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(AN EDITORIAL)

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Contents

JANUARY, 1948

EDITORIAL COMMENT:	3
Outlook for 1948 and the Third Party	
Sauce for a Witches' Brew	
Differences in the European Labor Movement	V. I. Lenin 14
How to Defeat Universal Military Training	Arnold Johnson 19
The Political Significance of Keynesism	William Z. Foster 27
Statement to the Council of Foreign Ministers	V. M. Molotov 44
The New China Program of the American Interventionists	Frederick V. Field 51
Farm Cooperatives and the Trusts	Lem Harris and Robert Digby 65
The People's Front and the New Yugoslavia	Marshal Josip Broz Tito 76

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EDITORIAL COMMENT

OUTLOOK FOR 1948 AND THE THIRD PARTY

THE TWO MAJOR capitalist parties, when they meet in convention in Philadelphia within six months to write their platforms and nominate their respective presidential candidates, will undoubtedly make great efforts to appear as the champions of the people's interests. The politicians in both camps will compete with one another in their declared concern for the well-being of the people. But the record is already in, and nothing that happens at these conventions can change it.

The working class and its allies among the farmers, the professionals, the Negro people, the veterans, and the small businessmen can give support to presidential candidates of either of these two parties only at the cost of voting against their own interests and of voting to tighten the grip of Big Business on the economic, political, and cultural life of our nation. It is already clear that President Truman, the loyal servant of the trusts, will be nominated as the candidate of the Democratic Party. And no matter whom the Republicans nominate, be it Dewey or Taft, Vandenberg or Warren, Stassen or Eisenhower, their candidate will be the nominee of Big Business reaction.

There is only one vital question for the people now as far as the 1948 presidential elections are concerned.

It is: Will the people organize in time their own party and nominate their own Presidential candidate on a third ticket? In reality such a people's candidate on a third ticket will be the candidate of the second camp, the people's camp. In reality he will be the candidate of the second party, if such a people's party is launched. For in this election the two old capitalist parties will represent and champion the interests of the same camp, the camp of the monopolies, the camp of Big Business reaction.

* * *

Not since the 1924 elections, when the Republicans nominated the reactionary champion of the capitalists, the strikebreaker Calvin Coolidge, and the Democrats nominated the Wall Street House of Morgan attorney, John W. Davis, has it been so clear to millions of the common people as it is today that they must have their own political party to champion their interests. In 1924, as a consequence of the complete domination by the trusts of both major parties, there did arise a third party movement culminating in the nomination of the elder Robert LaFollette as the third presidential candidate.

The movement for a third party and for a third presidential candidate today differs in many vital respects from that of twenty-four years

ago. At that time the movement arose almost exclusively out of domestic issues. The petty-bourgeois masses, especially large sections of the farmers ruined and exploited by the big trusts following the end of the First World War, found expression in the LaFollette opposition within the G.O.P. When it became obvious to them that the reactionary-controlled G.O.P. was completely deaf to their pleas, they turned to independent political action. At the same time the labor movement, having suffered major defeats in the post-war economic struggles as a result of the employers' open-shop drive and the government strikebreaking of both the Wilson and Harding Administrations, demanded of its leaders that they join the movement for a third presidential candidate. The strength of the Left-wing forces in the labor movement and the role of the Trade Union Educational League led by Foster undoubtedly had much to do with the fact that even the official leadership of the A. F. of L. was compelled to endorse the LaFollette candidacy. The A. F. of L. at that time, largely because of its policies and leadership, counted only some two and a half million members. Because of labor's reformist policies, the initiative and leadership of the third party movement remained in the hands of the LaFollette middle-class politicians. This also accounted for the fact that the movement was dissolved immediately after the elections. The fact that this move-

ment was launched at the beginning of the partial stabilization of capitalism, and after the postwar crisis in the U.S.A. was followed by the so-called "Coolidge prosperity" was also a major factor in the liquidation of the movement after the 1924 elections.

The third party movement today, which already has the support of millions, is also largely associated with the name of an outstanding individual, namely, former Vice-President Henry A. Wallace. And while it has considerable support among farmers, urban middle classes, professionals and generally among those who were the strongest supporters of Roosevelt, its main base is in the working class, despite the fact that few outstanding trade union leaders have as yet spoken out for a third party ticket in the 1948 elections. Also important is the fact that this movement has a growing base among the Negro people, whose advance in political consciousness since 1924 is one of the most important developments in the nation's history. The nature and sharpness of the struggle today, the issues involved, and the new role of the working class create the conditions for the emergence of a people's party and not merely a third ticket.

* * *

The third party movement today is developing as a direct consequence of the issues confronting the people. It is developing as a result of the reactionary domestic and foreign policy

of the trusts and the growing realization that the Democratic Party, which under Roosevelt did represent some alternative to the Republicans, has completely deserted the Roosevelt program and is jointly with the G.O.P. carrying out the program of Big Business reaction. In the sphere of foreign policy the two parties are championing and executing the imperialist program of world domination, of war preparations, of support to every reactionary force the world over, of rebuilding a reactionary Germany. Both parties support the Truman Doctrine and the Marshall Plan. They support intervention in Greece and China. They openly intervene in France and Italy against the labor and other democratic forces. They are undermining the United Nations and inciting against the Soviet Union and the new democracies in Eastern Europe. Both parties are carrying through a program of militarizing the nation.

Whatever differences exist between the two major parties or within each of them, apart from merely partisan quarrels, are primarily differences with regard to methods and tempo, on how best to carry forward the program of the monopolies. While such differences, as well as capitalist group differences, may at a given moment assume importance and be utilized by the anti-imperialist camp to strengthen its position, they are not fundamental and are today being contained within the so-called bi-partisan foreign policy of

Truman, Marshall, Vandenberg, and Hoover. To the extent that foreign policy becomes an issue between the two parties in the campaign, it will be one of competition as to who has more fully repudiated Roosevelt's policy and which party is the more reliable executor of the program of Wall Street.

On the domestic field the Truman Administration must assume equal responsibility with the G.O.P. for all the reactionary policies that have been directed against labor and the common people generally. In the field of anti-labor legislation the majority of the Democrats in the House and Senate voted for the Taft-Hartley Law. While the President, after much hesitation, decided to veto the bill for partisan political reasons, the Truman Administration and the Democratic Party did nothing to prevent the veto from being overridden. And it was Truman himself who by his acts and his message to Congress opened the way for this bill. By this action the leaders of the Democratic Party have demonstrated that the labor movement can depend neither on the Democrats nor on the Republicans to respond to the interests of the working class.

President Truman has established a record of strikebreaking equalled by few Presidents. It was Truman who broke the strikes of the railroad workers and the miners. It was the Truman Administration that applied for an injunction against the miners. It was President Truman

who summoned a joint session of both Houses of Congress and demanded strikebreaking legislation which in its viciousness exceeded even the Taft-Hartley slave law.

What is the record of the Truman Administration and of the Republicans regarding the standard of living of the American people? The fact is that the real wages of the workers are lower than they were during or immediately after the end of the war and are continuing to decline at an ever-faster tempo. Similarly, the living standards of most sections of the middle classes are also sinking as a result of growing inflation. But the profits of the trusts are unprecedented, far exceeding even the huge war profits. The rich have been given tax reductions, while the wartime taxes still weigh heavily on the shoulders of the masses. Both the Truman Administration and the Republicans must share the responsibility for scrapping O.P.A., rationing, and price control. There are more direct agents of Big Business in the President's Cabinet today and in other high government posts than at any time in the nation's history. The remaining posts are to a large extent filled by high military men whose ties with Big Business are a national scandal.

* * *

What is happening at the special session of Congress shows what the people can expect from the two major political parties as far as any genuine program to relieve

this situation is concerned. The President made a big show by his proposals to deal with inflation. But that was only window dressing to rally support for the Marshall Plan and interim aid in line with the Truman Doctrine. To the extent that controls are being seriously considered by the Democratic and Republican parties, it is not to lighten the burden of the masses; it is to give the government power to establish controls and priorities to meet the developing economic crisis so that the monopolies can place the full burden on the people and also to carry forward the armament program.

On the major domestic issues, as on the issue of foreign policy, the differences between the two parties and within them concern primarily methods of how best to carry out the policies of Big Business or the interest of different Big Business groups. These differences also reflect the struggle for partisan political advantage in the elections. To an extent they reflect a division of labor among the parties long established with the consent of Big Business to keep the masses chained to the old two-party system.

Finally, the Truman Administration can certainly lay no claim to the support of the labor and liberal forces through its record on civil liberties. Never in the nation's history were the people's liberties attacked as they are today. These attacks already surpass the Alien and Sedition Laws under President

Adams and the witch hunts of Palmer day ill-fame. The atmosphere of the witch hunt and the police state is to be felt everywhere. The bi-partisan House un-American Committee has been given Presidential approval for the first time. The Loyalty Oath is becoming the pattern, not only for government employees, but also in Hollywood, in the educational institutions, on the radio, in the press, and in private industry. The increased lynchings, the influence of Bilboism have reached such a state that the leaders of the Negro people, in the face of the connivance and passivity of the government in these attacks, found it necessary to appeal directly to the United Nations.

Anti-Communism, the Hitler weapon for the destruction of the democratic rights of all the people, is the stated and active policy of both parties. It threatens everything that is progressive and decent in our country. It is characteristic of the duplicity and demagogy of reaction in the United States and of the leaders of both major parties that this assault upon the people's liberties is carried on in the name of saving democracy. This is exemplified in the report of the President's Committee on Civil Liberties. The people should remember that in Germany Hitler carried on his struggle for fascism in the name of "National Socialism" because the mass of the German people was for socialism. So in the United States, the forces of re-

action and fascism are advancing their program in the name of democracy, because they know the people's attachment to the Bill of Rights.

This issue, too, will become part of the election campaign. But as between the Democratic and Republican parties it will take the form of an indecent competition as to who is pursuing Red-baiting and the attack on civil liberties with greater energy.

* * *

There are a few labor leaders who in the face of this program of both parties will support the Republican Party in the 1948 elections. But the bulk of the top officials of the trade unions is supporting the re-election of President Truman. This will be the line, too, of the reactionary Social-Democrats and many of the liberals of the Right. Some will appeal for the election of Truman on the ridiculous ground that he is the continuer of Roosevelt policies. Others will appeal on the equally dangerous ground that Truman is the "lesser evil" as against the Republicans. All of them by such a stand will be betraying the interests of the workers.

Such support either to the Republicans or to Truman flows inevitably from support of the imperialist program of the trusts embodied in the Truman Doctrine and the Marshall Plan. Some will openly betray the economic interests of the masses and their civil liberties. Others may think that they can still defend the people's living standards and the civil liber-

ties by supporting at the same time the foreign policy of Big Business and its presidential candidates; but those who reason in this manner will in fact be betraying these interests of the workers too.

The dominant leadership of the A. F. of L. and most of the top leadership of the C.I.O. cannot escape responsibility for the advance of reaction in our country. By their policies, by the continued division of the labor movement in the face even of the threat represented by the Taft-Hartley Bill they made this defeat of labor possible. By failing to mobilize the united strength of labor and the allies of labor in active struggle against the Truman Doctrine and the Marshall Plan, by giving it instead their support, they have helped the advance of reaction. The passivity of the labor movement in the struggle against inflation and in defense of civil rights has also made possible the advance of reaction.

* * *

It is clear that if the forces of labor and the people as a whole are to organize in time a third party and assure a third presidential ticket in the field in the 1948 elections, this job must be carried out by those who are ready to do it now. All who are ready to join in this movement, including the Left, should act without waiting. There can be no reliance upon, and no waiting for, those who oppose the third party and the independent presidential ticket. If those

progressive forces in the labor and people's movement who oppose the Marshall Plan, who wish to defend the living standards of the people, wish to fight for the interests of the Negro people, wish to prevent the further advance of reaction and fascism, do not take the initiative and organize the third party movement now, they too will share a great responsibility for the consequences.

There is already a substantial mass base for such a third presidential ticket. This is proved daily in many ways. The local elections in 1947 furnish many indications that a third party will meet with a good response. Outstanding in this respect was the strength shown by the newly organized Progressive Party in Cook County, Illinois, which received a top vote of 300,000 for one of its candidates. This new party has already unanimously urged Henry Wallace to become an independent candidate for President in the 1948 elections. In California a new party is collecting signatures to place a presidential candidate in the field in that state. There is strong sentiment among the hundreds of thousands of A.L.P. voters in New York State for Wallace to run as an independent third party candidate. In other states the movement is now taking shape. The endorsement by the head of the powerful Townsend Pension movement of an independent presidential ticket is more than a straw in the wind. It is well known that if Wallace announced his candidacy he would re-

ceive much support, not only from important sections of the workers, but from the Negro people and many nationality groups. The Wallace tours in every part of the country, including even the South, shows that he has wide support among workers, farmers, the Negro people, students, professionals and even independent businessmen. It must be remembered that Wallace has made one of his major attacks on the Truman Administration on its war-breeding policies.

It is not correct to ask for full guarantees as to how much support an independent presidential ticket will receive, as if this can be answered abstractly. Given the need for such a ticket and the minimum support which unquestionably exists for it, the strength that this ticket actually rallies will be determined by the struggle that is developed, by the activity that is organized around the basic issues upon which millions are ready to fight. If the progressive forces in the labor and people's movement as well as among the Negro people, proceed resolutely with the task of organizing their forces to assure the placing of an independent presidential ticket in the field, they will thereby be defending the immediate interests of the people and lay the basis for a victorious struggle for peace, democracy, equality and economic security.

Some progressive forces, especially in the labor movement, hesitate to take the final step in launching an

independent presidential ticket for fear that this may hinder the carrying through of labor's policy of defeating reactionary Congressmen, particularly those who voted for the Taft-Hartley Bill. But the fact of the matter is that such an independent ticket will strengthen the fight for a progressive Congress. Mere reliance even here on the discredited policy of rewarding friends and punishing enemies is more harmful today than ever before. Those who support either of the two old parties are thereby giving up their freedom of action to a large extent and weakening their bargaining power as far as the selection of candidates in the primaries for the Congressional candidates is concerned. But the existence of a third party whose strength will be able to determine the outcome in many Congressional Districts will result in the nomination of more progressive candidates to run against those who supported the Taft-Hartley Bill; it will be able to provide an alternative Congressional candidate in those Districts where the old party machines prevent the nomination of acceptable candidates. There will be many cases in which candidates for Congress winning the nomination on the old party tickets will come out in support of the third party Presidential candidate. There will be others in which a candidate for Congress running on the third party ticket or on both the third party ticket and one of the old parties will be elected. The supporters of the

third party ticket, where they find it advisable to support a Congressional candidate of one of the old parties, despite the fact that this candidate does not support the third party ticket, will be able to do so.

The issues are already clear, and so is the lineup as far as the two old parties are concerned. The big question mark that remains is whether the forces of peace, democracy, and progress will have a chance to register their voice and their strength in

SAUCE FOR A WITCHES' BREW

The report of the President's Committee on Civil Liberties illuminates some special features of monopoly's drive to replace American traditional bourgeois democracy with an American form of fascism.

The report begins by paying eloquent lip-service to America's revolutionary and democratic heritage. It tips its hat to the mounting popular indignation against the Truman-G.O.P. incited anti-Communist hysteria and witch-hunts. It presents a factual picture of the evils of the Jim-Crow system. It endorses elementary measures which have long been part of the Communist Party's program for securing the rights of the Negro people by ending their national oppression.

Then the President's Committee gets down to business.

Its business is the witch's brew of Hitlerite repressive measures against

the crucial 1948 elections. This they can assure only by acting now to guarantee an independent Presidential ticket. The way of support to either of the old parties means defeat for the people, no matter what the outcome of the elections will be. The way of the independent people's anti-imperialist and anti-fascist Presidential ticket means putting a brake on reaction now; it means a big advance on the road to the people's victory.

the Communist Party and the labor and progressive movement which reaction's bi-partisan cooks are readying for the January session of Congress. Its demagogic concern for violations of civil liberties is only the seasoning in a sauce of ideological "justification" which it hopes will make the American people swallow the poisonous dish.

This combination of demagogy, psychological warfare, and repression is the new feature of the present pro-fascist offensive against American democracy.

It is no accident that the year of the Freedom Train, the "rededication" to the American heritage and the report of the President's Committee was also the year of unprecedented violations of the Bill of Rights. It was the year of the Taft-Hartley law and the "loyalty" purges. The year of the House Un-American

Committee's usurpation of judicial and punitive powers, of its contempt persecution of Eugene Dennis, its intensified attacks on the Communist Party, its unconstitutional prosecution of a growing list of anti-fascists.

This was the year of movie censorship and the first try at establishing a political "means test" for workers in all private industry. This was the year of fresh assaults against the life and dignity of the Negro people, of increased anti-Semitism and of mob violence against peaceful assemblies of the people. This was the year of J. Edgar Hoover's elevation as chief of the national thought police, with authority over every educational, scientific and cultural institution. This was the year of Tom Clark's proscribed list of organizations and of his flagrant violation of the secrecy of grand jury proceedings.

The men of the American trusts cannot march into Washington under the banner of fascism and establish fascist power shouting anti-constitutional slogans. They must observe the traditional American amenities, even while trying to give a new and anti-democratic content to America's traditions. They must wave the torch of liberty and swear "loyalty" to the Bill of Rights in order to proceed according to their reactionary plan.

* * *

The American people show a mood of ever-increasing uneasiness and of resistance to the manifold

assaults on their basic democratic rights. But the Achilles' heel of the growing resistance movement is its susceptibility to the ideology of the enemy. The democratic front is not yet immunized against the anti-Communist poison which is the main weapon of pro-fascist reaction's psychological war.

More than anything else, the infiltration of the class enemy's ideology into the ranks of labor holds the trade unions back from fulfilling their historic obligation to lead all the democratic sections of the people in defense of the Bill of Rights. This, too, retards the development of an all-embracing democratic front against reaction and fascism, and frequently breaks up united front movements that develop on a local or national scale.

The report of the President's Committee on Civil Liberties sets forth once again the false premise on which rests the ideological "justification" for all repressive measures against the labor-progressive movement and all attempts against the institutions of American democracy.

This premise has it that Marxism is anti-democratic and the Communist Party a "subversive" conspiracy, alien to America and controlled by the Soviet Union. At the core of this premise is the monstrous lie that Communism and fascism are the "same."

The report of the President's Committee repeats this Hitlerite lie. In ghoulish desecration of America's

war dead, it declares that the statements and actions of Communists and fascists "prove them to be equally hostile to the American heritage of freedom and equality." Its whole profession of concern for the rights of the Negro people is thus negated by its demand that the "same zeal" be shown in "defending our democracy" against the Ku Klux Klan lynchers and the most consistent champion of the Negro people—the Communist Party.

Here is further confirmation of the lesson so well pointed out in Judge Clark's minority opinion in the Josephson case: ". . . the teaching of experience, after nearly three decades of a well-nigh pathological fear of 'Communism' . . . might suggest that there was more to be feared from the fear itself than from the supposed danger."

* * *

This report is useful not only to those who seek to impose the open terrorist rule of Wall Street on the American people. It also brings home to us a central task facing our Communist Party in the present period.

The Communists, it says, "want nothing more than to be lumped with freedom-loving non-Communists. This simply makes it easier for them to conceal their true nature and to allege that the term 'Communist' is meaningless."

It is we Communists who can best provide the labor-progressive camp with the ideological weapons for

rejecting this demagogic "justification" for pro-fascist repression. And only if the democratic resistance movement is armed against the ideology of anti-Communism will it successfully carry out the broad and united mass actions which can check and defeat reaction's drive toward fascism.

It is therefore we Communists who must help the non-Communists in the labor-progressive camp to see that we are their allies, that our Party is a vital organ in the living body of American democracy—and that every effort to cut us out of that body must be thwarted, lest democracy itself be bled to death.

We are proud of our "true nature" as the vanguard Party of the American working class. We must answer the slander that we consider the term Communist "meaningless" by making known all the richness of its meaning as a body of working-class experience, social science, and glorious socialist achievement which serves the interests of the American people and of world peace.

Never before has Communism been the subject of such wide discussion as it is today. The task of holding up our end of that discussion must be shared by each and every one of us. Every Communist Party member must learn to counter lies with the truth, to dispel confusion with Marxist-Leninist clarity and to answer the arguments of the enemy with words and deeds that carry conviction. Every Communist who

would claim that proud title must earn and win his right to full partnership in the ranks of those who struggle to advance the economic welfare and democratic liberties of the American people, and to preserve world peace.

Reaction demands that the Communist Party be outlawed by indirection, in the face of constitutional bars to achieving the same end by direct means. We answer that we have earned and will win full ac-

ceptance among the democratic people and organizations of our country.

Reaction proposes legislation to force our Party to register its individual members that they may become easy marks for blacklisting and persecution. We answer that through mass action we will continue to register the identity of our Communist Party with the cause of American freedom, the cause of the American people, the cause of peace.

EITHER BOURGEOIS OR SOCIALIST IDEOLOGY . . .

"Since there can be no talk of an independent ideology being developed by the masses of the workers in the process of their movement, *the only choice is*: either bourgeois or socialist ideology. There is no middle course (for humanity has not created a 'third ideology,' and, moreover, in a society torn by class antagonisms there can never be a non-class or above-class ideology). Hence, to belittle socialist ideology *in any way, to deviate from it in the slightest degree* means strengthening bourgeois ideology."

V. I. Lenin, "What Is To Be Done?,"
Selected Works, Vol. II, p. 62

DIFFERENCES IN THE EUROPEAN LABOR MOVEMENT*

By V. I. LENIN

[In order to meet the great tasks imposed upon it by the monopoly drive to war and fascist enslavement, the American working class must first of all free itself from reformist illusions and unite its ranks. The light shed by Lenin on the destructive effect of opportunism in the labor movement is as fully significant, under new conditions, for American labor today as it was for the European working class almost four decades ago. January 21 marks twenty-three years since the death of Vladimir Ilyitch Lenin, the founder of the Soviet State. On this anniversary occasion, we republish the following memorable article, which he wrote in 1910.—THE EDITORS.]

