best recourse was to depend on the union to protect the Negroes' rights, and that they could best win within the union. This is exactly what happened.

Unquestionably, decisive and immediate action in the UAW could easily stop any similar incidents in other shops. The question is: Will the UAW leadership have the courage to take the kind of position which the Local 7 leadership did?

Re-Release

The weekly East Europe calls to mind a passage from Thomas Hardy apropos of the United Nations, although Hardy was writing about the Congress of Vienna in the Europe of 1815:

"The Congress of Vienna sits
And war becomes a war of wits,
Where every Power perpend
with all
Its dues as large, its friends as
small;
Till Priests of Peace prepare
once more
To fight as they have fought be-
fore."

Truman Holds Back —

(Continued from page 1)

vastly different. The depression had resulted in such an underdevelopment and under-use of the available resources and manpower, that it was possible in a few short years to double the production of the economy. This means that a whole military economy could be stacked on top of an expanded civilian economy, with a total rise in the standard of living of a large segment of the population.

For the first time since 1929 millions of workers got steady jobs and were able to eat and clothe themselves and their families better than for years. This was true even for millions in the armed forces who had a higher standard of living from the point of view of food and clothing than they had ever had before.

But now the unemployed are a much smaller fraction of the population. Except for a small percentage of these who have been unemployed for over a year, the workers' standard of living has been higher than ever before. And the economy is so strained to keep up with this standard of living, that expansion into the military sphere can only be subtracted from it, at least in most fields.

ONLY THE BEGINNING

The first way in which this is showing up is in price increases. Every increase is a notch out of the standard of living of the workers. The second way in which it will show up is in a few months will be in a decrease in the building of houses, automobiles, and a thousand and one other durable goods which go into the workers' standard of living. The third way is that it will show up will be a steady rise in taxation which will openly and directly reduce the spending power of the workers.

And this will only be the beginning. The present appropriation of \$10 billion will quickly be dwarfed by others. And even though much plant expansion can be expected to take care of rising demand, it is extremely doubtful that such expansion will be able to do more than keep up with the expansion of military orders.

The situation confronts the workers with two immediate dangers. One of them is inflation. The other is the renewed hue and cry against wage increases for a wage freeze, and for a no-strike pledge plus a return to some kind of War Labor Board setup.

The economic report confined itself to asking the workers to increase production and not to make "wage demands of a character which might lead to another inflationary spiral." This is echoed and emphasized in every discussion of the situation by a host of columnists, editorial writers and "experts" of all kinds.

THE SINGLE TRUTH

Of course, the argument is a fraud, just as it was during the last war. Was the 13 per cent increase in commodity prices of the past few weeks caused by "wage demands"? Have the increases in the price of bread, milk, tobacco and other necessities been brought about by higher wages in these industries?

The simple truth, which everyone knows, but which almost everyone lies about, is that price increases are a result of profiteering on all levels, and that if the labor movement makes one wage demand after the other it will do well to keep up with the increase in the cost of living.

Another fact, known to all, is that profits this year are at an all-time high. Unless price controls are imposed immediately the price increases will simply raise them to undreamed of heights. That is the real inflationary danger in the short run. And in defense of the people as a whole the labor movement would do well to demand at once the freezing of all prices with a rollback to June 23 levels.

Such a demand should be coupled with a demand for the taking of all profits over, say, 10 per cent on invested capital, a graduated tax on profits up to that level depending on the size of the corporation, and an income tax steeply graduated in such a way as to permit no individual to keep more than \$25,000 per year.

PAYING A PENALTY

Such a program, drastic as it may seem in the "half-war, half-peace" atmosphere which the government is trying to create, is an urgent necessity. Even if the present situation should settle back to the good old days of the "cold war" as far as military action is concerned, the United States is now committed to a military establishment so large that only a tightly controlled and regulated economy will be able to stand up under it.