THE PRINCIPAL TACTICAL DIFFERENCES in the present labor movement of Europe and America reduce themselves to a struggle against two big trends that are departing from Marxism, which has in fact become the dominant theory in this movement. These two trends are revisionism (opportunism, reformism) and an-

archism (anarcho-syndicalism, anarcho-socialism). Both these departures from the Marxist theory that is dominant in the labor movement, and from Marxist tactics, were to be observed in various forms and in various shades in all civilized countries during the course of the more than half-century of history of the mass labor movement.

This fact alone shows that these departures cannot be attributed to accident, or to the mistakes of individuals or groups, or even to the influence of national characteristics and traditions, and so forth. There must be radical causes in the economic system and in the character of the development of all capitalist countries which constantly give rise to these departures. A small book published last year by a Dutch Marxist, Anton Pannekoek, *The Tactical Differences in the Labour Movement (Die taktischen Differenzen in der Arbeiterbewegung*, Hamburg, Erdmann Dubber, 1909), represents an interesting attempt at a scientific investigation of these causes. In the course of our exposition we shall acquaint the reader with Pannekoek's conclusions, which it cannot be denied are quite correct.

One of the most profound causes that periodically give rise to differences over tactics is the very growth of the labor movement itself. If this movement is not measured by the criterion of some fantastic ideal, but is regarded as the practical movement of ordinary people, it will be

clear that the enlistment of larger and larger numbers of new "recruits," the enrollment of new strata of the toiling masses, must inevitably be accompanied by waverings in the sphere of theory and tactics, by repetitions of old mistakes, by temporary reversions to antiquated ideas and antiquated methods, and so forth. The labor movement of every country periodically spends a varying amount of energy, attention and time on the "training" of recruits.

Furthermore, the speed of development of capitalism differs in different countries and in different spheres of national economy. Marxism is most easily, rapidly, completely and durably assimilated by the working class and its ideologists where large-scale industry is most developed. Economic relations which are backward, or which lag in their development, constantly lead to the appearance of supporters of the labor movement who master only certain aspects of Marxism, only certain parts of the new world conception, or individual slogans and demands, and are unable to make a determined break with all the traditions of the bourgeois world conception in general and the bourgeois-democratic world conception in particular.

Again, a constant source of differences is the dialectical nature of social development, which proceeds in contradictions and through contradictions. Capitalism is progressive because it destroys the old methods of production and develops produc-

tive forces, yet at the same time, at a certain stage of development, it retards the growth of productive forces. It develops, organizes, and disciplines the workers—and it crushes, oppresses, leads to degeneration, poverty and so on. Capitalism creates its own gravedigger, it creates itself the elements of a new system, yet at the same time without a "leap" these individual elements change nothing in the general state of affairs and do not affect the rule of capital. Marxism, the theory of dialectical materialism, is able to embrace these contradictions of practical life, of the practical history of capitalism and the labor movement. But needless to say, the masses learn from practical life and not from books, and therefore certain individuals or groups constantly exaggerate, elevate to a one-sided theory, to a one-sided system of tactics, now one and now another feature of capitalist development, now one and now another "lesson" from this development.

Bourgeois ideologists, liberals and democrats, not understanding Marxism, and not understanding the modern labor movement, are constantly leaping from one futile extreme to another. At one time they explain the whole matter by asserting that evil-minded persons are "inciting" class against class—at another they console themselves with the assertion that the workers' party is "a peaceful party of reform." Both anarcho-syndicalism and reformism—which seize upon *one* aspect of the

* Reprinted from V. I. Lenin, *Selected Works*, International Publishers, Vol. XI, pp. 738-743.

labor movement, which elevate one-sidedness to a theory, and which declare such tendencies or features of this movement as constitute a specific peculiarity of a given period, of given conditions of working class activity, to be mutually exclusive—must be regarded as a direct product of this bourgeois world conception and its influence. But real life, real history, *includes* these different tendencies, just as life and development in nature include both slow evolution and rapid leaps, breaks in continuity.

The revisionists regard as mere phrasemongering all reflections on “leaps” and on the fundamental antithesis between the labor movement and the whole of the old society. They regard reforms as a partial realization of Socialism. The anarcho-syndicalist rejects “petty work,” especially the utilization of the parliamentary platform. As a matter of fact, these latter tactics amount to waiting for the “great days” and to an inability to muster the forces which create great events. Both hinder the most important and most essential thing, namely, the concentration of the workers into big, powerful and properly functioning organizations, capable of functioning properly under *all* circumstances, permeated with the spirit of the class struggle, clearly realizing their aims and trained in the true Marxist world conception.

We shall here permit ourselves a slight digression and note in paren-

thesis, so as to avoid possible misunderstanding, that Pannekoek illustrates his analysis *exclusively* by examples taken from West European history, especially the history of Germany and France, and *entirely* leaves Russia out of account. If it appears at times that he is hinting at Russia, it is only because the basic tendencies which give rise to definite departures from Marxist tactics are also to be observed in our country, despite the vast difference between Russia and the West in culture, customs, history and economy.

Finally, an extremely important cause producing differences among the participants in the labor movement lies in the changes in tactics of the ruling classes in general, and of the bourgeoisie in particular. If the tactics of the bourgeoisie were always uniform, or at least homogeneous, the working class would rapidly learn to reply to them by tactics also uniform or homogeneous. But as a matter of fact, in every country the bourgeoisie inevitably works out two systems of rule, two methods of fighting for its interests and of retaining its rule, and these methods at times succeed each other and at times are interwoven with each other in various combinations. They are, firstly, the method of force, the method which rejects all concessions to the labor movement, the method of supporting all the old and obsolete institutions, the method of irrevocably rejecting reforms. Such is the nature of the conservative policy

which in Western Europe is becoming less and less a policy of the agrarian classes and more and more one of the varieties of bourgeois policy in general. The second method is the method of “liberalism,” which takes steps toward the development of political rights, toward reforms, concessions and so forth.

The bourgeoisie passes from one method to the other not in accordance with the malicious design of individuals, and not fortuitously, but owing to the fundamental contradictions of its own position. Normal capitalist society cannot develop successfully without a consolidated representative system and without the enjoyment of certain political rights by the population, which is bound to be distinguished by its relatively high “cultural” demands. This demand for a certain minimum of culture is created by the conditions of the capitalist mode of production itself, with its high technique, complexity, flexibility, mobility, rapidity of development of world competition, and so forth. The oscillations in the tactics of the bourgeoisie, the passage from the system of force to the system of apparent concessions, are, consequently, peculiar to the history of all European countries during the last half-century, while, at the same time, various countries chiefly develop the application of one method or the other at definite periods. For instance, England in the 'sixties and 'seventies was a classical country of “liberal” bourgeois policy,

Germany in the 'seventies and 'eighties adhered to the method of force, and so on.

When this method prevailed in Germany, a one-sided echo of this system, one of the systems of bourgeois government, was the growth of anarcho-syndicalism, or anarchism, as it was then called, in the labor movement (the “Young” at the beginning of the 'nineties, Johann Most at the beginning of the 'eighties). When in 1890 the change toward “concessions” took place, this change, as is always the case, proved to be even more dangerous to the labor movement, and gave rise to an equally one-sided echo of bourgeois “reformism”: opportunism in the labor movement.

“The positive and real aim of the liberal policy of the bourgeoisie,” Pannekoek says, “is to mislead the workers, to cause a split in their ranks, to transform their policy into an impotent adjunct of an impotent, always impotent and ephemeral, sham reformism.”

Not infrequently, the bourgeoisie for a certain time achieves its object by a “liberal” policy, which, as Pannekoek justly remarks, is a “more crafty” policy. A part of the workers and a part of their representatives at times allow themselves to be deceived by sham concessions. The revisionists declare the doctrine of the class struggle to be “anti-quated,” or begin to conduct a policy which in fact amounts to a renunciation of the class struggle. The zig-

zags of bourgeois tactics intensify revisionism within the labor movement and not infrequently exacerbate the differences within the labor movement to the pitch of a direct split.

All causes of the kind indicated give rise to differences on questions of tactics within the labor movement and within the proletarian ranks. But there is not and cannot be a Chinese wall between the proletariat and the strata of the petty bourgeoisie contiguous to it, including the peasantry. It is clear that the

passing of certain individuals, groups and strata of the petty bourgeoisie into the ranks of the proletariat is bound, in its turn, to give rise to vacillations in the tactics of the latter.

The experience of the labor movement of various countries helps us to understand from the example of concrete practical questions the nature of Marxist tactics; it helps the younger countries to distinguish more clearly the true class significance of the departures from Marxism and to combat these departures more successfully.

THE POWER OF THEORY . . .

The power of the Marxist-Leninist theory lies in the fact that it enables the Party to find the right orientation in any situation, to understand the inner connection of current events, to foresee their course and to perceive not only how and in what direction they are developing in the present, but how and in what direction they are bound to develop in the future.

Only a party which has mastered the Marxist-Leninist theory can confidently advance and lead the working class forward.

History of the C.P.S.U.,
International Publishers, 1939, p. 355.

HOW TO DEFEAT UNIVERSAL MILITARY TRAINING

By ARNOLD JOHNSON

President Truman again repeated his long-standing demand for universal military training when, on November 28, he declared that universal military training is "must legislation" for the 80th Congress.

Truman's call for such legislation at this time serves to spark the big drive now under way by the State Department, the Army and the Navy, to put such a measure on the statute books. Backing this intensive drive is the U.S. Chamber of Commerce, the Reserve Officers Association, the American Legion, and the Veterans of Foreign Wars.

For the past two months, the American Legion has been conducting a vigorous petition campaign and visiting Governors, Mayors and other public officials, with the demand to proclaim January 5-12 as "U.M.T. Week." The big aim is to put over this legislation in the early part of the regular session. Is this to be America's way of implementing the United Nations resolution for disarmament, for which the American delegation voted? Is

this the American way of applying the resolution to curb the warmongers, for which our delegation voted? The American people must demand that Congress vote "No!"

In mid-December, expert lobbyists who were working against the bill estimated that only one-third of the Congress and Senate would oppose it. This danger still exists in spite of the fact that the great majority of the American people are on record against the bill. But the warmongers can be routed by an aroused people. Those on record by resolution against universal military training include all of labor—A. F. of L., C.I.O., Railroad Brotherhoods and independent unions, by convention action of the central bodies reaffirmed by international union decisions. Similarly committed are the main farm groups—the National Grange, American Farm Bureau Federation, the National Farmers Union; the major church organizations, including the Federal Council of Churches, the National Catholic Welfare Conference, the Council of Catholic Bishops, the Methodist General Conference, the Methodist Council of Bishops, the Northern and Southern Baptist Conventions, the Presbyterians, the Lutherans, the Disciples, the Central Conference of American Rabbis, the Rabbinical Assembly of America, the Unitarians, Friends, Mennonites, and practically every religious organization; the major educational organizations, including the National Education Association, the Association of

American Colleges, the American Association of Junior Colleges, of School Administrators and of University Professors, the American Council on Education, the American Federation of Teachers, and other organizations in this field; the major Negro organizations, including the National Association for the Advancement of Colored People, and the Fraternal Council of Negro Churches; youth organizations, including the United Christian Youth Movement, the American Youth for Democracy, the National Intercollegiate Christian Council, and the Young Progressive Citizens of America. These are some of the major organizations which are on record against U.M.T. To these we must add the American Veterans Committee and the United Negro and Allied Veterans, whose opposition to U.M.T. stands out against the American Legion campaign. And while the Business and Professional Women's Clubs and the General Federation of Women's Clubs are for U.M.T. by action of the national bodies, yet the true conviction of women is better expressed through many of the mass organizations already listed, as well as through the National Congress of Parents and Teachers, the Congress of American Women, the National Council of Catholic Women, the Associated Women of American Farm Bureau, the United Council of Church Women, the Women's Committee for a Lasting Peace, and scores of

other women's organizations opposed to U.M.T.

By this listing of organizations it becomes clear that the military and their organizations, together with the political agents of Wall Street in public office, are lined up against the mass organizations of the American people. What the warmongers cannot win by argumentation, they now propose to impose upon the people by legislation. While the American people want a program for peace, the munition-makers and imperialist forces of America are demanding that Congress disregard the desires of the people and proceed with the program toward war. They lust for profits. Their drive toward world domination includes the militarization of the American youth. This is "thought control" with a vengeance. To list the forces which are for and against U.M.T. is in itself to expose how Wall Street dominates the country. A small reactionary minority is trying to foist U.M.T. upon the great majority. At the time of the American Legion Convention, in August, the press and the radio urged a Special Session of Congress to enact the U.M.T. bill. President Truman and Governor Dewey presented a bi-partisan demand for the legislation. All the top military men urged the big offensive for U.M.T. The major work has been done by the government agencies, including the military, while the American Legion, the V.F.W., the

press and radio have been conducting a daily campaign.

The major government document is the Report of the President's Advisory Commission on Universal Military Training which was made on May 29. The title, "A Program for National Security," indicates the technique being used to make it appear as if those who oppose U.M.T. are opposed to national security. And within the document, the effort is made to have those who oppose U.M.T. appear in favor of an atom bomb attack and the destruction of the United States. This document and the Un-American Committee with its "thought-control" program, challenged those who oppose universal military training as to their Americanism. And as the American Legion, President Truman and Attorney General Tom Clark have tried to create new concepts of "loyalty" and "patriotism" enforceable by executive order, so this report would make it appear that anyone who opposes U.M.T. is unpatriotic and disloyal.

Through this document runs the theme of war. While discussing "Hitler's sinister designs," the committee report proceeds to ape and follow the Hitler plan. It discusses "the lands that share our democratic ideas" and "the blandishments or the threats of competing ideologies." And it declares, "The mantle of totalitarianism will spread its darkness over still larger sections of the earth, increasing the peril to us. . . ."

Thus the commission slanders the Soviet Union by trying to identify that workers' state with the imperialist program of Nazi Germany. It does not use the term "U.S.S.R.," but declares, "If an enemy were to seize Western Europe in a sudden blitz." The commission tries to cover up with a phrase, "because it is impossible now to predict who or where this enemy will be," but then proceeds, "our mobile striking force must be prepared to operate in the Arctic or in the tropics and to deliver punishing blows half way around the world."

The commission reports on the nature of possible future warfare and again makes the emphasis on "an attack across an ocean or the polar cap." It discusses "guided missiles," "bacteriological and chemical weapons," "atomic explosives against our principal centers of population and production." And the purpose is to militarize our entire population, to make total preparations for total war. The commission discusses how we may become involved in war and then goes into detail on the character of atomic war. It is clear throughout the report that everything is directed toward world domination. This is emphasized when the commission deals with the danger of war arising from "a small nation whose recalcitrant conduct menaced the peace and security of other nations." In discussing this, the commission declares, "Moreover, as long as there is a serious conflict of interest and ide-

ology between any of the most powerful components of the United Nations, there is always the possible danger that even a minor action of this type might be the spark which would ignite a world conflagration." Thus, the commission makes it clear that in its opinion it is not a fascist Greece or Spain which menaces peace. This whole program is based on a policy of war, regardless of the destruction, the deprivation or the cost. It is a program which will fatten the profits of the war-makers now and bring suffering to the masses. It is America stepping into Hitler's shoes. If not halted, it will bring the same fate and disaster to the American people.

The recommendations of the President's Commission, made presumably in the name of America's security are:

(1) A people so indoctrinated that everyone will reject what the commission terms "totalitarian philosophies from abroad." (2) A coordinated, world-wide, all-inclusive spy system. (3) Control and direction of American science and research for "providing potent new instrumentalities of war." (4) Industrial mobilization, with the nation's industries on a permanent wartime basis and with the owners of industry reaping the profits that come from what the Germans called a "Wehrwirtschaft" (war economy). (Included in this is the building of entire cities and plants underground, bacteriological warfare, and the building of a sub-

terranean Atomburg.) (5) A striking airforce, charged, "with the crucial mission of 'defense by attack.'" (6) The gearing of the Army, Marines and Merchant Marine to "long-range operations of great destructive power and control of strategic bases." (7) Unification of the armed forces. (8) Universal Military Training.

The entire report is in effect a plan for a *total military state for total war*.

The report of the President's commission is known as "the Bible" of the military men, the munitions-makers and war profiteers who advocate U.M.T. On the basis of this report, the House Armed Services Committee voted 20 to 0 to report out the U.M.T. Bill—H.R. 4278. That was on July 25, just before the summer recess. It is now up to the House Rules Committee and the House Republican Steering Committee to determine whether the bill goes to the floor of Congress for action.

This bill provides for a "selective training system," requiring the registration of all boys at 17 years of age and their drafting at the age of 18. They would serve for six months and then have a choice of how to serve out the second six-month period. The pay would be \$30 per month. Actually, it means conscription for more than one year, because most of our young men would be required to spend from one to six years in some military

organization. The local draft boards would keep full information on all registrants for a period of six years. Much of the 82-page H.R. 4278 is devoted to rule, procedure and penalties. Even parents are made into policemen against their own sons in the bill which provides a penalty of \$2,000 and/or imprisonment for two years for anyone "who harbors a deserter." The whole program can be directed against the labor movement. This new army can be used for strike-breaking and against the people. It would Jim-Crow and militarize the youth. This would be another step toward fascism.

The character of this piece of legislation, the report of the President's commission and the forces who are for it, make it clear that the future of America is endangered. This is part of the program of American imperialism and a reflection of that imperialist role. Wall Street agents shout "defense" while plotting an "offensive." Such tactics should fool nobody. To those who study history and observe the expansionist policies of the United States, the intensive demand for U.M.T. comes as no surprise. However, for the people to allow this to happen is to allow a change to occur in the pattern of American life which intensifies the war danger. To halt Congress from taking this disastrous course will be a blow to the warmongers and a service to peace and democracy. The forces for American progress must not accept a fatalistic attitude

which results in doing nothing, through overestimating the strength of reaction and underestimating the power of the masses. At the same time, there must be no illusions that the democratic sentiments in Congress are strong and that the present Congress will not pass legislation which violates all the democratic traditions of our country. The progressive forces must recognize the possibilities of passage and even the greater possibilities of defeating this war measure. The mass of the people have strong democratic desires based upon American traditions which provide a basis for moving them against this legislation.

The struggle against U.M.T. will be strengthened by direct opposition to the program of Senator Robert A. Taft who has the same political objectives as Truman and Dewey and who advocates "the most expert, best trained, and best equipped armed forces in the world." Thus, Taft is exploiting the opposition to U.M.T. for the purpose of more appropriations for military preparations. His very claim that his program for war preparations is more efficient reveals his opposition to U.M.T. as sheer demagoguery. The Taft program must be exposed and defeated in the course of the struggle against U.M.T.

There is no need to fall into the trap of discussing "national security" on the same plane as do the militarists and munition makers. U.M.T. is not a program for national security

and must be exposed as serving the exact opposite purpose, that of endangering America. It must also be made clear that there is no danger to the national security of America and the peace of the world arising from the Soviet Union, the new democracies of Europe, or the rise of new peoples' movements under the leadership of Communists in other countries of any continent. That is a fact from many pages of history. Precisely the Soviet Union and the anti-imperialist forces everywhere are strongholds for peace. The recent growing strength and determination of the forces of the Left have improved the prospects for peace. All who check Wall Street's imperialist course at home or abroad serve the interests of peace and of America's national security.

The progressive forces must see the anti-imperialist and democratic character of the great struggles of Communists to defend the independence of their own countries. Their defense against the domination of American imperialism is in the interests of peace. Such developments should encourage the labor-progressive forces to press more vigorously, not only against U.M.T. but also for universal disarmament and for a program to quarantine the war-mongers. Progressives, including the Communists, have a deep concern for the national defense of our country. That concern is expressed in their opposition to the war-breeding Truman-Hoover Doctrine and the

Marshall-Dulles plan. By urging a return to the Roosevelt peace policy of Big Three unity and the implementation of agreements to eradicate fascism everywhere, the consistent progressives and patriots seek to make America secure by making the United Nations an effective instrument of peace.

The fact that U.M.T. is tied up with our entire foreign policy obviously means that an effective struggle against that foreign policy must be made. It also indicates the character of that foreign policy to those who approach problems from the more limited domestic expression of that policy. If people have doubts as to what our current foreign policy does after seeing it work against labor in Greece, France, and Italy, then possibly they may yet see its character in its proposed regimentation and militarization of America's youth. In the fight against U.M.T., it is the responsibility of Communists as well as other progressives to explain the relation of U.M.T. to other issues and thus to develop the struggle on many fronts.

The approach of constantly broadening the issue does not mean that Communists will make the acceptance of a full program as the basis for a coalition on this particular issue. We, as well as others, join together in the fight against U.M.T. specifically for the defeat of the legislation. That is a matter of responsibility to the American people. It is clear that the Quakers, for example, are not

making pacifism a major point in this campaign. That is to the good, because any such emphasis would only divert from the main issue. While we always warn against illusions created by pacifism, and must strengthen the struggle against its weakening and harmful influence on labor, we recognize that the main struggle in this fight is against the complete capitulation of labor leaders to the service of American imperialism. This is not a new danger or development. However, recent events such as Philip Murray's speech in support of the Marshall Plan and the actions of James Carey in Europe, should provide sufficient warning that such labor leaders cannot be relied upon to call for effective struggle against U.M.T. And when we observe the role of William Green and his associates in support of the Marshall Plan, we can also expect his role to be limited in the fight against U.M.T.

Does this analysis mean that the leadership in the labor movement should be forgotten or neglected in this struggle? On the contrary, they have a responsibility to carry out the union convention decisions. Every effort must be made to involve them fully in this fight in which labor's role is decisive. Much more attention must be given to developing the coalition at all levels and especially on a shop and community basis.

Unity will be forged in struggles where the people themselves partici-

pate. These struggles will strengthen the coalition at the top, as well as at the bottom. This approach does not negate the responsibility of leadership, but carries on the struggle for united action at every level.

Communists must, of course, be accepted partners in this coalition, within which they, like other groups, will carry on independent activity and present their independent views. The failure to include Communists would weaken the effectiveness of the whole coalition and place on the Red-baiters responsibility for passage of the bill, which united action can and must defeat.

The respective organizations must decide whether they want to be merely on record against the bill or really want to defeat it. The vast majority of organizations have truly expressed the convictions of their memberships in opposition to the legislation. Leaders have a responsibility not only to give expression to that position but to make that expression so effective as to achieve the desire of their membership—that is, the defeat of U.M.T. It is in this sense that Mr. Henry Wallace gains the respect of ever-larger forces. He has vigorously declared:

"Speaking of universal military training, let me note that it is becoming increasingly popular to endorse this idea. President Truman is for it. The generals are for it. Some leading educators are for it. There are some clergymen for it. It is ap-

parently so safe that even Tom Dewey is for it.

"But you are against it—and I am against it—and the American tradition is against it.

"I am against it because it is part of the foreign policy conceived by Hoover and being executed in the name of bi-partisanship by an administration which was elected on a platform of total victory over fascism and post-war economic security for our people." (Madison Square Garden speech, Sept. 11, 1947.)

In this campaign, many new methods and techniques must be developed to convince the people to mobilize their action and dramatize their demand for peace and democracy. In this fight against U.M.T., the people can also be won

to the full and active support of an adequate housing program, a health program and other social legislation. This fight should stimulate movement to outlaw the atom bomb and to achieve universal disarmament. The different organizations will use varied and differing approaches and arguments against this legislation. As the workers and the peace-loving people of America meet their responsibility to defeat U.M.T. legislation, we will again be demonstrating that the real interests of the United States coincide with the desires of all the peoples for peace. To defeat U.M.T. is to help check the rising war danger. Halting the war danger is essential for national defense. The issue is an important factor in the '48 elections. It is on the agenda in this Congress now!

THE WEAPON OF ORGANIZATION

"In its struggle for power the proletariat has no other weapon but organization. Divided by the rule of anarchic competition in the bourgeois world, ground down by slave labor for capital, constantly thrust back to the 'lower depths' of utter destitution, savagery and degeneration, the proletariat can become, and will inevitably become, an invincible force only when its ideological unity round the principles of Marxism is consolidated by the material unity of an organization, which unites millions of toilers in the army of the working class."

V. I. Lenin, "One Step Forward, Two Steps Back,"
Selected Works, Vol. II, p. 466.

THE POLITICAL SIGNIFICANCE OF KEYNESISM

By WILLIAM Z. FOSTER

Keynesism is essentially a product of the general crisis of capitalism; more specifically, of the world-wide capitalist crisis of the 1930's. Keynes worked in the general tradition of Malthus, Sismondi, and other bourgeois economists, exponents of the under-consumption theory, who saw the origin of the cyclical crisis primarily in the sphere of distribution.

The Great Crisis of 1929-33 not only undermined the economic structure of capitalism, but exposed the bankruptcy of capitalist political economy. Therefore, two things became urgently necessary for capitalist defenders and apologists, namely, to adopt emergency economic measures to shore up the tottering capitalist system and to make a re-formulation of the general hocus-pocus that passes for capitalist economic theory. Efforts were made from many quarters by practical politicians and economists to satisfy these burning needs of stricken world capitalism; but the man who achieved the biggest reputation in this futile task was the well-known British economist, Sir John Maynard Keynes. As first-aid doctor

to sick capitalism, Keynes finally became the leading economist of the bourgeois world.

Keynes, who died in April, 1946, at the age of 62, was a skilled financial leader as well as an exceptionally brilliant economic theoretician. Besides writing many books and articles on economics, he was a director of the Bank of England, advisor to the State Treasury, and the leader of the British delegation at the Breton Woods Conference; he outlined the plans for Britain's wartime financing, and he was the principal architect of the \$4,000,000,000 American loan to Britain. He was also, as one of his admirers says, "teacher, insurance director, editor, college bursar, government servant, and theatrical manager"; truly, a man of parts.

The most outstanding writings of Keynes were his famous book, *The Economic Consequences of the Peace*, written after World War I and favorably commented upon by Lenin, and his even more celebrated work, *The General Theory of Employment, Interest and Money*, published in 1936. The latter, formulated under the pressure of the world economic crisis and representing the climax of Keynes' theoretical system, contains the main body of economic doctrine now known universally as "Keynesism."

WHAT IS KEYNESISM?

Fundamentally, Keynes' system is an attempt to save capitalism and capitalist profits by solving, or at least

by seriously mitigating, the growing menace of mass unemployment. To this end, Keynes evolved his theoretical analysis and practical plans, which had as their major expressed objective the achievement of full employment within the framework of capitalism. Such full employment, Keynes believed, would avert the recurring cyclical economic crises and also put an end to imperialism and war, thus placing capitalism upon an ever-ascending spiral of progress that would make Socialism both unnecessary and impossible.

Keynes challenged the current "spontaneous equilibrium" theories in capitalist economics to the effect that supply automatically creates demand and demand, supply. He polemized against those bourgeois apologists, who, in a world of rapidly growing mass unemployment, still maintained the theoretical absurdity that under capitalism, production and consumption automatically balance each other (Say's law of markets), and that consequently over-production and enduring mass unemployment are impossible. With tens of millions of unemployed throughout the world to lend weight to his words, Keynes argued that the capitalist system, far from being self-adjusting, suffers from an organic contradiction, a deep-seated imbalance between production and consumption, which tends, with the maturing of capitalism, to create more and chronic mass unemployment. This economic flaw, if uncor-

rected, he said, must lead to widespread industrial breakdown and possibly eventual revolution. "The theoretical works of Keynes," says the well-known Soviet economist I. G. Bliumin, "represent an attempt to reconstruct bourgeois political economy in circumstances of the general crisis of capitalism. . . . In essence this is a matter of the further strengthening and development of state-capitalist enterprises, which during the war have grown to such large proportions."*

Keynes' theoretical analysis of the cause of growing mass unemployment and, more specifically, of deepening cyclical economic crises, may be stated very briefly as follows: (a) slowdowns and breakdowns of production are caused by inadequate demand for consumers' and capital goods; (b) this failure of effective demand is, in turn, caused by insufficient capital investment; (c) this inadequate investment is brought about by "over-saving" habits among the people; (d) this "over-saving," based on "fundamental psychological laws," tends to become more marked with the maturing of the capitalist economy. The general result, argued Keynes, is that, with restricted investments and reduced mass purchasing power, unemployment tends to spread, to become chronic, and to assume catastrophic dimensions in the resultant ever-deeper "business cycles."

* *Bulletin of the Academy of Sciences, U.S.S.R., Division of Law and Economics, No. 4, 1946.*

Keynes argued that this tendency towards economic stagnation and collapse was inherent in the competitive capitalist system and that, if left to operate unchecked, it could only grow worse and mass unemployment would spread. He contended that only state intervention into the economic sphere, directed towards stimulating capital investment, could prevent industrial decline and crisis by establishing full employment. Hence, he proposed a series of measures designed to weaken "the propensity to save," and to strengthen "the propensity to consume"—that is, to bring about more capital investment and thus to increase mass purchasing power. Among these measures were the reduction of the rate of interest, incentive tax laws, public works, government housing projects, social security systems, and the like. Implicit also in Keynes' idea was a limited and rudimentary effort to "plan" the economic life, rather than to leave it to the wild vagaries of so-called free enterprise. It was a program of "moderate," "controlled" inflation.

THE SEVERAL VARIETIES OF KEYNESISM

The general ideas of Keynes have received wide acceptance in capitalist circles, both in a theoretical and practical sense. But the various capitalist groupings and ideological tendencies put their own special interpretation upon Keynesism, or take from it those features most convenient for

their respective group interests. Consequently, there are at least four major Keynesian streams to be found in present capitalist economic thought and practice.

1. In liberal circles there has been a practically universal acceptance and adaptation of Keynesism. This is exemplified by the Roosevelt-Wallace movement in the United States and by the Beveridge Plan in Great Britain. Roosevelt and Wallace had in common with Keynes the attempt to bridge the gap between the producing and consuming powers of the people, under capitalism, with a view to achieving full employment. Perhaps the most striking characteristic of this major liberal variant of Keynesism is the stress that the New Dealers put upon the improvement of the real wages of the workers as a means to strengthen mass consuming power, whereas Keynes himself took the conservative position that a decline in real wages tended to increase employment. This difference on the wage question largely explains why Roosevelt was so hated and Keynes so respected among capitalists. Liberal economists in the United States, led for the most part by the Hansen group in Harvard University, are almost universally supporters of Keynesism, as they interpret it. How devoutly Keynesism is looked upon as a preventive of economic crises, was illustrated by Walter Lippmann in the *New York Herald Tribune* of November 25, 1947. In remarking that a certain

European Communist, upon the basis of his Marxian training, was expecting an economic crisis in the United States, Lippmann urged that this Marxist should correct the error of his conclusions by reading John Maynard Keynes.

2. Conservative capitalist circles have also been widely affected by Keynesian ideas. Keynes, although starting out as a liberal, finally became the economic leader of British big capital, which explains the many major posts that he held under both the Churchill and Atlee governments. The American pseudo-progressive Committee on Economic Development, representing 50,000 business firms, has in its policies much of the Keynesian line. In *Fortune*, October, 1944, a C.E.D. spokesman says:

Constructive policies representing taxation and public expenditures (including expenditures for public works), intelligent handling of the national debt, and enlightened control over credit and money, can greatly retard or prevent excessive swings of the business cycles.

The Truman Administration also makes many adaptations of Keynesism in its domestic and foreign economic policies. Even the Big Business N.A.M., although officially considering Keynes and full employment as anathema, has nevertheless been materially influenced by Keynesism. In its recently published, big two-volume work entitled *The American Individual Enterprise System*, there

is more than one cautious endorsement of the Keynesian proposition of government spending as a means to overcome economic crises; present, too, are numerous adaptations of various Keynesian financial plans. In the minds of the big capitalist supporters of the current huge American militarization projects and the Marshall Plan, there is a widespread feeling that such government cultivation of American industry and efforts is economically necessary, if overproduction tendencies are to be combated and an American cyclical crisis in the near future is to be averted or mitigated. Professor Alvin H. Hansen is correct in saying that "the influence of Keynes permeates all official international gatherings grappling with economic problems."*

3. Fascists, particularly those of Germany and Italy, also found Keynesian principles very adaptable to their ultra-reactionary economic and political systems. Hitler and Mussolini early broke with the theoretical drivel of the "free enterprisers." The fascist dictators consciously worked on the Keynesian theory that capitalist economic processes, working spontaneously, tended inevitably to produce a progressively deeper "deflationary gap" between production and consumption and thus to cause industrial shutdown and mass unemployment. They believed, too, that to overcome this gap,

* *The New Economics*, [essays by various authors], edited with introductions by Seymour E. Harris, Knopf, New York, 1947, p. 143.

government investment was necessary. So they proceeded to implement their fascist interpretation of Keynes' government investment theories by embarking upon huge armaments building and preparations for imperialist war. This is the way they produced "full employment." Keynes' theories were widely and favorably received in the fascist press. Jurgen Kuczynski quotes Dr. Hjalmar Schacht as saying in *Der Deutsche Volkswirt* that Keynes' ideas "represent the theoretical explanation and justification of national socialist economy."*

4. Most important from a labor standpoint, Keynesism has also soaked deeply into the ranks of the working class and its organizations. Here it has its own special characteristics. In Great Britain the Labor Party and the Trades Union Congress are saturated with Keynesism, as is the Labor Government. Their Social-Democratic leadership finds it very convenient to peddle Keynesian capitalist ideas to the workers under general slogans of Socialism. In fact, Keynesism is today the economic program of Right-wing Social-Democracy the world over. In the United States especially, Keynesism has penetrated far into the ideology of the trade-union masses. The A. F. of L., although still tinctured with N.A.M. "free enterprise" notions, has nevertheless become pretty generally committed to the Keynesian idea that

* Jurgen Kuczynski, *New Fashions in Wage Theory*, International Publishers, 1937, p. 15.

government spending can put an end to cyclical crises and achieve full employment within the framework of capitalism. The C.I.O. and the Railroad Brotherhoods are even more definitely Keynesian in their outlook. American organized labor absorbed these Keynesian ideas during the Roosevelt period. Even the Communist Party did not prove wholly immune to the big drive of Keynesism in Roosevelt's time, as witness the acceptance by Earl Browder of the general Keynesian line, expressed in tailing after the Roosevelt regime.

THE "KEYNESIAN REVOLUTION"

Supporters of Keynes very frequently characterize his theory and program as the "Keynesian Revolution." An American economist, Lawrence R. Klein, has recently written a book with this title. But, as Mr. Klein assures the capitalists, they need have no fears for their regime from Keynesian attacks. For, as he says, there is nothing revolutionary in Keynes; neither in his theory, nor in his practice.

Keynes has not, despite his enthusiasts' assertions, revolutionized bourgeois political economy. On the contrary, in his *General Theory* he assumes the correctness of the whole body of vulgar capitalist economy. He makes no challenge to the principles governing the exploitation of the workers and the extraction from

them of the surplus value which reaches the exploiters' pockets in the form of interest, rent, and profit, and upon which the capitalist system is based. Keynes' system, therefore, is characterized by superficiality. Far from overthrowing the major economic theories of capitalism, he does not even discuss them, arbitrarily taking them for granted. Instead, Keynes confines himself narrowly to the practical operation of capitalist business, especially with regard to measures to counteract cyclical crises and mass unemployment. Indeed, Professor Klein hastens to assure us, "the revolution was solely the development of a theory of effective demand."* But if Keynes has not revolutionized capitalist political economy he has nevertheless, in the practical field in which he operates, exercised a wide influence on capitalist economic thinking and policies, as we have already indicated.

Needless to say, Keynes made no theoretical "contributions" to Marxism. Paul M. Sweezy gives an incorrect impression when he says, in the quarterly magazine *Science and Society*:

I think there is a great deal in Marx—especially in the unfinished later volumes of *Capital* and in the *Theorien über den Mehrwert*—which takes on a new meaning and fits into its proper place when read in the light of the Keynesian contributions. Moreover, at least in Britain and the United States, the Keynesians are far better trained

and equipped technically (for instance, in the very important sphere of gathering and interpreting statistical data) than Marxist economists, and as matters now stand there is no doubt which group can learn more from the other.*

And Mr. Frank Verulan paints a misleading picture when he states:

. . . Lord Keynes was trying to discover the how and why of unemployment, and to the extent to which he succeeded it is not surprising that his analysis bears a family relationship to that of Marx. To that extent, the gulf between Marxist and non-Marxist economists has been bridged, and there is now some common ground between the two, even if it be largely ground for debate.**

Marxists, notably Marx himself and Lenin, have always been alert to glean what was to be had from bourgeois writers and they freely gave the latter full credit therefor. Of course, a man so brilliant and with such wide practical experience in the highest policy levels of capitalist Big Business and politics as Keynes has much in his writings that is informative and instructive regarding the practical workings of capitalism. Marxists can profit from this practical information. But that is about the limit of the value of Keynesism to Marxists. As regards theory, Keynesism has nothing whatever to offer to Marxism. Keynesism is pro-capitalist throughout. Marxists can and do sup-

* *Science and Society*, Fall, 1946, p. 404.

** *The Modern Quarterly*, London, Spring 1947, p. 169.

port reforms advanced by many Keynesians, but that is a far cry from accepting Keynes' theory. Keynesism collides with Marxism at every point. Attempts to consolidate Keynesism with Marxism, or to consider Keynesism as a sort of modern extension of Marxism, are unfounded and must therefore fail.

Keynes was definitely and aggressively anti-Marxist, and he made no effort to study or to understand Soviet Socialist experience, although he had visited the U.S.S.R. Professor Seymour E. Harris, an ardent Keynesian and noted American economist, says in this respect: "Keynes was particularly critical of socialist economics. It is difficult to understand his rather extreme and unfair attack on both Marxian and Russian economics. In his view, there was nothing to be learned from Russian economics."* Keynes called Marxism the "underworld" of political economy, and stated in 1932:

How can I accept a [the Communist] doctrine which sets up as its bible, above and beyond criticism, an obsolete economic textbook which I know to be not only scientifically erroneous but without interest or application for the modern world? How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above the bourgeois and the intelligentsia who, with whatever faults, are the quality in life and surely carry the seeds of all human advancement? Even if we

need a religion, how can we find it in the turbid rubbish of the Red bookshops?*

Here is exposed Keynes' profound adherence to capitalism. He not only sneers at Marxism and the working class, but extols the virtues of capitalists and capitalist exploitation, to the preservation of which his whole system of thought is directed.

Even as Keynes did not revolutionize bourgeois political economy (much less re-orient Marxism), so too he failed to set for himself any revolutionary social objectives. Keynes approached his work as an economist strictly from a capitalist standpoint. He was unresponsive to the misery and poverty of the workers and was contemptuous regarding their political capacities. His aim was to make capitalism (more concretely, British imperialism) work, and his whole life was devoted to this end. He believed capitalism could achieve full employment and exist indefinitely. The capitalists would remain masters, but with their wings clipped a little. The state would assume greater control over industry, but not to the extent of the nationalization of industry. Keynes says:

The State will have to exercise a guiding influence on the propensity to consume partly through its scheme of taxation, partly by fixing the rate of interest, and partly, perhaps, in other ways . . . a somewhat comprehensive

* John Maynard Keynes, *Essays in Persuasion*, Harcourt Brace, New York, 1932, p. 300.

* *The New Economics*, p. 547.

* Lawrence R. Klein, *The Keynesian Revolution*, Macmillan, New York, 1947, p. 56.

socialization of investment will prove the only means of securing an approximation to full employment. . . . But beyond this no obvious case is made out for a system of State Socialism which would embrace most of the economic life of the community. It is not the ownership of the instruments of production which it is important for the State to assume.*

Keynes endorsed capitalist exploitation in the following cynical passage:

For my own part, I believe that there is social and psychological justification for significant inequalities of incomes and wealth, but not for such large disparities as exist today. There are valuable human activities which require the motive of money-making and the environment of private wealth-ownership for their full fruition. Moreover, dangerous human proclivities can be canalised into comparatively harmless channels by the existence of opportunities for money-making and private wealth, which, if they cannot be satisfied in this way, may find their outlet in cruelty, the reckless pursuit of personal power and authority, and other form of self-aggrandisement.**

In reply to those ultra-reactionaries who consider the innovations of Keynes as radicalism, Klein has the following to say:

There is a great misunderstanding among the American public that the practical reform measures of the Keynesian economists are leading to socialism. It must be emphasized that

the Keynesian reforms do not infringe upon the rights of private individuals to own producer goods. The most important characteristic of a socialist economy is that there do not exist private property rights over producer goods. The Keynesian approach visualizes the state as a balancing force which serves only to supplement the behavior of individual capitalists, while the socialist approach visualizes the state as the sole entrepreneur which replaces, entirely, the individual capitalists. The Keynesian policy is, indeed, a conservative one because it aims to conserve free-enterprise capitalism. Socialism is not conservative; it is radical and aims to change the capitalist system into a completely different form.*

Professor Harris characterizes the aims of Keynesism thus:

Keynes would indeed try to preserve capitalism by ridding it of its parasitic elements. Excess savings; high rates of interest; the hereditary principle and its debilitating effect on capitalism; the preference of the future over the present—these were the special targets of his criticism.**

And further:

Yet it is far from the truth to classify Keynes as a socialist or even as a destroyer of capitalism. In his attacks on the Labor Party, on the tyranny of trade unionism, on socialism and communism, in his unwillingness even in wartime to deprive consumers of their rights to choose among alternative commodities, Keynes showed that to the very end he remained a defender of

capitalism, of a system of private enterprise. . . .*

ECONOMIC AND POLITICAL FALLACIES OF KEYNESISM

Keynesism cannot achieve its avowed goal of permanent full employment within the framework of the capitalist system. This is so because it does not remove the fundamental cause of mass unemployment, namely, the basic contradiction between the social character of production and the private character of appropriation. Keynesism deals with symptoms, not basic causes. Like all essentially under-consumption theories, Keynesism does not concern itself with the class relations within capitalist production, which, resulting in the wholesale robbery of the workers, constitute the basic cause of cyclical crises and mass unemployment. Lenin says:

Gigantic crashes have become possible and inevitable, only because powerful *social* productive forces have become subordinated to a gang of rich men, whose only concern is to make profits.**

Keynesism does not challenge capitalist exploitation of the workers, production for private profit, or the political rule of the capitalists. With its policies of stimulating investment through government financing, Keynesism goes no further than to paper-bridge the widening "gap" between the developing power of pro-

duction and the restricted character of the capitalist market after this gap has been created by the antagonistic social relationships within capitalist production. The molehill of government public works expenditures cannot offset the mountain of surplus value stolen from the workers by the capitalists.

Hence, as V. Gayev says, Keynesism is "unable to eliminate the basic evil and at best can only strive to postpone the moment when these contradictions lead to crisis."* Even a tinker, however, can make minor repairs, and so does Keynesism. Keynesian public works, social security, and similar projects mitigate in some degree the extent and the devastating effects of mass unemployment upon the workers; therefore the workers should support them. But these reforms cannot abolish mass unemployment, avert cyclical crises, or cure the deepening general crisis of the world capitalist system.

As Alexander Bittelman says, "full employment permanently is incompatible with the capitalist mode of production."** In order to abolish mass unemployment and cyclical crises the workers and their allies must develop policies capable of curbing and eventually breaking the power of the capitalists in industry and their monopoly of the means of production. These policies, going, to say the least, far beyond the limited

* *The General Theory of Employment, Interest and Money*, Harcourt, Brace, New York, p. 378.
** *Ibid.*, p. 374.

* *The Keynesian Revolution*, p. 167.
** *The New Economics*, p. 544.

* *Ibid.*, p. 545.
** V. I. Lenin, *Collected Works*, International Publishers, New York, Vol. IV, Book 1, p. 172.

* *War and the Working Class*, Moscow, 1944, No. 11.
** *Political Affairs*, January, 1946, p. 172.

reforms of the liberal Keynesians, must eventually extend to such measures as the nationalization of the banks and major industries, and the establishment of a planned economy. The carrying out of such measures will demand that the workers and their allies secure political power. Only when these democratic, anti-capitalist forces are in full command of the nation's decisive economic resources and government posts can the present basic contradiction between production and consumption be finally solved, cyclical crises eradicated, and mass unemployment ended. This means advance into Socialism. The U.S.S.R., with its Socialist planned economy, and the permanent and total eradication of mass unemployment, has given the world the only practical, final answer to the burning problem of wholesale joblessness. Marx, not Keynes, points the way to full employment.

Within the general sphere of its failure to attack the evil of mass unemployment at its capitalist roots, Keynesism is also afflicted with a whole series of errors, weaknesses, and misconceptions. Among them may be noted:

1. Numerous economic fallacies, including incorrect theories of value, wages, money, capital accumulation, and investment. Gross exaggerations of the stimulating value of "the multiplier" (pump-priming), and illusions regarding deficit financing and the role of the national debt.