The American workers, the common people as a whole, are going to bear the chief burden of

the pre-war economy into which the nation is now being plunged. Their standard of living is going to be reduced drastically. And if this is but a prelude to a full-scale war, the suffering for the American people will be greater, with or without atomic bombs, than anything they have experienced in their history.

That is the penalty we have to pay for the failure of the workers to tear themselves loose from allegiance to the capitalist system, from the foreign and domestic politics of a ruling class which has no answer to Stalinism or to its own problems but military mobilization and war.

But a labor movement as powerful as this one can yet do much to lighten the burden on the common people, and to shift it to

the shoulders of the rich who can bear it best.

A policy designed to do this requires a realization of what lies ahead and a bold determination to turn the "equality of sacrifice" slogan from a soothing catchword in the mouths of capitalists and politicians into a reality. Such a policy will bring the labor movement into head-on collision with the capitalists, and with many of those whom it has labeled its "friends" in politics. Yet anything short of it will mean that instead of defending the interests of the workers and the people as a whole, the labor movement and the labor leaders will simply become an instrument whereby the economic burdens of militarization and war will be born completely by the workers.

Baruch Plan Heralds —

(Continued from page 1)

Most serious effect of all will be upon the economic recovery of Western Europe where America has already begun an intensive campaign to rearm the West, form fighting divisions and divert peacetime economies into war-preparation economies. In general, that steadily increasing trend of the Marshall Plan away from productive and commodity equipment and toward the means of destruction will now be accelerated; the rearmament appropriations for Europe now take precedence over Marshall Plan aid; the famous slogan of Goering, "Guns, not butter," once more comes into its own.

"GUNS OR BUTTER" AGAIN

The North Atlantic Council of Deputies, representatives of twelve nations now meeting in London, plan a total of 36 large divisions, plus full air support, by 1952. To achieve this, every single nation must drastically revise its national budget, expanding that portion devoted to armaments at the expense of capital investment for recovery and expenditure for social welfare purposes.

But this will not suffice, and America, which is now rearming Western Europe at the piddling rate (by military standards) of \$1 billion per year will have to treble or quadruple this amount before it can expect the Western European governments to revise their budgets.

Obviously, we have here the creation of a vicious cycle, since Congress will hardly maintain the present Marshall Plan program while simultaneously boosting its rearmament program. Economic forces have already been set into motion whose outcome and goal are unknown in the specific, but shockingly clear in their general effect.

What crises will result in Europe from these shifts it is impossible to predict. We know that, just as in America, it will be a struggle over who shall assume the burden of military production costs—which social groups and classes in our so-

ciety? With their work still incomplete, the Atlantic Pact deputies have already decided (1) to increase arms production targets of all past pacts; (2) to ask for immediate increases in standing armed forces and to plan for long-term increases. Who will pay for this? Defense Minister Shinwell says, "It requires money. If I only had more money, heaps of it, I could do more." But then, recognizing the impossible dilemma (guns or butter), he adds: "It is impossible for us to devote the whole of our government expenditure to the [armed] services alone."

CHURCHILL'S TACTIC

But Churchill, who thrives on precisely such crises as this and who is already playing the same Clemenceau role which carried him to power in 1940, recognizes no such difficulty. He is prepared to exercise power in a totalitarian mobilization of the nation's economy and manpower. At the same time, he proposes the removal of all production barriers on Western Germany, an idea unwelcome to both France and Labor Britain.

At the same time France's new premier, Pleven, suggests that America stop sending finished armaments to Europe, but instead "expand European armament industries now operated below capacity"; meaning, of course, French steel and iron works in Lorraine and around Paris.

We have only suggested some of the more obvious problems and difficulties already existing as American imperialism prepares the mobilization of Western European economy and resources for war. The years 1952 and 1953 are the two dates most emphasized for the outbreak of a full war. But the masses of Europe, now badly confused and apathetic may yet revive their spirit of independence and struggle for peace before the pattern set in Washington and Moscow has run its full course. A new phase of economic class struggle over the burdens of war is about to begin.