2. A false interpretation of mass psychology in economic questions. In this matter Keynes puts the cart before the horse. He tries to prove that the ups and downs of the national economy are determined by the varying moods of the people regarding consumption and investment, whereas the opposite is the case. It is primarily the economic fluctuations that produce the people's changing economic mass moods and actions. Keynes thus distorts the basic class character of mass economic psychology.

3. A gross underestimation of the reactionary role of monopoly capital. Keynes, in his *General Theory*, hardly mentions monopoly at all. He writes almost as though in Great Britain and the United States there still exists a system of competitive, "laissez faire," capitalism. This attitude on his part amounts to an attempt to by-pass the major opposing force which is arrayed against every progressive economic and political cause in the present-day world, monopoly capital.

4. An oversimplification of the questions of imperialism and war. Keynes, although himself an indefatigable champion of British imperialism (which explains largely why his personal prestige was not great in American capitalist circles), nevertheless attempts to brush aside the whole question of abolishing imperialism and war as being merely a matter of achieving full employment, by his methods, in the big capitalist

countries. This would end all dangerous frictions and rivalries between the great powers, he believes. The basic question of the uneven development of capitalism in the various countries, which was so much stressed by Lenin as a factor making for imperialist war, is characteristically ignored altogether by Keynes.

5. An incorrect theory of the state. Keynes, who could have profited greatly from even a glance at Lenin's *State and Revolution*, pictures the state as an impartial institution standing above and apart from separate class interests and advancing society's general welfare. This nonsensical bourgeois notion, which contradicts every reality of the present social order, in which the capitalists brazenly use the state to advance their specific class interests, renders worthless the Keynesian analysis of the political aspects of the problem of achieving full employment.

6. Class collaborationism. Keynes' main economic and political argumentation amounts to a denial of the class struggle and to the promulgation of a program of all-class collaboration. He starts out with the economic theory that "over-saving," of which he complains so much, is not brought about by the heaping up of surplus value in the hands of the capitalists, as the Marxists point out, but is caused by excessive saving habits by all social classes, including the workers. And he winds up with the political proposal of an amorphous all-class movement for supposedly

general social ends. The futility of such class collaborationism as a means of achieving full employment needs no elaboration in the columns of *Political Affairs*. It is interesting to note, however, that the liberal Keynesians, Roosevelt and Wallace, when they have actually tried to strengthen the mass purchasing power, found themselves in the midst of fierce political struggles and were thoroughly opposed by the great bulk of the big bourgeoisie.

7. A strong current of utopianism. Among Keynesians, particularly those of a liberal persuasion, there is a marked utopian streak.

To the Keynesians, their policy seems such a feasible one—namely, to make capitalism work and become more profitable—that they cannot understand why the big capitalists do not accept their full employment projects out-of-hand. Their appeal is to the so-called intelligent capitalists. They fail to realize that monopoly capital is not interested in, but is opposed to, full employment; that, far from having the people's interests in mind, it tends to head in the contrary direction of fascism, imperialist expansion, and war.

One hundred years ago Marx and Engels had the following to say about utopians:

They want to improve the condition of every member of society, even that of the most favored. Hence, they habitually appeal to society at large, without distinction of class; nay, by preference, to the ruling class. For how can people,

when once they understand their system, fail to see in it the best possible plan of the best possible state of society?*

It was with characteristic Keynesian utopianism that Earl Browder enthusiastically looked to the capitalists, in their "true class interest," voluntarily to double the real wages of their workers and to industrialize and democratize the backward areas of the world. Klein says, too, in the same utopian vein: "Full employment seems to be such a desirable economic policy that we may well be led to wonder why there must be any opposition to it."**

For all those who believe that the man-eating tiger, capitalism, can be transformed into a peaceful domesticated animal working in the service of mankind, Stalin has the following words of wisdom:

If capitalism could adapt production, not to the acquisition of the maximum of profits, but to the systematic improvement of the material conditions of the mass of the people, if it could employ its profits, not in satisfying the whims of the parasitic classes, not in perfecting methods of exploitation, not in exporting capital, but in the systematic improvement of the material conditions of the workers and peasants, then there would be no crisis. But then, also, capitalism would not be capitalism. In order to abolish crises, capitalism must be abolished.***

* *The Communist Manifesto*, International Publishers, 1932, p. 40.

** *The Keynesian Revolution*, p. 179.

*** Joseph Stalin, *Leninism*, International Publishers, Vol. II, p. 253.

AMERICAN IMPERIALISM AND KEYNESISM

In the United States, Keynesism took early root and has played an important political role. In the economic crisis of 1921, the President's Commission on Unemployment proposed a program of public works to combat joblessness. During the latter 1920's numerous economists, among them Tugwell (*Industry's Coming of Age*) and Foster and Catchings (*Business Without a Buyer and The Road to Plenty*), alarmed at the failure of consumption to keep pace with production, were already advocating the organized strengthening, through government financing, of the American people's purchasing power. But it was only after the election of Roosevelt in November, 1932, during the period of the lowest point of the great world economic crisis, that what later came to be called Keynesism began to have a real part in the economic and political life of this country.

Roosevelt's New Deal, although it had its own special aspects, had many characteristic Keynesian features. It was a definite attempt, through government financing, to overcome the "deflationary gap" between production and consumption. Keynes, who both wrote to and visited Roosevelt at the outset of the New Deal, was critical of the President and of many points in his program (Keynes, himself had not yet finally formulated

his own ideas). One of the more striking differences between the New Deal and the later characteristic Keynesian program was the far greater stress that Roosevelt put upon increasing the real wages of the workers. It was this that led Roosevelt to support the building of a powerful trade union movement, which, in consequence, attracted to him the undying hatred of the big capitalists. Other American Keynesians share the Roosevelt-Wallace position regarding the wage question, as against that of Keynes. Thus Kenneth May, reviewing Alvin H. Hansen's new book, *Economic Policy and Full Employment*, says:

Hansen rejects the orthodox axiom that increased employment implies lower real wages—an axiom specifically accepted by Keynes in his *General Theory*. He advocates increasing real wages based on increasing productivity . . .*

Keynesism—Roosevelt style—did not succeed in liquidating the great American economic crisis of the 1930's. It did, however, with its vast make-work projects and Government inspired investment program, somewhat mitigate the economic situation and somewhat ease the position of the previously half-starved unemployed workers. But the depression lingered on, in spite of Roosevelt's \$25 billion spent in "pump-priming," so that on the eve of World War II, there still re-

mained in the United States the gigantic total of 10,000,000 unemployed. Nor, with prevailing policies, was there any prospect of a serious improvement in the situation. It was only with the outbreak of the war, with its boundless assured markets for goods, that gave the stricken American industry a new shot in the arm.

Why did American capitalism turn to the New Deal-Keynesian line to find a way out of the economic crisis, instead of taking the path of German capitalism to fascism and war? The answer to this important question lies in the different respective positions of German and American imperialism at the time. German monopoly, with but little surplus capital available, bound up by rigid Versailles peace treaty terms, confronting a restless working class, and hedged about by other European powers, sought to cut its way out of the economic crisis and all its political difficulties by building great armed forces and embarking upon a program of imperialist expansion, world domination, and war. The American monopolists, on the other hand, had no such compelling pressures in the Great Economic Crisis. Their problems were more exclusively economic. They had at their disposal vast financial resources, which made it possible to apply the huge "pump-priming" program of Roosevelt. It is a fact, however, that many big capitalists in the United States clearly preferred a fascist orien-

* *Science and Society*, Fall, 1947, p. 377.

tation instead. Indeed, the original National Recovery Act, with its numerous industrial codes, was developed by the United States Chamber of Commerce and definitely had a fascist odor about it. But these early fascist trends under the New Deal regime were soon drowned out by Roosevelt's tremendous democratic mass support. So, in spite of the stiff opposition of big capital, the great New Deal experiment went on. The "efficacy" of Keynesism in basically solving the difficulties of capitalism can best be judged by the present economic plight of Great Britain, the homeland of Keynesism.

At the present time, after the victorious outcome of the war, American imperialism has embarked upon a ruthless campaign to reduce the world to its sway. Swollen and bloated industrially from the two world wars, and with the rest of the world impoverished, the United States is now experiencing an unprecedented orgy of artificial, war-fed "prosperity." In this situation the great financial leaders have only contempt and hatred for the Roosevelt-Wallace brand of Keynesism. Their main slogan is for "free enterprise," which means the right to do as they please, and they are traveling hell-bent along the path that leads to economic chaos, fascism, and war.

Nevertheless, even in the midst of their boom-produced inflation and ideological drunkenness, the financial moguls and their stooge economists have not entirely forgotten the les-

son taught them by Keynes. They increasingly realize that Say's law of markets is invalid and that monopoly capitalism inevitably produces mass unemployment and economic crises on an expanding scale. But they are also quite convinced, nevertheless, that they can master the industrial crash that will eventually occur, not by introducing Keynesian remedies of useful public works, social security, etc., but by maintaining large armies of unemployed workers on the dole as a club over organized labor, by making huge expenditures for a big military establishment, by a gigantic export of capital on ruthless imperialist terms, by carrying on a militant program of imperialist expansionism, and by iron repression of all democratic opposition with fascist demagoguery and terrorism.

Many Keynesians, including Chester Bowles, Robert Nathan, Leon Henderson, and the A.D.A. crowd generally, are trotting along in the train of the imperialist, war-minded big-capitalists. They are endorsing the Marshall Plan, applauding atom-bomb diplomacy, falling into step with Wall Street's Red-baiting and Soviet-hating campaign, and are condoning by their silence the insolent fascist-like campaign of warmongering. Unfortunately, this shameful fact is true, not only of many of the Keynesian professors in the colleges, but also of the dominant Keynes-minded trade union leadership in the A. F. of L., the C.I.O., and the Railroad Brother-

hoods. As for the Right-wing Social-Democratic Keynesians, they have become the bell-wethers for World War III. As for the Truman Administration, it has long ago abandoned the last remnant of Roosevelt's liberal Keynesism and has become the obedient servant of Wall Street. In short—a fact which does not surprise Marxists—the bulk of the leadership of the Keynesians is now showing itself to be imperialist, both politically and economically. It is no real barrier to the catastrophic course of American imperialism and is quite unable to "save" capitalism in this most crucial period.

An honorable exception to this entire deplorable exhibition of chauvinism, confusion, and weakness among the disciples of Keynes is the movement gathered about Henry A. Wallace. Mr. Wallace, boldly standing his ground as a liberal Keynesian in the Roosevelt tradition, although menaced by the present violent storm of imperialist jingoism and fascist-like demagoguery, is intelligently warning the American people against the economic, political, and military disasters toward which the domination of Wall Street is leading the United States. Mr. Wallace may have behind him only a minority of the so-called liberal Keynesian professors and top labor leaders, but he certainly speaks with the backing of huge sections of the toiling masses. He is fighting in the best traditions and interests of the American people.

THE COMMUNISTS AND THE KEYNESIANS

When the coming economic crisis eventually hits the United States and mass unemployment again prevails, we may be sure there will be a big resurgence of interest in the Keynesian "panacea" for unemployment. It is necessary, therefore, that the Communist Party develop a much more precise evaluation of Keynesism, both in a theoretical and practical sense, than it has had to date. Under the Browder regime in our Party only the sketchiest analyses, and these very faulty, were made of the Roosevelt New Deal, the American expression of Keynesism. The Party tendency then was rather to trail along after Roosevelt, with little Marxist criticism and with few policies of our own to propose. A major explanation for this situation was that Browder himself, like so many trade union and Social-Democratic leaders, fell victim to the illusions of Keynesism. He came to believe (and still does) that American imperialism is essentially progressive, and he wound up by throwing Marxism overboard and attempting the liquidation of the Communist Party.

During the two and a half years since Browder was expelled some progress has been made in the United States toward achieving a more satisfactory Marxian analysis of Keynesism. But what has been done is only a start; there must be a far more comprehensive survey of the whole

body of Keynesian theory and practice. This is all the more urgent in view of the fact that, in the main, the leaders and large masses of the labor movement of this country have a Keynesian viewpoint. To develop a fundamental analysis of Keynesism, therefore, will be one of the fitting Marxian theoretical tasks for the observation of the hundredth anniversary of the *Communist Manifesto*.

First, with regard to the Marxian position toward the practical program of Keynesism: As we have seen above, Keynesians, in their moves against mass unemployment, while advancing measures that Communists fundamentally disagree with, also propose various valuable reforms. This was clearly seen under the Roosevelt regime when the workers, Negroes, farmers, and other democratic strata, made very substantial political progress and won many economic and legislative concessions from the capitalist exploiters and oppressors. But, as we have also pointed out, such Keynesian reforms are by no means capable, by themselves, of successfully eradicating mass unemployment. Hence, while supporting what is valid in the Keynesian proposals, Marxists must unhesitatingly come forward with the more fundamental measures which are necessary and at which Keynesians balk. As capitalism sinks deeper in its general crisis, the realization of such basic proposals as the nationalization of industry and

the achievement of political power by the workers and the other democratic masses, will become more and more urgent. We Communists should utilize every possibility to cooperate on a united front basis with Keynesians in the fight for peace, in the defense of civil liberties, and in the protection of the workers' living standards. This does not mean, however, that we have to accept their erroneous economic theories. A Marxian program of immediate demands in the present state of capitalism must necessarily go far beyond the proposals of the Keynesians.

Secondly, with regard to Keynesian theory and our attitude toward it: Keynesism is now being boldly put forward as a substitute for Marxism-Leninism. Keynesians confidently assert that by their policies they can cure the contradictions of capitalism, abolish mass unemployment, avert cyclical crises, and start capitalism upon an endless upward spiral of progressive development. They scornfully brush aside Marxism, with its Socialist perspective, as obsolete and harmful, and they boast that they are winning Marxian intellectuals to their side. They are especially enthusiastic supporters of theories of "American exceptionalism," that is, of the notion that American capitalism, unlike the capitalism of other countries, is progressive and can rejuvenate world capitalism. To realize that the Keynesians' general anti-Marxist line has not been without

effect among the masses, all one has to do is to observe the success the Keynesians have had in shaping the present ideology of the American working class. Roosevelt, during the long economic crisis, won the American labor movement officially to the belief that capitalism, with a little Keynesian tinkering, could be made into a permanently going concern.

We Communists must take up the cudgels energetically against all the Keynesian theoretical nonsense. We must analyze and expose the economic and political fallacies of Keynesism. The illusions of Keynesism disarm the workers ideologically and expose them to the propaganda of the employers in this very complex national and world situation. We must, therefore, counter the Keynesian theoretical errors by a strong exposition of Marxism in all its implications. One of the most urgent mass educational tasks we now have before us is precisely to liquidate Keynesian misconceptions and to give the workers and their leadership at least an elementary understanding of Marxist-Leninist fundamentals. Today only a Marxist leadership can lead the workers effectively, even in

the daily struggles of the trade unions for bread. In the existing difficult conditions, caused by decaying world capitalism, the present capitalist-minded, Keynesian-minded labor leaders, if uncorrected by a strong growth of mass Marxist sentiment, could only lead the working class eventually into the ditch.

In the stormy and difficult period now opening up before us, the workers and other democratic forces, confronted by increasing dangers of economic chaos, fascism, and war, will move toward the building of a great national democratic coalition, toward the formation of a powerful, anti-fascist, anti-monopoly, pro-peace party. Within this vast new people's movement, undoubtedly large numbers of liberal, Keynesian-minded workers and leaders will play a big role. Hence, a basic condition for friendly and effective Communist cooperation with these elements in a united front will be precisely the possession by our Party of a correct Marxian analysis of the program and theories of Keynesism and of our independent political line toward that system of bourgeois reformism.

STATEMENT TO THE COUNCIL OF FOREIGN MINISTERS

(London, December 12, 1947*)

By V. M. MOLOTOV

Following is the text of the statement by Foreign Minister Vyacheslav M. Molotov to the Council of Foreign Ministers as distributed in English by Tass, Soviet news agency:

The day before yesterday Mr. Marshall made a statement on behalf of the United States Government designed to stop immediate reparation deliveries to the Soviet Union from Germany. Mr. Bevin associated himself with that statement on behalf of the British Government. After him M. Bidault also associated himself with the statement on behalf of France. Thus three delegations have now united in a common front against reparation deliveries to the Soviet Union.

However, it is not difficult to see that these statements are groundless. Furthermore, these statements are in complete contradiction with those made by the Government of the United States of America against Great Britain and France during the

* The text printed here is that of the English translation distributed by Tass as published in the *New York Times*, December 13, 1947.

war when they resolved to support the Soviet Union and other Allies regarding reparations from Germany.

Recalling again the Yalta and Potsdam agreements, I am bound to state that the Soviet Union is not asking but demanding that the question of reparations be at long last decided. The Soviet Union insists that agreements regarding reparations should not remain on paper but should be carried out as has been decided.

The difference of views on this question between the Soviet Union and the United States of America, for instance, is generally known. Direct damage alone, inflicted by the Hitlerites on the Soviet territory they occupied, has been estimated at \$128,000,000,000. Nobody can deny the enormous damage caused to the Soviet people by German occupation.

* * *

Quite different is the case of the United States of America, which, fortunately, was not subjected to enemy occupation, and what is more, enriched itself during the war. The data which have been published testify to the fact that the profits of big property owners in the U.S.A. reached unprecedented heights during the war years.

Under these circumstances the representatives of the American Government may perhaps make a statement objecting to reparations for the Soviet Union. But in order

that this statement may be recognized as well-founded and just it must be shown that it rests at least on some sort of a moral basis.

It is all the more obvious that this statement is groundless since it is in contradiction with the obligations assumed by the United States Government as well as by the Government of Great Britain at the Yalta and Potsdam conferences.

The Government of the United States of America proposes to us that reparation deliveries from current industrial production should cease, whilst nothing is said about the state of affairs with regard to reparations on account of equipment deliveries. That this is passed over in silence is not accidental.

Suffice it to say that under the Potsdam Agreement reparation deliveries of equipment from the Western zones of Germany are provided for in respect to twenty Allied countries but during the whole period ending Nov. 1, 1947, these twenty countries, including the U.S.S.R., received such equipment to the amount of \$33,000,000 only. It is evident from this that in actual fact the reparations from the Western zones have been wrecked. Is this situation admissible? Is it not a mockery that in the course of two and a half years all the twenty Allied countries entitled to reparations from the Western zones have received reparations to the amount of \$33,000,000 only? Is this the proper way of carrying out obligations as-

sumed, if the wish to carry them out is there?

As long as allies were needed in the war against the common enemy they mattered; not inconsiderable promises were made to them and obligations were entered into. But that was during the war. Little was left of these promises when came the time for peacemaking.

Is that the way to establish a democratic peace which calls for the respect of the rights and interests of nations and for the firm observance of obligations undertaken? The establishment of a democratic peace as distinct from an imperialistic peace is incompatible with neglect of the rights and interests of other nations and with the violation of obligations undertaken.

I have quoted data as to how reparations in the form of equipment deliveries from the Western zones of Germany are being carried out. Actually nothing has been done to fulfill these obligations and the results achieved have been quite pitiful. The main attack is now being launched against reparations on deliveries from so-called current production. And here too the American delegation is resorting to arguments which are quite groundless.

However, let us look at the facts. There are no current reparation deliveries from the Western zones while the level of industry in the joint Anglo-American zone reaches only to 35 per cent of the 1938 level. From the Soviet zone of Germany

current reparation deliveries are taking place and the level of industry there has already reached 52 per cent of the 1938 level. Thus the index of industrial output for the Soviet zone, although conditions there for the rehabilitation of industry are more difficult, exceeds one and a half times the index of industrial output of the Anglo-American zone.

It follows that reparation deliveries, far from hindering the rehabilitation of industry, facilitate this rehabilitation. Indeed, the Soviet authorities in the Eastern zone of Germany are making every effort to assist the rehabilitation of German peacetime industry. A different policy is being pursued by the Anglo-American and French authorities in their zones.

* * *

The question arises, what policy should be pursued in respect of German industry, bearing in mind the fact that under no circumstances should we allow the restoration of war industry?

One policy is to set the development of peaceful industry in motion so as to increase industrial production in the Western zones from 35 per cent to at least 70 per cent of the 1938 level; *i.e.*, to raise the level of reconstruction to double that reached to date in the Anglo-American zone. In this case the allocation of 10 per cent for current reparation deliveries will leave the Germans with 60 per cent of production instead of the

present 35 per cent. As a result current reparation deliveries would be carried out and, furthermore, the Germans themselves will get almost twice as much industrial production.

And yet efforts should be made to achieve a level of German industry even higher than 70 per cent of the 1938 level. It is only a matter of clearing the way and of making it possible for German industry just to make a start, under four-power control, of course; then it will be easy to solve the problem of allocating a part of industrial production for reparation deliveries and at the same time to meet more fully the needs of the German people while the possibility of exporting German commodities to other countries will be increased.

Neither should it be forgotten that in a certain period of time reparations will have been paid by the Germans and then the whole industrial output will remain in their own hands and their industry will also have gathered considerable strength. If this attitude toward German industry is adopted any suggestion that current reparation deliveries will lower the standard of living of the German people will become groundless and will serve only to obscure the real state of affairs.

The Soviet Union considers that the only correct policy is one which makes a positive approach to the problem of rehabilitation of peaceful German industry. There can be no doubt that this progressive policy

will meet with due support from the German people also.

* * *

Another policy is to retard the rehabilitation of German industry to prevent the Germans from restoring the production of machines, clothing, footwear, foodstuffs, the chemical industry and other branches of peaceful industry. This policy facilitates, of course, the sale of foreign commodities in Germany, but it rests on an unsound basis.

If the restoration of German industry is hindered for fear that it would become a competitor of certain American, British and French industrial monopolies then, of course, its restoration will be further retarded and obstacles will be put in the way to prevent it from recovering and from getting back on its feet. But such a policy is not only at variance with the interests of the German people but also with the interests of other European nations. It will inevitably end in failure and will discredit those who carry out such a reactionary policy.

What are the results? Countries which suffered from German aggression were promised reparation through the delivery of surplus German equipment. In fact, however, these deliveries have been reduced to nothing.

On the other hand, no conditions are being created for the efficient use of an enormous amount of equipment existing in German industry. As a result of this the equipment of

many German plants has been standing idle for over two and a half years; it is not being repaired, it is deteriorating and being ruined.

The overwhelming majority of German plants are unable to begin normal production in spite of the efforts of many manufacturers, while workers, technicians and engineers are unable to obtain work they want.

Only individual industrial monopolists with appropriate foreign connections receive support from the occupation authorities in the Western zones of Germany. This cannot go on much longer. The policy of hindering German industry must be abandoned. Then only will necessary restoration of economic life in the Western part of Germany begin and the living standard of the German population rise. Mention is frequently made here of the limited amount of reparations which the Soviet Union is receiving in order to make good at least a small part of the damage caused to the Soviet people by the German occupation. But the hidden reparations and economic privileges which the British, American and French authorities through industrialists and banks receive in the Western zones are usually passed over in silence. Justice requires, however, that we should not forget this.

I have already had occasion to speak about the coal industry. Until recently coal was bought at cheap rates from the Ruhr in the British zone and exported to other countries.

The British authorities who acted as intermediaries in these transactions received enormous profits.

The same thing is happening in respect to the export of timber. Hundreds of millions of dollars have already been earned in these operations. But this is not called reparations. In fact, however, this is in no way different from reparations, but nobody is demanding that an account be given of these reparations.

Foreign bankers and industrialists are now taking yet another advantage of the difficult position of the German industrialists. Many enterprises and whole concerns are being bought up from German industrialists at low prices. American and British capital is penetrating into German industry on a wide scale and without control; it is already having its own way in the coal, iron and steel, chemical and other industries.

The enormous profits thus made are going to various foreigners who are having a stroke of luck, if I may so express myself. The longer the present stagnation of German industry in the Western zones lasts the easier will it be for foreign owners to buy up German enterprises and make enormous profits in the process. But can such a state of affairs be considered normal and can German industry be left any longer in this unsightly condition?

Or take the question of credits given to the Germans, say, by the United States and Great Britain. It

has already been said here that the German debt to the United States of America alone amounts to \$600,000,000 a year and together with Great Britain to \$700,000,000, and these debts continue to increase. Yet the Germans themselves are not being asked whether these credits are acceptable on the terms laid down by foreigners.

* * *

At the present time it is not only the food Western Germany needs that is being brought from the United States. Kitchen utensils and beds, cleansing liquid and mops, as well as wine and cakes, are being brought in. There are, of course, foreign merchants who have interests in this. But under present conditions this brings about an enormous inflation of the foreign debts with which Germany is burdened. The Germans, however, can produce all this themselves and a great many other things also without getting into dollar debts. But the rehabilitation of the peacetime branches of German industry should not be hampered.

Under the American plan it is proposed further to render so-called "financial aid" in the coming year to the extent of \$1,150,000,000 and hence again the Germans are not being asked whether the terms of these new credits are acceptable to them. And since the industry in the Western zones is not being developed the Germans have no possibility of paying back these credits.

The German debt in the Western zones will soon reach several milliards [billions] of dollars. For the German people these obligations will be harder to bear than any reparations. Unless the hampering of industry and the disintegration of idle industrial equipment are brought to an end, as long as the debts continue to increase, an unbearable burden of foreign debt will fall on the shoulders of the Germans.

The accumulation of dollar debts in the Western zones of Germany places the whole economy of the Western part of Germany in a state of dependency on other countries, especially on the United States. Germany's industry is to an ever-increasing degree becoming subordinated to American and other foreign monopolies. The dependence of the economic life of the Western part of Germany on the United States is increasing from day to day, and there is no longer any point in talking about the independent development of Germany's economic and political life in the Western zones.

Financial aid on the part of the United States is becoming such a burden and leads to such heavy economic consequences that it will take the Germans a long time to pay. American aid of this kind becomes a dangerous obstacle to the restoration of Germany's economic and political independence.

Other powers want to use Germany in their own interests by promising her financial assistance,

et cetera. There even exist plans to use the Western part of Germany as a base for bringing political pressure to bear inside and outside Germany to further the interests of certain foreign reactionary circles and in the future as a strategic base against the democratic states of Europe. These calculations are built on sand.

It would be one thing if Germany were forbidden to develop her war industry but were enabled to develop her peacetime industry and to export a part of her industrial output to other countries. She would then be able to receive the import commodities she needs and to repay credits without falling into bondage and putting herself in a position of dangerous economic dependence in relation to this or that strong power. Talk about taxpayers would then come to an end since the interests of taxpayers would be safeguarded by a timely payment of credits on the part of Germany.

* * *

Quite another state of affairs is taking shape at the present time. Even elementary conditions are not being provided at present for the restoration of German industry and consequently the daily increasing foreign debts of the Western part of Germany are placing Germany in a position of complete dependence on other countries, especially on the United States of America, where no little power is wielded by those who

are not at all concerned with the German people but who would like to use Germany or at least her Western part for their expansionist aims and as a strategic base for aggressive plans of this kind.

The separation of the Western part of Germany from the rest of Germany—while again and again we are confronted with new measures undertaken with this end in view—gives a free hand to those who are anxious to lord it in the West.

The German question could be solved only by the preservation of the economic and political unity of Germany. For this purpose the German economic departments should be created forthwith as a nucleus of a government for the whole of Germany. To this end it is necessary already now to proceed forthwith to the establishment of a German advisory council composed of representatives of the *Lands*, the democratic

parties of the whole of Germany and also of representatives of free trade unions and other large anti-Nazi organizations.

In that case there would be someone who could be asked what the Germans themselves think about any particular economic aid to Germany, about the acceptability of the terms of foreign credits to be given, about the necessity for importing any particular foreign goods, *et cetera*. In this case a timely fulfillment of Germany's reparation obligations would also be insured.

The day before yesterday it was argued here that the Germans should repay foreign credits before meeting all their other obligations and before reparations. It goes without saying that these claims are groundless and unjust.

The Soviet delegation insists that the question of reparations be settled without delay, in accordance with the Yalta and Potsdam agreements.

THE NEW CHINA PROGRAM OF THE AMERICAN INTERVENTIONISTS

By FREDERICK V. FIELD

THE AMERICAN PEOPLE are being subjected to a barrage of propaganda designed to bring American intervention in China to a new level of intensity. There is no dispute among the ruling circles in Washington or Wall Street as to the need for vastly increased military aid to the corrupt and rotting Nanking regime. They believe that without speedy action of a large character the people of China may win control of their own country and thereby wreck the Far Eastern plans of American imperialists, warmongers, and reactionaries.

This new campaign to thrust down the throats of Americans another poisonous and unpalatable imperialist venture began in earnest last summer with President Truman's highly publicized dispatch of Lt. Gen. Albert C. Wedemeyer to China and Korea for the alleged purpose of bringing to the Administration facts and recommendations upon which a new policy might be devised. The campaign gathered steam through August and September; with the throttle wide open and the whistles screeching, it thundered up and down and across the country early in October. In preparation

for the decisive struggle which is planned for the winter, it seeks to scatter and confuse its opponents by the very intensity of its drive. Meanwhile, to no one's surprise, it is gaining increasing vocal support from the country's most reactionary capitalist leaders and legislators.

Secretary of State Marshall's recommendation to the present sitting of Congress for \$20 million a month for 15 months beginning April, 1948, for the "relief" of China is by no means the whole Administration program. The recommendation is designed to quell Republican demands for the "whole picture," and to give moral encouragement to the Chiang Kai-shek dictatorship pending a more appropriate time to introduce the much larger program of American military-financial intervention in China discussed in this article. However, the recommendation is a clear indication that only questions of timing and methods separate the Administration's line from that of Dewey, Bullitt, or Representative Judd.

Similarly, the Republican espousal of Chiang Kai-shek in the Special

Session's debate on emergency funds for Europe must be considered as nothing more than the needling of Marshall over tempo and approach to the Chinese question.

IMPERIALIST HYSTERIA OVER CHINA

The reason for the wave of hysteria over the situation in China is obvious. The democratic forces of that country have gained the initiative over their feudal-compradore exploiters backed by U.S. imperialism. They have gained it in the military as well as political and economic spheres. During recent months they have won immense victories. Manchuria, except for a narrowing channel in the south leading to Mukden and cities like Changchun and Kirin which are isolated from the countryside, is in democratic hands. The military slogan of Communist military headquarters calls for the rapid "completion" of the Manchurian campaign. South of the Great Wall, Communist armies, aided by a broad grouping of the democratic citizenry, control large sections of the north and northwest and are rapidly thrusting forward into central China.

Under the leadership of the Communist Party a thoroughgoing and revolutionary attack is being carried out against China's ancient enemy, agrarian backwardness. A new economy, a combination of free and cooperative enterprise and government stimulation, is successfully solving the problems of creating a stable and

rising economy and advancing the peoples' welfare—in dramatic contrast to the abysmal failures in Kuomintang China.

Moreover, it is well known to the American interventionists that the coalition of democratic forces grouped around the Communists and pledged to the defeat of Chiang Kai-shek and his foreign allies is rapidly growing in size and breadth and is today making active preparations for the assumption of political power.

Such developments, taken with the world-wide discrediting of Chiang's regime and the utter breakdown of the economy in the areas under his control, have produced a new situation for the imperialists. No wonder they now trot out their Wedemeyers and Bullitts in a desperate attempt to stave off defeat.

These democratic victories in China therefore not only presage defeat for Chiang Kai-shek's crowd; they also represent one of the most powerful blows to American postwar foreign policy which it has suffered anywhere in the world. For even without the greatly expanded program of intervention which is now demanded, American intervention in China since V-J Day—in terms of military supplies, direct use of U.S. troops, funds, and political "guidance"—has far surpassed that attempted in any other non-enemy nation or area. Where the greatest imperialist effort to suppress democracy and to impose the rule of Amer-

ican imperialism has been made it has met its most devastating defeat!

No wonder the generals and the reactionary politicians of both parties and their Wall Street brains are in a panic over the Chinese situation. A policy which for more than two years they have more or less succeeded in concealing from public scrutiny is now partially forced into the open. The plight of American imperialism and its Kuomintang lackeys in China is so critical that it can be rescued only if public opinion can be bamboozled into sanctioning a policy of open and vast military and financial intervention. Or so the imperialists believe.

General Wedemeyer's report was filed with the President and Secretary of State on September 18. According to those commercial newspaper correspondents who have access to the horse's mouth in Washington he called for drastic action within 60 days. That would be the middle of November, now passed. William C. Bullitt's imperialist classic in *Life*, published October 13, called upon President Truman to "act at once" regarding Manchuria, and urged a \$75 million credit (an advance on his larger scheme) "in the next 30 days." Similar urgency has been voiced by others. As these date lines have now long passed, it is clear that the Administration is unable, even though it is willing, to act with the speed demanded even by those who most influence its actions.

This inability to act quickly and decisively is accounted for in several ways: principally by the dilemma as to how to make an intervention policy—which has so far failed—suddenly work, by the increasing (though still inadequate) opposition of the American public to the disastrous China policy, the strength and skill of the Chinese democratic movement, and the Administration's difficulty in heaping upon the Marshall plan for Europe an equally insane one for the Far East. Progressive Americans, however, should not derive too much comfort from these problems confronting reaction. If experience, especially recent experience in this country, teaches us anything, it is that the imperialist circles will go to all lengths to impose upon us and the rest of the world their ruinous policies. We have now before us in *Life's* "Report to the American People on China" by William C. Bullitt a most revealing example of their technique. And we also have Governor Dewey's speech of November 24. Since this was only a paraphrase of the Bullitt "Report," my references to the latter apply equally to the former.

BULLITT IS A MOUTHPIECE OF IMPERIALISTS

The Bullitt report is not the product of a lunatic fringe of American reaction. True, it would appear to any person whose thinking has not already been stultified by the flood of postwar lies from the rulers of America to be lunatic. And in terms

of human decency it is of course insane and criminal. But Mr. Bullitt's political immorality or lunacy, as you choose, represents the central thought, not the irresponsible fringe, of the most aggressive wing of the imperialists. Goebbels, while beyond the pale of humanity, accurately voiced the pretensions of Hitlerism. Similarly, Bullitt accurately reflects the ambitions of those who since the death of Franklin Roosevelt have seized control of the American government.

This is an important point to establish, for there is a tendency in some quarters, including progressive, to make light of Bullitt's report because of the highly unsavory record of its author. The point is too easily overlooked that a man who has betrayed American-Soviet friendship, a man who betrayed France to the Vichy-ites, a man who asks us to crawl on our bellies before the Vatican, a man who espouses the postwar cause of Italian neo-fascism, and a man who can write "In the pages of history Generalissimo Chiang Kai-shek bulks larger than any living American," is today a man in the mainstream of American reaction.

How true this is can be demonstrated. At the close of his "Report" Bullitt definitely associates the ultra-reactionary American pro-consul, General MacArthur, with his interventionary program. Speaking of Emperor MacArthur, Bullitt says: "His military, economic and political proposals might well be those out-

lined in this report." Bullitt is too experienced a diplomat to risk a denial from MacArthur's sharp tongue; the "Report" had obviously been cleared beforehand with the darling of Colonel McCormick.

While the official Wedemeyer report has been suppressed by Secretary Marshall, a great deal is known about its author, and there are several reliable clues regarding the contents of his report. It all adds up to verify *Life's* editorial comment that "according to rumor, it [the Wedemeyer report] parallels the Bullitt proposals in some (not all) particulars." To the Chinese people Wedemeyer is the symbol of American imperialism; he has been Wall Street's viceroy, the agent of American intervention. In August, 1945, it was Wedemeyer, then the number one U.S. military man in China, who assured the world that "no American personnel, no American resources under my control, should be employed against Chinese except to protect American personnel and American property." No sooner was this statement made than he ordered American planes and ships to transport Kuomintang troops to North China to engage in civil war against the forces of liberation at a cost of \$300,000 to the American taxpayer for this one episode alone.

The *New York Herald Tribune* of November 11, 1945, reported the Wedemeyer prediction that American forces would be out of China by early spring and his flat assertion

that the United States would not help China move troops to Manchuria. It so happens that Kuomintang troops had begun landing from U.S. transports at two Manchurian ports, Hulutao and Yingkow, nine days earlier! (Two years later, let it be noted, American forces have not yet left China.) This was the notorious Hurley period of American policy when the excitable and rabidly imperialist American Ambassador, together with General Wedemeyer, brought shame to America and tragedy to China.

Therefore no one, least of all the Chinese, had any doubts regarding the purpose of Wedemeyer's mission of last summer. Upon leaving China toward the end of August the General issued a statement which, while strongly condemning the corruption, inefficiency and defeatism of Chiang Kai-shek's government, made it abundantly clear on which side he and his principals in Washington and Wall Street stood. That statement was distinguished from the earlier high policy pronouncements of Truman and Marshall in certain interesting respects. The President's statements of December, 1945 and 1946 and Marshall's of January, 1947, referred demagogically to the need for democratic unity in China, and pledged American support for such unity; Wedemeyer does not bother to employ such references. The earlier American position in favor of an inter-party coalition is omitted. Not even lip service is given to the

principles of non-intervention and Chinese sovereignty. While Truman's and Marshall's earlier acknowledgment of these fundamental points turned out to be mere words mouthed to obscure the action behind them, it is notable that in August of 1947 Wedemeyer does not find it necessary even to allude to them. His statement lays the blame for the civil war solely upon the Communists, whom he admonishes to stop employing force. If there were any sincerity in his desire to end the civil war, he would call upon the Kuomintang, not the Communists, to abandon the use of force. Regarding the latter, on the contrary, he encourages them to continue the civil war by saying "military force *in itself* [my emphasis—F.V.F.] will not eliminate Communism." What will? Wedemeyer tells us: civil war plus reforms which will make the Chiang dictatorship a more effective instrument of American imperialism.

Thus a good deal is known about Wedemeyer's position even if his official report is held secret by Secretary Marshall.

Since the Wedemeyer Report was filed on September 18, moreover, there have been one or two carefully planned "leaks"—doubtless to encourage the reactionary camp. For instance, Wedemeyer was "permitted" to write a letter to Mrs. John Gardner Coolidge of Boston, a lady who is vice-president of the women's division of United Service to China, a relief outfit under notoriously re-

actionary leadership whose controlling figure is widely known to be Henry Luce, sponsor of the Bullitt report on China. In this letter, which was promptly released to the press, Wedemeyer charges that the "Soviet Union capitalized fully upon the disorganization and chaos in the area [China] exactly as she has done in Europe."

He criticizes "corruption and maladministration" in the Chinese government, but expresses confidence in the sincerity of Chiang Kai-shek. "We admire and respect the Chinese people," he writes, "and feel they are entitled to our friendly assistance with one stipulation—that such assistance is supervised to insure that the worthy Chinese receive benefit thereby." The letter then goes one step further in openly repudiating the notion of Chinese democracy by explaining that in view of Chinese illiteracy it would be unsound to expect from them true democratic procedures.

There is little mystery left to the secret Wedemeyer Report. We may not know the details but we do know its direction and its principal recommendations. These correspond closely with the published recommendations of William C. Bullitt. For public discussion we need not wait for Marshall's benevolence to learn the facts on which our vital foreign policies are based; the Bullitt report is close enough to the one Marshall keeps locked away, for an

alert electorate to know what is going on.

THE REACTIONARIES SPEAK OUT

In their desperation over the democratic victories being achieved in China many other so-called Americans are now openly joining the interventionist school. Republican Party leaders have taken up a regular refrain. The gist of it is that if by voting the Marshall plan for Europe they can keep the fresh air from blowing across the Atlantic into their faces, they should also be permitted to protect their behinds from the democratic breezes beginning to blow across the Pacific. Undeniably a logical point for those who wish to rot in the stale and poisonous air of reaction. Republican lyricists are vying with one another in composing the best words. Senator Vandenburg has put it this way: "We must know the total bill including China." Governor Dewey says: "a great program is being prepared for consideration by the Congress to help stabilize Europe, while nothing is yet proposed concerning China." Senator Homer Ferguson merely congratulates *Life* on publishing the Bullitt Report. Representative Walter Judd of Minnesota is more explicit when he expresses "grave doubts that Congress will approve any program for the possible expenditure of \$20 billion to help nations on one side of the world without knowing what is necessary to assist those on the

other." Clare Boothe Luce, on the recent occasion of her election as chairman of the American China Policy Association, a pro-fascist group of Soviet-haters, calls for the publication of the Wedemeyer Report. William Philip Simms, the foreign policy oracle of the Scripps-Howard newspapers, is truly alarmed: "The Communists may wreck the United States by wrecking Asia while we aren't looking." And Senator Owen Brewster, Republican of Maine, announces that he will not only ask Congress to consider a program to combat "Communism in China" but that he will also urge President Truman to put MacArthur in charge of China as well as Japan. Well, there's nothing like being frank about our occupied areas!

And so on down a long list which reads like a who's who of American reaction. This is the bipartisanship of American reaction; Republican leaders scream for just what Truman and Marshall are prepared to give them.

The Bullitt Report remains the most detailed public exposition of the interventionist position. I believe the foregoing paragraphs have demonstrated that Bullitt speaks for these people and not for their lunatic fringe. It has also been shown that while his recommendations may differ in detail from those of General Wedemeyer, they are fundamentally alike as to purpose. The Bullitt Report may therefore be taken as a representative expression of the new

and expanded program for intervention in China which the American imperialists are now trying to panic the nation into accepting.

The technique and substance of his report bear close examination, however, not merely because it represents the most dangerous program of American imperialism for China. It concerns an area where American postwar aggression has already suffered severe defeats. China is a weak link in the chain of American imperialism; there the chain can be broken. The imperialists know this only too well, as is evidenced by their frantic efforts to repair the damage. Familiarity with their plans is an essential weapon for progressives, if we are to defeat them. For the first time the issue has been forced into the open. Secret and semi-secret methods of intervention on behalf of Chiang Kai-shek, practised for two and a half years, no longer suffice. Certain aspects of the new program envisaged by the imperialists will be, and indeed are already being, secretly implemented. But for the first time in the postwar period these plotters are being forced to take part of their program to Congress for funds and enabling legislation.

Progressives must accept this challenge and mobilize to defeat it. There are confusions, rivalries, contradictions among the reactionaries in this country and among the imperialist governments. These can be turned to our advantage, however, only if there is unity, clarity and

energetic organization in the camp of the progressives. On the issue of China, Americans in their own interest must seize the initiative and defeat the schemes of the aggressors.

THE BULLITT REPORT

For all these reasons let us look with some care at the Bullitt document. Henry Luce chose October 10—the double tenth of Chinese history, the anniversary of the overthrow of the Manchu dynasty in 1911—to announce in advertisements throughout the nation his propagandist's answer to the propagandist question "Can China be Kept Out of the Hands of Stalin?". Bullitt wastes no time in dishing out the threadbare line promised by the advertisement. The entire premise of his demand for large scale American intervention is immediately put to the reader in the following sentences:

To prevent the domination of China by any nation which might eventually mobilize the 450 million Chinese for war against us is a vital interest of the United States.

Well, I suppose if anyone could establish the fact that any nation was actually doing that or trying to do so, he might build a real case for some kind of defensive action. Mr. Bullitt labors hard to convince the reader that the Soviet Union ever since V-J Day, and even dating back to the Yalta Conference, has been doing just that. There being no facts or other form of evidence to support

such a thesis, Mr. Bullitt cites none. Instead, he resorts to a series of falsifications, the very repetition of which is apparently designed to stay the critical faculties of the reader.

For instance, immediately following the opening sentence quoted above there appears this historical gem: "Only two great powers have threatened to dominate China—Russia and Japan—and the United States has opposed whichever of those powers has been momentarily the most dangerous aggressor." A book could be written in reply. But to put it very briefly, the history of China since the early nineteenth century has been its people's struggle against internal feudalism and foreign imperialism, the latter first at the hands of the British, later the multi-imperialism of the British, French, Germans, and Czarist Russians (*Czarist*, Mr. Bullitt), Americans and Japanese. Mr. Bullitt's knight in shining white armor, the United States, played quite an unheroic role. First, to use Owen Lattimore's apt phrase, the United States was the hitchhiking imperialist, thumbing a ride on the British wagon; then for a period a stand-off arrangement prevailed wherein all the imperialist powers jointly exploited China. There were the Sino-Japanese War at the end of the 19th Century and Russo-Japanese War at the beginning of the 20th in neither of which the U.S. played any role except to mediate in favor of a balance of imperialist power against China. Re-

garding the Japanese attempt to dominate China, Mr. Bullitt apparently forgets that the Japanese attack began on September 18 (oddly enough the date of the filing of the Wedemeyer report 16 years later) 1931, a little more than ten years before any Chinese was conscious of any help from America. It is now an acknowledged fact of contemporary history that American aid to Japan—war materiel, political appeasement—along with the treachery of the Chinese government, was one of the decisive factors in permitting the early Japanese successes. Mr. Bullitt omits all this. Moreover, we should not overlook the mixed role played by the American government in the Far East in the war years following Pearl Harbor.*

Bullitt speaks of the Russians "using the Chinese Communists as instruments of Soviet power politics." Later in the article, in one of his rare attempts to substantiate an assertion, he writes that when the Soviet troops were withdrawn from Manchuria in April, 1946, they left Japanese arms which were acquired by the Chinese Communists. In submitting this documentation Bullitt fails to reveal two rather important circumstances. The first is the loud clamor in 1946 raised by the very same American reactionaries for whom he now speaks demanding the immediate evacuation of Soviet troops. You couldn't have

* For analysis of this role see the article by Frederick V. Field, "American Imperialist Policy in the Far East," in *Political Affairs*, November, 1946.

it both ways, could you Mr. Bullitt? And the other is the plain fact that the Chinese troops who availed themselves of what equipment there was to be found, were members of neither of China's two famous Communist armies, the Eighth or the New Fourth, but the battalions of the Manchurian Peoples Volunteer Army which had resisted the Japanese for fifteen years and among whom, naturally, there were Communists. Bullitt's brave attempt at documentation therefore collapses before the facts. His original assertion that the Chinese Communists are the instruments of Soviet policy are left hanging in air. We need not leave it there. We can bury it immediately by asking Mr. Bullitt to cite one item of evidence supporting this hackneyed thesis. Even General Marshall, who is not exactly pro-Communist, has denied the existence of any evidence of Soviet assistance to the Chinese Communists.

The basic fact, which Bullitt seeks to conceal, is that the Chinese people under the leadership of the Communists have resorted to arms to defend themselves against the attacks of the Kuomintang-U.S. imperialist coalition, to carry forward the glorious traditions of Dr. Sun Yat-sen, father of the Chinese Revolution, and at long last to bring to the Chinese nation a democratic solution to its fundamental economic and political problems.

The tedious task of examining Bullitt's long article sentence by sentence

can be dispensed with. A few further examples picked at random will suffice to indicate its consistent character of misrepresentation. Bullitt has the following to say regarding the situation in Manchuria in the early spring of 1946, when severe fighting broke out in that theatre:

On V-J Day there were no Chinese Communists in Manchuria. The Soviet plan was to use the time gained by the armistice to transfer as many Communist troops as possible from North China to Manchuria and there to arm them with the abundant Japanese supplies and equipment which the Russian Red Army had seized when the Japanese Army in Manchuria surrendered. To withdraw the Russian Red Army from Manchuria only when it could be replaced by a well armed Chinese Red Army and to use the Marshall armistice period for this purpose, was the Soviet plan. It worked perfectly.

The facts were strictly otherwise, Mr. Bullitt. The Soviet Union withdrew its troops from Manchuria in accordance with the Moscow Foreign Ministers' agreement of December, 1945. The United States by not withdrawing its troops violated that agreement. No Chinese Communist forces were transferred to Manchuria or anywhere else by the Russians. To say so is to lie deliberately. The United States, on the other hand, contrary to its pledges, helped the Kuomintang to transfer three of its armies to Manchuria in March of 1946. In April the United States Navy conveyed two more Kuomintang ar-

mies to Manchuria; in June it transported three additional armies. Bullitt makes no mention whatsoever of these facts; instead he hurls completely unfounded accusations against the Soviet Union.

In another place Bullitt tries to give the impression that by failing to give more extensive aid to Chiang the United States was to blame for Kuomintang disasters during 1947. "After the failure of General Marshall's mission," he writes, "American policy toward China fell into a tired apathy, marked by a weary and petulant inclination to 'let China stew in her own juice.'" Democratic forces in China have not felt quite the same way about it. They have not regarded the 3,000 U.S. Army representatives, organized in MAGIC—Military Assistance Group in China—which have been reorganizing Chiang Kai-shek's War Ministry and training its armies, as evidence of tired apathy. Nor has the presence of a large American Naval Fleet in Chinese waters suggested to them any weariness on the part of the American imperialists. They recall that the port cities of Chefoo and Weihaiwei in Shantung province were captured by the Kuomintang *from the sea*, by Chinese naval and landing forces equipped, supplied and trained 100 per cent by the United States. Only a few weeks ago China's democratic forces were being strafed and bombed by some 350 B-24's and B-25's, an American gesture which the Chinese regard as a

rather energetic contribution to Chiang's dictatorship. This particular item makes the following sentence in Mr. Bullitt's report slightly inaccurate: "They, the Chinese Government, have not a single airplane even for reconnaissance since we did not carry out our promise to put through the Eight and One-Third Air Group Program!"

Coming now to Bullitt's recommendations, these follow the pattern already worked out by Marshall and Wedemeyer. Chiang Kai-shek is asked to "reform" his government and his armies in return for substantial American aid. Like Wedemeyer, Bullitt calls for "reforms" not for the purpose of "democratizing" the dictatorship but in order to make it a more efficient instrument of civil war and a more reliable tool of American imperialism. Chiang Kai-shek, in short, is once and for all called upon to deliver the goods. Bullitt evidently has concluded, along with Wedemeyer, that Chiang even though "in the pages of history . . . [he] bulks larger than any living American" is not capable of performing this task, for he advocates an outright colonization of the Nanking Government and of Kuomintang economy under the aegis of American advisors and the overlordship of MacArthur. Bullitt is explicit on these points.

BULLITT CALLS FOR A CHINESE COLONY

"Sell to the highest bidder," he

asks, "those industries now under government ownership and genuinely encourage private enterprise." Who do you suppose would be the highest bidder?

"Welcome foreign capital, in acts as well as words."

"Hire foreign specialists to direct the reform of taxation, the collection of taxes, the revamping of financial policy and the reconstruction of Chinese industry."

The credits (\$200,000,000 a year for three years) which Bullitt recommends "should be jointly controlled," "since the task of preventing Stalin from taking over China must be a joint task of the Chinese and United States Governments." Bullitt also calls for a stabilization fund (\$150,000,000) all uses of which "should require the countersignature of a representative of the United States government."

At the military level Bullitt (see Marshall and Wedemeyer before him) wants the U.S. to train 30 new divisions. "No American," he says, "can take responsibility for commanding the Chinese Army [what? not even MarArthur!], but American military men can and should run the service of supply in Manchuria."

It takes no clairvoyant to recognize in these proposals a scheme for the complete taking over of China by American imperialists. In his introductory paragraphs Mr. Bullitt, the reader will recall, said that historically "only two great powers have threatened to dominate China—Rus-

sia and Japan." In the light of his own recommendations he should revise that introduction to add to Czarist Russia and Japan the name of American imperialism.

The Bullitt Report also calls for vast, direct military aid to Chiang Kai-shek by the United States. For this assistance he budgets \$200 million a year, which added to the credit and stabilization funds would by his own calculations aggregate \$1,350 million for a three-year program. Such a figure is, however, highly misleading for a number of reasons. His \$200 million a year for military aid is calculated on charging the Chinese Government only 5 cents or 10 cents on the dollar so that that item alone really comes to from two to four billion a year to the American taxpayer or from six to twelve billion dollars for the three-year plan. Moreover, the figures Bullitt advances for the credit and stabilization funds are, in the light of recent history ludicrous. They would be a drop in the bucket of Nanking corruption, profiteering and inflation—with or without American supervisors.

The Bullitt plan, finally, is crowned by the suggestion that General MacArthur be asked by the President "to add to his present duties and powers the title of Personal Representative of the President with the rank of Ambassador . . . to fly to China to organize with the Generalissimo a joint plan to prevent subjugation of China by the Soviet Union." Not even the infamous Tanaka Memorial

nor any of the other more fantastic plots of the Japanese military fascists ever envisaged so extensive a suzerainty for their own Emperor!

THE INTERVENTIONISTS MUST BE THWARTED

Fantastic as such a plan may seem to any reasonable American it must be taken with deadly seriousness. The Bullitt Report must not be dismissed as the wild notions of an irresponsible hater of democracy nor the rantings of a crazy warmonger. Such epithets may well fit William C. Bullitt, but they also describe the imperialist cabal which today holds dominant power in Washington. The Bullitt Report must be understood in its main outlines as expressing the official bipartisan policy of the Truman Administration, including the cagy Secretary of State, and the accepted policy of the Republican majority.

Tactical differences exist among these groups, but not differences as to the principal objective and strategy of an American China policy. There are some officials in the State Department, for instance, who take a "Turkey" approach to the China question. They would give extensive military and financial aid to Chiang Kai-shek without demanding "reforms" or extensive American supervision. There is another American school typified by Wedemeyer and Bullitt, which adopts a "Greek" approach to the China problem. They are more sharply and more openly critical of Nanking's hopeless ineffi-

ciency and impatient with Chiang's failure to subjugate the Chinese people. Chiang Kai-shek is widely discredited in his own country and abroad, conspicuously so in the United States. There are fears among some American imperialists that Chiang may be incapable of serving as an effective instrument of their policy. As in Greece they seek a more moderate appearing Chinese regime through which to intensify their callous and brutal program against the Chinese people. Others in the imperialist camp take the position that the U.S. cannot pursue its interventionist program at the "Greece" level simultaneously throughout the world. They lean toward doing whatever can be done through the existing Nanking setup.

These remarks are intended only to suggest some of the differences, problems, and confusions among American aggressors. The scope of this article precludes a more extensive analysis of this important subject. An entire article should be prepared for early publication which would dissect these conflicts among American imperialists.

Progressives should recognize such tactical differences and take advantage of them. They should not, however, exaggerate their importance nor confuse quarrels over method with the main directions of American imperialism over which there is little or no quarrel in the reactionary camp.

All progressive Americans have a

vital stake in the defeat of American reaction in its warmaking foreign policies as well as on the domestic front. China is one of the key foreign areas in connection with which the Republican-Truman Administration policy can be most successfully fought. There is broad opposition to American imperialist intervention in China throughout this country. However, it remains poorly organized and insufficiently united to bring effective pressure to bear on Congress and the administration. Aside from a few pious resolutions, the labor movement, C.I.O. as well as A. F. of L., has done little to give effective voice to its demands for an abandonment of this ruinous China policy in favor of a democratic Far Eastern policy.

A democratic American policy for China must include immediate withdrawal of all U.S. military forces, advisors, equipment, and installations from Chinese soil and Chinese waters. It must cease all financial, industrial, and political aid to the reactionary Nanking government. All forms of relief to China must be stopped because they directly aid Chiang's civil war. The promises of support to a democratic coalition government should be made, but it should not be given effect until such a government has replaced the type of regime which now seeks to control the country.

Such a democratic policy for China must be linked with an immediate abandonment of General MacAr-

thur's policy of consolidating the hold of Japanese reaction (under U.S. aegis) in Japan. His undisguised efforts to revive pro-fascist forces in Japan are part and parcel of the policy of U.S. aggression in China. A democratic Far Eastern policy likewise calls for a return to Big Three unity, for the Far East as well as for Europe. The present bipartisan intervention in China will be defeated only when we succeed in reversing the direction of the entire Vandenberg - Dulles - Truman - Marshall foreign policy.

The present situation presents the

American people with a new and favorable opportunity to speak up vigorously and effectively on this issue. The democratic victories of the Chinese people have forced the American reactionaries to come out into the open regarding what they want done in China. The American people, at the very least, can see to it that the schemes of their own reactionaries are thwarted. The American and Chinese peoples acting together can assure a major setback to U.S. imperialism and a major victory for Chinese democracy.

THE GREAT TEACHERS . . .

Marx and Engels, the great teachers of the proletariat, were the first to explain that, contrary to the opinion of the utopian Socialists, Socialism was not the invention of dreamers (utopians), but the inevitable outcome of the development of modern capitalist society. They showed that the capitalist system would fall, just as serfdom had fallen, and that capitalism was creating its own gravediggers in the person of the proletariat. They showed that only the class struggle of the proletariat, only the victory of the proletariat over the bourgeoisie, would rid humanity of capitalism and exploitation.

History of the C.P.S.U.,
International Publishers, 1939, p. 9.

FARM COOPERATIVES AND THE TRUSTS

By LEM HARRIS
and ROBERT DIGBY

DESPITE THE 52 billion dollars in net profits amassed during the war years, 1940-1945, and the rich concessions seized in all parts of the world, the monopolists are now sharpening their knives to carve up the small, independent cooperatives. This attack upon the cooperatives is part of the general reactionary offensive. It goes, hand in glove, with the Taft-Hartley Act, the Marshall Plan, the inflationary squeeze, the campaign against civil rights, and the proposed plan of the National Association of Manufacturers to eliminate two-thirds of the farmers.

By launching its blitzkriegs in rapid-fire order, the N.A.M. has sought to terrorize the American people and put over its program of reaction before the democratic forces could mobilize their full strength. Though this tactic has enabled the N.A.M. to score some quick gains, it has also served to arouse broad sectors of the public who now see more clearly than ever before the role of the trusts and the need for unity of action. Thus, many independent cooperatives which heretofore sub-

scribed to the policy of "keeping out of politics" are now hearing the demands of their membership for active political campaigns against Congressmen who are supporting anti-cooperative measures. This is a significant development; for it shows that the opportunity exists for reaching many thousands of cooperative members and winning them to a progressive coalition. To do so, the first requirement is, of course, that realistic support be given them in their fight to save their cooperatives from the monopolies.

N.A.M.'S DRIVE AGAINST THE COOPERATIVES

At the outset of its attack on the independent cooperatives, the N.A.M. remained discreetly out of sight. A "front" organization, the National Tax Equality Association, was set up to lead the early skirmishes. Few cooperatives recognized, at first, the seriousness of these threats, and reactionary cooperative officials, who regularly carry out the N.A.M.'s line, promoted the deception by assuring their members that the whole thing was nothing more than a tax rumpus. But, as the battle went on and the N.A.M. was forced to reveal itself, many of the independent cooperatives began to see that the N.A.M.'s hypocritical plea for "tax equality" was merely being used as a decoy. While the immediate purpose of the N.A.M. in this fight is to win tax concessions, its longer range purpose

tive envisages the destruction of all independent cooperatives.

The N.A.M.'s drive has been forcing a show of hands within the cooperatives, a division of the sheep from the goats, of the monopoly-dominated cooperatives from the independents. On the one hand are to be found those officials of cooperatives and farm organizations who in the past have posed as defenders of the cooperatives while attacking labor, campaigning for "farm" bloc candidates, and shielding their monopoly masters. Now, this group, which includes the top hierarchy of the National Council of Farmer Cooperatives, the National Milk Producers Federation, and the American Farm Bureau, advise the cooperative members to follow the path of appeasement and not to oppose the current drive of the monopolists against the cooperatives. They assure their members that this campaign is aimed only at the "Left-wing," "bogus," or "long-haired" cooperatives, by which, of course, they mean the independent cooperatives. Sometimes they vary the theme, pretending to believe that only consumer cooperatives are under fire, not the farmer purchasing or marketing cooperatives.

Thus, the American Farm Bureau brazenly states that it "is on record for giving corporations of all kinds . . . the right to deduct dividends paid on their capital stock to shareholders before determining a net taxable income." Not only would this enable the big corporations to escape

any tax on profits paid out in dividends, but it would also encourage the setting up of tax-exempt, pseudo-philanthropic foundations, which already furnish a convenient means of perpetuating the big fortunes of the Rockefeller and other wealthy families.

On the other hand, there are the independent cooperatives which recognize that a policy of appeasement would be fatal and that the long-standing gulf separating farmer from consumer cooperatives must be bridged. To resist the N.A.M.'s attack, the independent cooperatives have banded together in the National Association of Cooperatives, which include the following associations:

The Farmers Union Grain Terminal Association; Farmers Union Central Exchange; Midland Cooperative Wholesale; National Wool Marketing Cooperative; Ohio Farm Bureau Cooperative Ass'n; Farmers Grain Dealers Ass'n of Iowa; Indiana Grain Cooperative; Central Cooperative Wholesale of Wisconsin; and the Consumers Operative Ass'n.

For many years, the trusts have been trying to penetrate the cooperatives, seeking to wreck those which they could not capture and using those which they captured to prey upon consumer-farmer members. Heretofore, it has suited their purpose to perpetuate the myth of cooperative uniformity, portraying all as spiritual brothers in "the" cooperative movement. By wrapping

themselves in the mantle of cooperatives, the trusts and their agents sought to hide their true identity, stealing the "good will" established by *bona fide* cooperatives and intensifying their own exploitative practices. Now that they have entrenched themselves, particularly in the farm marketing cooperatives, these fakers brazenly set themselves up as the only "*bona fide*" cooperators. Thus, H. E. Babcock, chief ideologist for this group, brazenly demands, in the November 1946 issue of the *Cooperative Digest*, that the cooperatives purge themselves of all who look critically upon the "profit system."

In line with the well-known Dies-Rankin tactics, a Congressional subcommittee was set up to "investigate" what it called "Left wing" cooperatives, and Rep. Walter Ploeser (R.-Mo.), chairman of the House Small Business Committee which appointed this subcommittee, announced at the outset that its findings "would open the eyes of the American people to socialistic trends in America." Only a year ago, the House Small Business Committee, which was then in more honest hands, dismissed as groundless the charge that cooperatives are destroying small business. Under the chairmanship of Rep. Wright Patman (D.-Texas), it rejected the N.T.E.A.'s charges that cooperatives enjoy favored tax status and pointed the finger at "eight huge interest-control groups" which control "200 of the largest non-financial corporations"

owning "half of the assets of all non-financial corporations in the U.S." Now, however, the Ploeser subcommittee airs all the old canards and, masquerading as the defender of small business, threatens to shut off government loans to independent farm cooperatives and to impose onerous taxes on both farmer as well as consumer cooperatives.

Meanwhile, radio commentators like Fulton Lewis, Jr., whose fees from the N.A.M. are a matter of record, pollute the air with anti-cooperative lies, and the monopoly press, in a chorus that extends from the lurid Hearst sheets to the more somber *New York Times*, invent fanciful reasons in support of the N.A.M.'s demand for government action against the independent cooperatives.

By sowing confusion, the agents of the monopolists, boring from within the cooperatives, have sought to hide their double-dealing and wrecking activities. In this, they have been greatly aided by the illusions which surround the cooperatives. Many cooperative members are beginning to realize that, if they are to wage an effective fight against the N.A.M.'s current drive, these illusions must be dispelled. To do this, it should be helpful, first of all, to analyze the economic character of the cooperatives and to examine some of their more basic principles. In this statement, we have chosen to concentrate on the farm cooperatives, but, of course, much of the analysis applies

with equal force to the consumer cooperatives.

ECONOMIC CHARACTER OF FARM COOPERATIVES

Despite the efforts of the N.A.M. and its Congressional investigators to pin a "made in Moscow" label on the cooperatives, their history goes back over 125 years, their origin being traceable to the social theories of men like Robert Owen and in practical cooperative ventures such as those launched by the Rochdale weavers. It was in America that most of the early utopian schemes for cooperative colonies were tried and found wanting, and when later disciples sought to repeat these experiments in utopian socialism, as at Kaweah in California, the U.S. Army was used to evict the colonists and thereby demonstrate forcibly the unworkability of such schemes. It is to the more specialized and practical form of cooperative enterprise, doing business within the capitalist economy instead of trying to fly from it, that the present-day cooperatives prefer to trace their origin. Even for more practical, down-to-earth cooperatives, the going has never been easy. They have had to conduct a never-ending struggle for survival, and with the growth of the trusts, this struggle has become ever sharper and more ruthless.

In the course of their development, the cooperatives have of necessity undergone many changes; and yet, like

many institutions, they have tended to carry over uncritically many of their early illusions. Thus, we find over-zealous evangelists of cooperation who still profess to see the cooperative utopia emerging on the horizon. Effortlessly and automatically, capitalism is to be displaced by a cooperative commonwealth. Such illusions have only served to disarm the cooperative members, preventing them from effectively defending their cooperatives and tending to separate them from the main stream of the class struggle. On the other hand, there are the impatient "Leftists" who are so disgusted with the illusions and false claims of the cooperative evangelists that they will have nothing to do with the cooperatives. Neither of these attitudes can give any help to the millions of cooperative members who have turned to the cooperatives for help in meeting their everyday problems of buying and selling and who are earnestly looking for guidance in their current struggle against the trusts.

One of the chief sources of confusion concerning cooperatives stems from the failure to recognize at the very outset that, under capitalism, cooperative enterprise is, of necessity, capitalist enterprise. Obviously, the cooperatives are not "outside" the rest of the economy, and even though they are patterned after a form different from that of corporations and distribute their profits as patronage refunds rather than as dividends, they are nevertheless capitalist enterprises

subject to the same laws of capitalist development.

Lenin characterized cooperatives under the capitalist state as "collective capitalist institutions." (*Selected Works*, Vol. IX, p. 406.) He ridiculed the plans of the enthusiastic cooperators "who dreamt of peacefully transforming present-day society into Socialism" because they did not take into account "a fundamental question like the question of the class struggle, of the working class winning political power." He branded such notions of "'cooperative' Socialism as being entirely fantastic, and the dream of being able to transform the class enemies into class colleagues . . . merely by organizing the population into cooperative societies, as something romantic and even banal."

In analyzing cooperatives, Lenin stressed their relationship to the nature of the economy in which they operate. As long as the means of production remain in the hands of the bourgeoisie, "the cooperative, as a little island in capitalist society, is a store." This was Lenin's terse way of summing up their economic role under a capitalist economy. Under capitalism, the cooperatives do not own mines, oil fields, smelters, steel mills, machine tool plants, heavy industries, railroads, and other basic means of production. They occupy an intermediary position—buying, selling or performing special services, such as insurance and credit.

However, when the ownership of

the means of production passes into the hands of the working class and its allies, as in the Soviet Union and to a lesser extent in the New Democracies, then cooperatives "acquire an altogether exceptional significance. . . . cooperation, under our conditions, very often entirely coincides with Socialism." (Lenin, *Selected Works*, Vol. IX, p. 407.) ". . . much that was fantastic, even romantic, and even banal, in the dreams of the old cooperators is now becoming the most unvarnished reality." (*Ibid.*, p. 402.)

Thus, the Soviet Union can now boast of a cooperative membership many times larger than that of any other country, and even though the cooperative movements of the Scandinavian countries are still pointed to in many cooperative circles as models of an alleged "Middle Way Out," they have long since been dwarfed by achievements in the Soviet Union.

The wartime record of these varying cooperative movements furnishes an accurate measure of their differences. While the cooperatives of these capitalist nations offered little resistance and often capitulated to the fascists before any blows were struck, the cooperatives in the Soviet Union were unyielding bastions in the common patriotic war.

But while warning against overestimating their economic benefits, Lenin stressed that "Proletarian cooperatives assume greater significance in the economic and political mass struggles of the working class

by offering aid to the workers in time of strikes, lockouts, political persecution, etc."* In this instance Lenin was referring primarily to city consumers cooperatives. We can add that under present American conditions, the farmers' cooperatives can play this same role, not only in connection with strikes and persecutions of industrial workers, but also in support of the farmers' own struggles against monopoly capital.

PRESENT STATUS OF THE FARM COOPERATIVES

More than half of America's farm families do business with one or more cooperatives. According to the U.S. Department of Agriculture, farm marketing cooperatives had some 2,730,000 memberships in 1946 and farm purchasing cooperatives about 1,520,000 members, these being the two major types.** For the most part, these cooperatives are concentrated in the more profitable farming areas—in the grain, dairy, livestock, and produce regions—with the South showing the sparsest development. This pattern bears out the generally-held thesis that it is the better-to-do farmers who are most strongly at-

tracted to the cooperatives.

Although the cooperatives are now being accused of destroying small business, the figures show that actually they themselves have been suffering a high rate of mortality. Farm marketing and purchasing cooperatives dropped from a peak of 14,628 active enterprises in 1922 down to 10,300 in 1946. According to the Department of Agriculture, the farm purchasing cooperatives handle an aggregate volume of business amounting to less than 5 per cent of all consumer expenditures in this country, and there is no indication of an upward trend during the period of the last two decades, 1924-1944. In the case of farm marketing cooperatives, the Department of Agriculture reports that approximately 20 per cent of the total volume of farm marketings passed through their channels in 1944, indicating a marked drop since 1932 when 37 per cent of all farm marketings went through the cooperatives. These figures make it plain that the cooperatives are among the victims and not the beneficiaries of monopoly aggrandizement.

While the Department of Agriculture's figures show how many farm cooperatives are being put out of business, they do not measure the full toll of monopoly expansion. They do not, of course, show how many of the farm cooperatives have been penetrated or even captured by monopoly interests, which now use them to intensify their exploitation of the farmers.

* Draft resolution submitted by Lenin at the Copenhagen Congress of the Second International, 1910. *Collected Works*, Vol. IV, Russian edition, p. 343.

** All figures are from U.S. Dept. of Agriculture, published in House Report No. 1888, House Committee on Small Business, April 9, 1946. In addition to farm marketing and purchasing cooperatives, there were in 1946 approximately 28,000 cooperative enterprises engaged in such fields as insurance credit, rural electrification, telephone, irrigation, machinery, and various types of breeding and livestock associations.

EXAMPLES OF MONOPOLY DOMINATION

By far the largest association of farm cooperatives in this country is the National Council of Farmer Cooperatives. According to the 1946 Report of its Executive Secretary, John H. Davis:

The Council has a direct membership of 105 cooperative associations, who in turn have a membership of over 4,800 local cooperatives with more than 2,400,000 farmer patron members.

The Council includes such major cooperative groups as the California Fruit Growers Exchange, National Live Stock Producers Association, the Cotton Producers Association, Utah Poultry Producers Cooperative Association, American Rice Growers Cooperative Association, Grange League Federation, Dairymen's League Cooperative Association, and Eastern States Farmers Exchange. It overlaps another major cooperative association, the National Milk Producers Federation, which claims 400,000 farmer patron-members.

Instead of fighting against the trusts, the leaders of these major cooperatives and their national associations have long been serving as pawns and agents of the N.A.M. Most of the 2,400,000 members of the National Council never know what position their "representatives" take on questions of national legislation, and, in fact, the majority of the farmers who patronize their local coopera-

tives do not even know that they have automatically become members of this national association as a result of affiliation somewhere along the line. Yet the lobbyists of the National Council as well as the National Cooperative Milk Producers Federation regularly testify before Congress in favor of N.A.M.-sponsored legislation, such as the Taft-Hartley Act, lower corporate taxes, and the de-control of prices.

When the LaFollette Committee made its investigation of vigilante strikebreaking campaigns being carried on by the Associated Farmers in California, it found that Charles C. Teague, then president of the National Council, was one of the chief organizers and fund-raisers for the organization. By imposing a check-off on cooperative members, the attempt was made to give protective "farm" coloration to this vigilante terrorism; but the evidence showed that the big contributions came from the Southern Pacific Railroad, Union Pacific, Pacific Gas & Electric, Southern California Gas, the State Chamber of Commerce, Bank of America, Anderson, Clayton & Co., Spreckles Investment Co., Cannery League of Calif., Safeway Stores, California Packing Corp., and DiGiorgio. A roll call of California's Big Business! And all posing as "farmers"!

As president of the National Council, Teague was always an ardent advocate of reduction schemes, and so successful was he in discouraging other growers from raising lemons

that he soon emerged as the biggest grower of lemons in the world. At the time of the LaFollette investigation Teague not only held several cooperative presidencies but was also a director of the Bank of America, the largest commercial bank in the U.S., and a director of the Security First National Bank of Los Angeles.

The National Cooperative Milk Producers Federation is another example of Big Business in overalls. Its two main arms are: the Dairy-men's League Cooperative Association, which sells the largest part of its milk to the Borden Co., and Land O'Lakes, which is under the domination of the dairy and meat interests. In a recent action brought against the Dairy-men's League, the government showed that it had been giving the farmers' milk to the Borden Co. at prices below those being offered by other buyers and ordered the League to repay \$146,814.91 to the farmers. At the time of this suit, the League had been publicly campaigning for the lifting of price controls, allegedly in order that it might pay the farmers higher prices. Later the League was exposed in a conspiracy to rig the price of butter, and while the dairy trust benefited from the artificially high price, the farmer-members of the League were forced to foot the bill when the price broke.

STRUGGLE AGAINST MONOPOLY DOMINATION

Even in those cooperatives which are already under the domination of

the trusts, the progressive-minded members certainly cannot afford to abandon the fight and leave the rest of the membership to their own devices. So long as the democratic machinery of the cooperative continues to function, an opportunity is offered for uniting the small and middle farmers against the policies of the monopolists and their representatives in the cooperatives, among whose members are often found the big farmers and landlords. No matter how trust-ridden a cooperative may be, an aroused membership can win concessions, and this has been frequently demonstrated by rank-and-file revolts, such as the recent struggles around the South Jersey produce auctions and the milk strikes in New York State which enlisted the support of members in the Dairy-men's League.

During the Populist Revolt and the more recent Farm Holiday Movement, the American farmers showed their deep-seated hatred for Wall Street and displayed their fighting mettle. Many of the cooperatives assisted in these heroic struggles, and even in the militant demonstrations of the farmers to halt foreclosures during the 30's some of the cooperatives gave at least indirect or unofficial assistance, when more direct assistance might have led to lawsuits against their businesses. Cooperatives cannot, of course, be expected to function in the same way as trade unions or even as membership farm organizations; but by bringing to-

gether the farmers, they do help to make it possible for working farmers to act together.

Today the threat of monopoly domination faces all of the independent cooperatives. If they are to safeguard their independence, they must look beyond their profit-and-loss statements and prepare to arm themselves for an all-out fight. Already, some of the more alert cooperatives have joined together in setting up the National Association of Cooperatives. Significant as this step is, it must be recognized, however, that many cooperatives are still on the sidelines and that the reply to the N.A.M.'s attack has been along narrow cooperative lines. The cooperatives cannot afford to limit the issue in this manner and thereby isolate themselves from other anti-monopoly forces. While the progressive-minded members of the cooperatives can do much to broaden and strengthen the struggle, active support from the trade unions is what is most imperatively needed to raise the political level of the fight. A coalition of democratic forces is necessary in order to hurl back the thrusts of the reactionaries on all fronts, and such a coalition can only be brought into being if the most advanced sectors of the labor movement give concrete assistance as well as leadership to their allies. By aiding the members of the cooperatives in their fight against the N.A.M., labor can not only advance its own immediate struggles against the Taft-Hartley Act and for higher

wages but it will also be giving the kind of leadership that is indispensable to the development of a third party movement.

CONCLUSIONS

Cooperatives represent one of the important means whereby farmers can unite in defense of their living standards against monopoly oppression. If, however, the cooperatives pursue a policy of "neutrality" and their activities are left entirely in the hands of a few officers, managers, or fieldmen, then the cooperatives themselves are soon penetrated and taken over by the monopolies. To prevent this:

1. It is essential that farmers take an active part in the work of their cooperatives, not merely patronizing their facilities but also shaping their policies. A recent study by W. A. Anderson of Cornell University showed that "only 3 per cent" of the membership "knew how the board of managers of their central organization were elected" and only one-out-of-five knew how membership was obtained.

2. Progressive-minded farmers should take responsibility for bringing the small and middle farmers into the cooperatives, placing them in positions of responsibility and safeguarding their interests. Just as the prevailing commercial practices generally discriminate against the small producers, so cooperative practices tend to follow the same pattern, unless vigilantly watched. Examples

of such discrimination include: longer lines of credit to big producers, emphasis on quality marketing programs beyond the reach of small producers, sharply graduated discounts on volume, high initiation fees, and special services or preferential treatment. Instead of gearing their activities to the needs of a few big producers, the farm cooperatives must be urged to shape their policies and provide services that meet the interests of the small farmers. One example of such services is the cooperative machinery pools which some cooperatives have set up to make modern machinery available to the smaller producers.

3. The educational work of the cooperatives should be improved, and full use should be made of the radio, press, pamphlets, and meetings to reach the public generally, thereby broadening the struggle against the monopolies. Cooperatives which are affiliated to progressive farm organizations should take responsibility for actively carrying forward the program of the parent body, not merely limiting their participation to a dues check-off or token contributions to educational funds.

4. The cooperatives must be aided in strengthening their ties with the workers. While the main responsibility for achieving farmer-labor unity rests with the workers, progressive farmers can do much to speed up the process and help the workers to win their rural allies. The masses of farmers cannot be expected

spontaneously to mobilize themselves and provide themselves with the progressive leadership necessary to wage a successful struggle against the monopolists. Only as they become the allies of a class-conscious proletariat will working farmers be prepared to take their proper battle-stations in such a fight. The ties between labor and farmers can be strengthened by arranging for labor speakers at cooperative meetings, by combating anti-labor propaganda, by seeing to it that farmers hear labor's side of strike actions occurring in rural areas, arranging for the distribution of food to striking workers, and pressing for joint political action in support of anti-monopoly candidates for public office. In some cases, it is possible for the workers to help the small farmers in alleviating their "surplus" problems by arranging farm-to-city markets, through the trade unions or through consumer cooperatives. In other cases, the help of the labor unions can be enlisted by the farmers in bargaining with the food trusts.

5. Anti-monopoly forces in the farm cooperatives can also achieve broader unity by affiliating with progressive farm organizations, developing closer relationships with consumer cooperatives, and setting up a permanent organization for the independent cooperatives along the lines of the National Association of Cooperatives. Present laws which are designed to keep farm cooperatives separated from consumer cooperatives should be revised accordingly.

6. In the South, the need for democratic, farmer-controlled cooperatives is particularly acute, and such cooperatives can play a positive role in helping the sharecroppers, tenants, and small farmers, Negro as well as white. The development of such cooperatives, both marketing and purchasing, can give these farm families some manner of protection against the system of super-exploitation which prevails in the South.

* * *

On the eve of World War II, James Warbasse, then president of the Cooperative League of the U.S.A., recommended that the cooperatives do nothing, by word or deed, to oppose the spread of fascism. In those countries where the cooperatives followed such defeatist advice, they paid a heavy price indeed. Today, there

are also cooperative officials who seek to divert the attention of cooperative members from fascist stirrings at home and abroad. Among them is H. E. Babcock, chairman of the board of Cornell University and "farm" strategist for the Hoover Republicans, who now uses double-talk to disarm the independent cooperatives against the N.A.M.'s attack. It was this same H. E. Babcock, who, as president of the National Council of Farmer Cooperatives, said, "Fortunately, however, the political power of the cooperatives is a sleeping giant which has never been aroused. I pray God that it never shall be." In the face of the N.A.M.'s present threat, Babcock's words should arouse the independent cooperatives to the necessity of breaking with the "doctrine of political neutrality" and using their full political and economic strength against the monopolists.

CRITICISM AND SELF-CRITICISM . . .

"A party is invincible if it does not fear criticism and self-criticism, if it does not gloss over the mistakes and defects in its work, if it teaches and educates its cadres by drawing the lessons from the mistakes in Party work, and if it knows how to correct its mistakes in time."

History of the C.P.S.U.,
International Publishers, 1939, p. 361.

THE PEOPLE'S FRONT AND THE NEW YUGOSLAVIA

By MARSHAL JOSIP BROZ TITO

SPEECH DELIVERED AT THE SECOND CONGRESS OF THE PEOPLE'S FRONT OF YUGOSLAVIA, SEPTEMBER 27, 1947.

Comrades, allow me first of all to welcome the ladies and gentlemen who have come as delegates from friendly countries.

This Congress of ours, the second to be held since the war, is of particular significance, because it will show the results of the tremendous efforts which our peoples are making to build up their country. This Congress is taking place at a time when the reconstruction of our country is in full swing. It is taking place at a time when international relations are difficult. I think that the People's Front of Yugoslavia and the role it is playing are of importance, not merely as regards life inside our country, but also as regards the struggle for peace beyond our frontiers. Our People's Front is an organization in which all our peoples are assembled; it is an organization enormous in its size and powerful because of its unity, because of the spirit that pervades it.

As I have said, conditions in the

international sphere are such that it is not only necessary for all the progressive forces, for the forces striving for peace and the progress of mankind, to unite within each single country, but it is also essential that all the elements of progress in the world should achieve an increasing degree of unity in the struggle for peace, in the struggle against those whose voices are becoming ever louder today and who have only recently been responsible for the terrible catastrophe which befell the world. I think the time will come when the representatives of all the democratic forces of the world will be able to meet and discuss the forms of international cooperation which are required, and the activities and struggle which should be waged, in order to prevent the catastrophe of a new war.

THE PEOPLE'S FRONT AND THE STRUGGLE AGAINST FASCISM

I shall now proceed with my report on the People's Front. I should like to emphasize at the very outset that my report will contain those theses which are peculiar to the internal development of our country. I must

point out immediately that the process of internal development is specific to each country. One cannot mechanically say: transpose that which is happening in our country into other countries and vice-versa. It is a fact, however, that the struggles of progressive forces in the various countries have many features in common, *i.e.*, they are struggles for peace, for a better and happier life, for a genuine people's democracy.

When fascism appeared as the striking fist of international reaction—not only against the U.S.S.R. and the working class, but against all the other progressive forces in the world—progressive elements in many countries, under the leadership of Communist Parties, started to form anti-fascist Popular Fronts to fight reaction and fascism. These fronts were formed in order to defend freedom, democracy, and all the progressive achievements of mankind which were threatened by fascism.

Fascism was born under the auspices of international reaction, which nursed it and put it on its feet to serve in the first place as a striking force against the working class and its advance guard, the Communist Party, as well as against all the other progressive forces in the various countries of the world. That was the idea of international reaction, the idea of the big financial magnates, whose interests were more and more endangered by the consequences of the great economic crisis, *i.e.*, by the

growing strength of the exploited urban and rural masses, or, in other words, by the threat of great social upheavals.

In the struggle against the U.S.S.R., fascism was needed by international reaction, as an aggressor called upon to carry out what various interventions of capitalist countries had failed to do in the past when, upon the birth of the workers' and peasants' State, they sought to overthrow Soviet Power and restore tsarism. International reaction was in mortal fear of the Land of Socialism, the Soviet Union, which stood like a beacon showing the nationally oppressed and socially exploited masses of the world the path along which they were to advance toward a better future. The correct solution of the social and of the national question, the overthrow of the exploiting classes—the capitalists and the large landowners—and the creation of a workers' and peasants' State, aroused the enthusiasm, not only of the working class and of the majority of the peasantry, but of all the progressive forces throughout the world. All this, at the same time, aroused fury and fear within the ranks of international reaction, whose position was made more precarious by ever sharpening economic crises. Fascism thus became necessary to them because the workers, the peasants, and the other progressive forces of the world were becoming more and more dangerous for the various national oppressors and ruthless ex-

plotters of the working people; because the toiling masses were insisting, with increasing obstinacy, upon their rights and an improvement in their intolerable social, national, and economic position. International reaction, or, better still, those who made it possible for fascism to come to power, quite rightly considered it the most bitter enemy, not only of the working class, but of every progressive movement, of any form of freedom, and of all cultural and democratic achievements.

The international reactionary gentlemen were not mistaken in their belief that fascism, wherever it seized power, would try to annihilate, not only the working-class movement, but every democratic movement. This is best shown by the example of Germany, where Hitler installed the most ruthless totalitarian, terroristic state system, and by the example of Mussolini's Italy, Franco's Spain, etc. But international reaction, headed by Daladier, Chamberlain, Hoover, and others, miscalculated when it thought that the Axis powers would be satisfied to persecute the working class and other democratic elements in their own countries, that the Axis powers would be merely an obedient weapon for the fight against progressive elements. When later it became clear that aggression was the chief aim of the fascist states, international reaction believed that the fascist Axis powers could be satisfied with a small imperialistic booty, such as Austria and the Sudetenland. But

these gentlemen again made a bad miscalculation; for the imperialistic appetite of Hitler, Mussolini, Hirohito, etc., was insatiable. This brought the following consequences: International reactionaries sowed the wind, and the United Nations had to reap the most dreadful whirlwind. The coming of fascism to power in Italy, Germany, and Japan, and later in Spain, was the logical consequence of contradictions existing in the capitalist world. These contradictions are latent among the imperialist powers; and it is only natural that we should witness such an absurd spectacle as that of the child of reaction (fascism) raising its hand against its own parents, instead of obeying its parents and striking toward the East, against the Soviet Union, and not toward the West.

Aggressive fascist forces were not satisfied with the small concessions made by international reaction. Imperialist accounts had been rendered far too complicated as a result of the peace treaties which terminated the first imperialist world war for German imperialism—which was desirous of achieving its *revanche*—to rest contented with the small gifts Chamberlain, Daladier, and others were offering it at the expense solely of small nations.

With the help of international reaction, fascism swelled to such an extent that the frontiers of its own countries became too tight for it, so that it broke through these frontiers with the aim of conquering the

world. Even Europe became too small for Hitler. But the world was saved this time by immense sacrifices, in the first place thanks to the Soviet Union.

What do we see today? We see that international reaction is embarking upon new experiments. Fascism again. A reactionary, aggressive, terroristic, fascist ideology is best suited to aggressive and insatiable imperialisms for the purpose of preserving their existing positions and conquering new ones. With the help of this ideology, imperialism wishes to arrest the spread of progressive human thought in contemporary society, to prevent the spread of Marxism-Leninism, to prevent the formation of genuine democratic states, faced as it is with the impossibility of destroying the great Socialist state—the Soviet Union.

International reaction, headed at the present time by American financial magnates, is again starting its former experiment. It is again striving, tirelessly, with all means, to resurrect fascism in various countries, including Western Germany; it is again striving to create a hotbed of aggression. It is trying for the second time to use fascism as a striking force for the realization of its imperialistic aims. Nevertheless, we consider that international reaction will again be defeated in spite of the fact that in the United States itself fascism is gaining more and more ground.

Before the war the People's Front was needed for the struggle against

the greatest danger, the growing danger of fascism. It was required in the struggle against reaction in each individual country. The People's Front was therefore necessary before the war in order to achieve the victory of the democratic forces over reaction; in order to strengthen democracy in the struggle against reaction, in the struggle against the increasing danger of war, because fascism meant war. The People's Front was necessary for the safeguarding of national independence, because fascism was the greatest peril to the independence of small nations. That is how, before the war, the Communist Parties in all the capitalist countries assessed the role of fascism. All this was fully confirmed by the great tragedy that was experienced during the recent war, when fascism not only enslaved small nations, but also imperiled the large nations and subjected the peoples of those countries to the most terrible sufferings and to extermination.

Even today—in view of the fact that international reaction is becoming increasingly aggressive and is again seeking to introduce fascist methods; in view of the fact that the voices of the various fascist warmongers are becoming ever louder—progressive forces in every country throughout the world must fight with all their energy against reaction, which wants to plunge the world again into a tragedy similar to the one we have recently experienced. We are again in need of a fierce and

stubborn struggle against reaction and fascism, *i.e.*, against the warmongers. This time we have to make a strict assessment of all the errors made in the past, because the Popular Fronts in certain countries did not live up to their tasks on the eve and in the course of the war of liberation.

ERRORS IN THE DEVELOPMENT OF THE PEOPLE'S FRONTS

Why did they fail to do so? They failed because agreements were reached from above, with party leaderships; because the People's Fronts consisted of various parties headed by leaders who were not only waverers but were reactionaries and traitors, who at the most fateful moment withdrew in a cowardly manner or else went over to the fascist invaders. Because of their heterogeneous nature resulting from the lack of a definite plan of action and of unswerving determination, the People's Fronts had a predominantly formal character instead of constituting a fighting unity, a firm and unshakable front capable of resisting at whatever cost both internal reaction and the growing fascist war danger. It is therefore possible to understand, but not to justify, the fact that in some countries the Communist Parties failed to carry out their tasks in organizing the struggle against the invaders and in establishing a democratic form of authority. They proved unable, in other words, to arouse the broad masses of the people from the very outset and to

give them a firm leadership. Insofar as some resistance was later offered to the invader in certain countries, this struggle was not, because of the above reasons, a united one, nor did it achieve the results which should have been achieved, and which would have corresponded to the desires of the people. Naturally enough, this resulted in the reactionary forces once again assuming power in those countries.

I am profoundly convinced, therefore, that the main reasons responsible for these errors were the following:

1. There was not enough resoluteness and audacity. As soon as the anti-fascist front was formed, one should have realized that, in the case of fascist aggression, it was not possible to fight by organizing demonstrations, but that an armed struggle was necessary and that one had to prepare for this struggle.

2. There was not enough faith in the strength of the people. Illusions reigned among the leaders of various parties.

3. The Popular Fronts were not united; they had not achieved a fighting unity under a single and resolute leadership, with a precise fighting program, with a clear and definite line of policy.

Greece is an exception in this respect. In spite of the heroic struggle of the Greek democratic forces against the aggressors, reaction came to power in Greece immediately after the war. Those who collaborated

with the invaders or sat abroad came to power. But they came to power, thanks to the open intervention of certain great Western powers, of certain imperialists, who are even now trying to achieve their imperialistic aims in the Balkans through a re-enslaved Greece.

PEOPLE'S FRONTS NOT OBSOLETE

Many people think today that People's Fronts are something obsolete, something superfluous at this stage of development; but this is wrong. Although the Popular Fronts did not prove to be effective in all countries during the war because of the reasons just given, they are today even more necessary, but they have to be given a new substance. Today, too, reaction is more and more aggressive; fascism, thanks to the help it receives from reaction, again raises its head; and warmongers are becoming increasingly vociferous. A new danger of war may therefore arise if we are not vigilant; if we fail to draw conclusions from the recent past and do not undertake energetic measures against all warmongers; if all the democratic forces, not only in every individual country, but in the whole world, do not unite to conduct the most energetic struggle against warmongers and for peace.

Consequently, the People's Fronts are merging into a world peace front. This union requires an organized and common stand, which has to be

taken in order to preserve peace and international cooperation.

The People's Fronts may, on the other hand, have reached different stages of organizational and political development in the various countries. They can, however, play an important part in the internal development of a country only on condition that they gradually transform themselves into a united, all-national organization for the purpose of dealing more effectively with all the problems, political, economic, social, cultural, etc., arising in each country; that is to say, that they develop until they reach the stage when they achieve a single program on all questions of the internal life of the country.

The democracy of the new type thus becomes possible and is capable of realization. It can thus, at the present stage, be maintained and further developed. Under such conditions, the People's Fronts gradually grow into a single, all-national political organization within whose fold the overwhelming majority of the people gather in order to achieve their common aims. We can, of course, be quite sure that international reaction will scream that this is a one-party system, that it is in contradiction to the so-called American principles of the Four Freedoms, etc., etc.; but let them shout as much as they please, for nothing else is left to them to do. We can at once ask them a concrete question: How many parties do you

have, gentlemen? You have only two parties. And what are those parties like? They are essentially identical. They maintain themselves through, and give their support to, the all-powerful dollar dictatorship. They are therefore the parties of Big Business, regardless of the fact that they also include a number of well-intentioned followers who are, however, incapable of doing anything, even if they desire to do something. They are parties of the Western type of democracy, of democracy in a very bad sense of the word, which is merely an instrument for the dictatorship of the big capitalists. No matter how large these parties be in numbers, they are nevertheless merely the parties of a handful of the biggest capitalists in America. That is how the thing stands at present; but the time will probably come when a change for the better will occur, when the broad masses of the American workers will truly enjoy the freedom about which there is so much talk at the present time, and of which, like the masses of the other capitalist countries, they can only dream today.

THE CHARACTER OF THE PEOPLE'S FRONT IN PRE-WAR YUGOSLAVIA

Before the war, the People's Front in Yugoslavia differed from the People's Fronts in certain other countries in that it was not a transient coalition with bourgeois parties. It was not created by means of agreements from

above between party leaderships, but was created from below under the leadership of the Communist Party of Yugoslavia. It was not as strong numerically, as were the People's Fronts in certain other countries, but it was better from a qualitative point of view. This, of course, does not mean that we neglected to call upon, or refused to come to an understanding with, those party leaders who were willing to enter the People's Front. No, such an attitude would have been both incorrect and harmful, since it would have made it impossible to unmask these leaders in the eyes of the masses, to tear the mask of democracy from their faces, a mask behind which they were wont to hide in order to delude the masses. If we had allowed ourselves to make this mistake we would have exposed ourselves to the danger of being isolated from the masses, and this would have adversely affected, not merely the numerical strength of the Front, but the very outcome of the struggle against the invader. Even before the war, the People's Front in our country was joined by the most progressive elements, *i.e.*, the working class headed by the Communist Party, the people's intelligentsia and the progressive peasantry and bourgeoisie. A program had been worked out by the Communist Party of Yugoslavia consisting of the following points:

1. The struggle against social exploitation and national oppression;
2. The struggle for the democrati-

zation of the country and against fascism;

3. The adoption of all necessary measures for the defense of the country in view of the growing danger of an aggression on the part of the fascist conquerors;

4. The struggle against the fifth column; and

5. The establishment of diplomatic relations, followed by the conclusion of an alliance, with the Soviet Union.

The leaders of the bourgeois parties were hostile to the People's Front and were opposed to its program. The leaders of the bourgeois, so-called democratic parties were willing to reach some kind of understanding with representatives of the working class, as regards elections; but they were activated by petty political motives—in order to come to power. No sooner, however, did these gentlemen actually come to power than they revealed their reactionary nature by their activity against the interests of the people (the case of Macek, Cvetkovic, and others).

The sound political instincts of the broad working masses, the correct line adopted by the Communist Party and its persistent struggle for the masses and work among the masses, thus made it possible to establish a solid People's Front even before the attack on Yugoslavia was launched. This Front was steeled through the arduous everyday struggle it carried on against the anti-popular regimes which ruthlessly persecuted all that was progressive

while all the time pushing the country into the arms of Hitler and Mussolini. This policy reached its climax when the Cvetkovic-Macek regime set up the notorious anti-Communist pact with the fascist invaders.

Thus, not only did the leaders of the various parties in prewar Yugoslavia refuse to join the People's Front, but all those among them who were in power, without exception, persecuted the progressive elements belonging to the People's Front. Under Macek and Cvetkovic, and in Croatia under Subasic, hundreds of anti-fascists were arrested and thrown into prison or into concentration camps, were handed over to the Germans and the Ustashi at the time of Yugoslavia's capitulation and were murdered in the most bestial manner.

There is nothing these gentlemen can say or do today to justify their attitude, because it would have sufficed for them to order that the prison doors be opened and the best sons of our peoples would have been saved from the clutches of Hitler's and Pavelic's hangmen. It is Macek, therefore, who bears the guilt for the death of our murdered comrades; he is the main culprit and must be made to answer for these crimes. Hence, it was the so-called democrats—Macek, Cvetkovic, Subasic, and others—who handed the best sons of our peoples over to the invaders. Kerestinac is the irrefutable indictment of all these self-styled democrats. The blood of August Cecarec,

of Bozidar Adzija, of Ognjen Prica, and of hundreds of other anti-fascists, is evidence of the fact that Macek and Cvetkovic, and many others of their ilk were and remain the worst reactionaries and enemies of freedom and progress. This blood is evidence that these gentlemen were collaborators of the fascist invaders and the Ustashi criminals.

These and similar crimes of which these gentlemen were guilty shook the faith their own followers had in them, and these followers became increasingly aware of the fact that the People's Front, headed by the Communist Party, was the only organization that consistently fought for the interests of the working masses of the people and that would prove capable of defending the independence of the country.

All those who had a feeling of national responsibility could not fail to observe with horror the extent to which the ruling clique and all the reactionary circles in Yugoslavia were anational and traitorous, besides being incredibly incapable as regards the conduct of state affairs.

A far more terrible tragedy would, of course, have befallen our country, had it not been for the existence of an organization which proved capable of uniting the people in the very darkest moments and leading them into a life-and-death struggle for the liberation of the country. It was the Communist Party of Yugoslavia which organized the People's Front and led it in the struggle,

unselfishly sacrificing its own cadres.

While the people, united in the People's Front, began taking up arms to defend, not merely their freedom but their very existence, their very lives—practically all the leaders of the former so-called democratic parties abandoned the people to their fate.

But the people took their fate into their own hands and not only liberated their country, but built upon new foundations a new and better Yugoslavia, and drove out all those who deserved to be driven out.

What were the main features of the political situation on the eve of the war and in the first days of enemy occupation?

1. All the bourgeois parties, including Macek's so-called Peasant Party, followed one another in office; all these parties were, to a greater or lesser extent, the pillars of the monarchy when they were in power, which means they were the pillars of reaction. Thus, all of them worked against the interests of the whole working people.

2. Yugoslavia had been left without her former allies; the liquidation of the Little Entente had been completed; there was collaboration with the Axis powers (Stojadinovic, Jeftic, Prince Paul and others).

3. There was growing resistance to the fascization of the country; and the use of concentration camps and terror increased on the part of the regime against the progressive and anti-fascist elements,

4. The final decision of the Cvetkovic-Macek regime to harness Yugoslavia, in accordance with Prince Paul's instruction, to the Axis war machine; Yugoslavia's adherence to the so-called anti-Communist pact.

5. The absolute inability of the ruling circles, both civilian and military, to organize the defense of the country.

6. The encouragement of the terroristic fascist organization, the so-called Ustashi, not only by the reactionary clique within the Croatian Peasant Party, but also by the Belgrade ruling circles.

7. The complete chaos prevailing at the time of the attack on Yugoslavia, when the majority of the party leaders abandoned the masses in the hour of direst peril, fleeing abroad or openly placing themselves at the service of the invaders or going into concealment, with the result that the masses drew away from their party leaders and joined the People's Front.

8. Under such conditions the Communist Party of Yugoslavia gained the full confidence of the broad masses of the people, and this confidence was still further strengthened in the course of the struggle.

The leaders of the various bourgeois parties had, in the main, been unmasked even prior to the attack on Yugoslavia, and the conduct of these gentlemen during the early days of the occupation resulted in their finally and completely losing the confidence of the masses of the people.

The People's Front in Yugoslavia thus united within its fold all progressive people, all anti-fascists; all those who were prepared to defend, under the leadership of the Communist Party, the country's independence, who were prepared to fight the invaders and their local quislings.

This is where the People's Front in Yugoslavia differed from the People's Fronts in other countries. It constituted a powerful monolithic unity for the very reason that it did not include wavering and reactionary party leaderships. It consisted of progressive masses from different parties under the leadership of the Communist Party.

There were exceptions. Thus, in Slovenia, there were progressive people among the leaders of the bourgeois parties and they were on the side of the people, sharing their fate, in the most difficult days of the struggle. There were similar instances, although on a smaller scale, in other parts of the country.

After the country had been occupied, the Communist Party of Yugoslavia called upon the people to start an armed struggle against the invaders. This call met with the response of ever broader masses of the people. It met with the response of some who had not hitherto belonged to the People's Front. It met with the response of all patriots. All those who loved their country, who were prepared to wage a struggle against the invaders and the local traitors, united

in the People's Front. This was particularly true of those whose lives were imperiled by the Ustashi and later by the Chetniks.

The strengthening of the People's Front on a mass scale, its stability and perseverance, were largely the result of a correct solution of the national question, of a correct attitude to the social question, and of the definite prospect of far-reaching social changes in the new Yugoslavia. It is absolutely certain that, had it not been for such a definite prospect, our peoples would not have been capable of sustaining the tremendous efforts they were called upon to make in the course of the struggle for liberation. The success of our struggle against the invaders and the local traitors was therefore a consequence of the firm faith our people had in a better future and in victory.

The People's Front had now acquired a new character, a far broader character, and a greater responsibility. The program of the People's Front was extended to include new items, such as the struggle against the invaders, the brotherhood and unity of the peoples of Yugoslavia, the organization of national liberation committees. This program became more complete and broader as the struggle progressed and the liberated territory was extended.

The People's Front was now, under the leadership of the Communist Party, gradually assuming responsibility for the organizing of the new form of authority, of the new State.

This was the case because, being a political organization with a clearly defined program, it had become the mainstay of the new authority which had replaced the old. With its militant and democratic program, the People's Front of Yugoslavia, headed by the Communist Party, gave the new authority a truly democratic character. This democratic character was gradually completed and perfected through the representatives of the People's Front in the Federal Peoples' Assembly and in the People's Assemblies of the different constituent units of the country.

Why was it necessary to set about organizing a new form of authority in the very first days of this struggle?

1. Because, as we have already seen, the masses of the people had lost faith in the leaders of their parties. It was only natural that this distrust should have increased in the course of the war for liberation, as soon as it became obvious that these leaders were openly collaborating with the invader, or were pouring advice from their hiding places, or from abroad, not to fight but to wait.

2. Because the invaders, with the assistance of the local quislings, had begun making full use of the old state apparatus in order more easily to enslave the people. The heads of villages, the heads of administrative districts, etc., had now become tools in the hands of the invaders for looting the country, for deporting the population, for securing forced labor, for facilitating the invaders' struggle

against the people who had risen in revolt, for exterminating the patriots who had not resigned themselves to servitude nor bowed before the invader. Such a treacherous state apparatus could not be allowed to continue to exist; it had to be destroyed. It was in process of being destroyed in the course of the liberation struggle by the partisan detachments. Its final destruction was brought about by the national liberation army of Yugoslavia.

3. Because the peoples of Yugoslavia had acquired the conviction that the former authorities were injurious both in form and in substance and that it was necessary to set up an authority which would be both in substance and in form a people's authority. Although the People's Front headed by the Communist Party of Yugoslavia had from the very first days of the liberation struggle decided to adopt the form of people's authority which we have today, it was not a new form of authority in the sense of being something invented, imposed, or unknown. It was a form of authority which the people knew full well, because they had been awaiting it, had long been yearning for it, and had been cherishing it. It was precisely the form of authority which was most in accordance with the needs and desires of our peoples. Our peoples desired such a form of authority because it bore a certain resemblance to that which exists in the Soviet Union.

The old form of authority having thus been destroyed, a new people's authority was built up on the principles of a genuine people's democracy. This new form of authority had emanated from the people, and the People's Front formed its political basis.

When one speaks of the People's Front in Yugoslavia, one should not under any circumstances overlook certain of its specific features in the different parts of the country, its unequal development of the uprising in the different parts of the country. Such an unequal development was a result of past conditions, of the general political situation which had left a profound trace in some of the provinces.

I feel I should say a few words in this connection about the fact that there are progressive people abroad who still maintain that the uprising assumed such proportions in Yugoslavia, and achieved such conspicuous success, owing to particularly favorable political conditions in the country and to certain geographical features which facilitated the struggle. Such contentions are so absurd and stupid that they almost seem malicious, and intended to depreciate our heroic struggle. It would hardly be necessary to refer to them here, were it not for the fact that they are being repeated.

It was precisely in Yugoslavia that political conditions were the least favorable for waging a struggle against the invader. This was so, in

the first place, because of the fact that Yugoslavia was a multi-national state in which there was no such thing as national equality before the war. On the contrary, the most ruthless form of national oppression on the part of the Greater Serbia hegemonists prevailed. There was a considerable measure of national hatred among the different peoples, and this hatred was fanned by the former rulers, by the former bourgeois parties. It was systematically fanned by certain reactionary members of the clergy, belonging to different religions, *i.e.*, fanned on a religious basis. The national hatred which had existed before the war, and which the German, Italian, and other invaders had brought to a climax, until it led to mutual extermination—such national hatred was not of a nature to stimulate the unity of the peoples of Yugoslavia, to encourage them in their arduous and persistent struggle against the invader. On the contrary, it was a serious obstacle to an even more successful struggle, and increased the losses the people had to sustain. It was owing to the mutual national hatred that the invader found it possible to find a certain number of quislings such as Pavelic, Nedic, Rupnik and finally Mikhailovic, and to count on considerable forces in the struggle against the National Liberation Army.

This makes the part played by the Communist Party of Yugoslavia, by the National Front as a whole, and by the fighting men in the front

line, even more significant, because they persistently propagated the watchword of brotherhood and unity of all the peoples of Yugoslavia.

It was no easy matter to arouse the Croatian masses for the struggle against the invader who had assisted in the setting up of the so-called Independent State of Croatia under Pavelic. Considerable efforts were required to lay bare this sham independence. It was only owing to the work of the Communist Party in Croatia, to the political maturity of a large section of the Croatian people and of the Serbs in Croatia—to the People's Front of Croatia—that the designs of the invaders and of the Ustashi bandits were foiled and that the majority of the Croatian people gathered under the banner of the struggle against the invaders and Pavelic's Ustashi.

It was no easy matter to arouse the Macedonian people for the struggle, a people who had been cruelly persecuted and nationally oppressed under Greater Serbia hegemonist rule when their Macedonian nationality was denied to them. It was necessary perseveringly to explain to the Macedonian people that they would achieve their national independence with the aid of the other peoples of Yugoslavia and through the liberation struggle. The Communist Party succeeded in doing this through persevering work and through sacrifices, and this represented at the same time a success for the People's Front of Macedonia.

In Slovenia the Liberation Front was organized in the very first days of the occupation on the initiative of the Communist Party, for the purpose of fighting the invaders who were imperiling, not only the freedom of Slovenia, but the very survival of the Slovene people. In Slovenia the Liberation Front acquired from the very outset a distinctly all-national character and it thereby differed, in the early stages, from the People's Fronts in the other provinces.

In Serbia, Montenegro, Bosnia, and Hercegovina, the development of the People's Front under the occupation had practically the same characteristic traits. It had, from the very beginning, a considerable mass basis, which made it possible for the uprising to start somewhat earlier and to give its imprint to the uprisings in the other provinces of Yugoslavia as early as 1941.

THE PART PLAYED BY THE LIBERATION FRONT IN THE PEOPLE'S WAR

We have already mentioned the fact that the People's Front had, from the very moment of its coming into being, displayed a distinctly democratic character. We have already said that it was formed of the most progressive strata of the population regardless of previous party affiliation or of social position. Having, therefore, a single program and common aim, the People's Front became a lasting all-national organization

which played a role of the utmost significance in the liberation war. For, in the absence of a People's Front such as existed in our country, so successful a struggle against the invaders would have been unthinkable, as would the achievements which are ours to enjoy today.

The genuinely democratic character of the People's Front made it possible to create a new people's authority of a generally democratic character. I am referring to the National Liberation Committees. They were the organs of the People's Front for accomplishing everyday tasks: for mobilizing fighters for the National Liberation Army, for providing front line units with the necessary supplies, for consolidating conditions in the liberated territory, for carrying out all the tasks which were part of the duty of the people's authorities in the liberated territory.

In occupied territory the activities of the People's Front were rendered more difficult; but there it established underground National Liberation Committees. Even there the People's Front, led by the Communist Party, used to enlist men for the army, gather various kinds of supplies for the front and carry on propaganda in behalf of the liberation struggle. In occupied territory the People's Front was largely responsible for propagating the idea and strengthening the faith of the peoples that the National Liberation Army would emerge victorious from the struggle in Yugoslavia and that the Soviet

Union and the other Allies would win the war. By disorganizing and demoralizing the ranks of the invaders and the local quislings, in occupied territory, they rendered a signal service, not only to the National Liberation struggle in Yugoslavia, but also to the cause of our Allies.

THE PEOPLE'S FRONT IN THE POSTWAR PERIOD

Tempered and still further united in the course of the liberation war, and having acquired a wealth of experience, the People's Front immediately after the conclusion of hostilities turned to face new and arduous tasks. To give a definite form of organization to the new state being built on the ruins of the old Yugoslavia which had shown itself incapable of existing, to build up the country which had so greatly suffered in the war, such was the task confronting the People's Front on the morrow of the victory over the invaders and the local quislings.

When we bear in mind that both the local and international forces of reaction had spared no effort to restore the former order of things in Yugoslavia in accordance with the principle of the outdated Western type of democracy, then we shall fully realize all the difficulties which attended the creation of the new Yugoslavia—the Federal Peoples' Republic of Yugoslavia—a state with a new and more equitable social or-

ganization. Here too, however, the People's Front played a role of momentous significance. It was on the People's Front that we relied when certain Western powers endeavored, through various threats, to force our former rulers upon us, to restore the old regime, a regime which had earned for itself the boundless hatred of our people, the regime of Grol, Macek, Subasic, and their ilk, who had been the faithful servants of foreign masters and served foreign interests to the detriment of the peoples of Yugoslavia. It was on the People's Front that we relied in resisting any form of threat on the part of foreign powers.

The elections for the Federal Assembly showed the tremendous vitality of the People's Front as an allround national political organization. The results of the elections for the peoples' assemblies constitute one of the greatest victories of the People's Front, because in these elections 95 per cent of those who have the right to vote under the new laws, were in favor of the new Yugoslavia, of the People's Front. The People's Front has thus made an invaluable contribution to the realization of the aspirations of those who gave their lives in the course of the heroic national liberation struggle for the creation of a new, of a better Yugoslavia; to the realization of the hopes of all those who fought in the liberation war; to the realization of the age-long aspirations of all the working people of our country, that is, of

the overwhelming majority of our peoples.

It was only owing to the existence of such a People's Front that it was possible so rapidly to create a new form of authority from bottom to top. It was only owing to this fact that it was possible to set up in so short a time a new state apparatus capable of functioning correctly under the new conditions and the new social relationships. It was only owing to the People's Front that it was possible to achieve such rapid political stability despite all difficulties.

THE PART PLAYED BY THE PEOPLE'S FRONT IN THE RECONSTRUCTION OF THE COUNTRY

Our country emerged from the war in a terribly devastated condition. The wounds which the peoples of our country had suffered at the hands of the invaders were such serious ones that it would have taken several decades to heal them under former political and economic conditions. But the People's Front infused a tremendous working, creative enthusiasm among our peoples for the reconstruction of our country—among our youth, our workers, our peasants, and our people's intelligentsia. It was only owing to the People's Front that it proved possible to restore communications in so incredibly short a period, to rebuild the bridges which had been destroyed, the railways, and river and

sea shipping. It is largely owing to the efforts of the People's Front that the greater part of our villages and towns which had been destroyed have now been rebuilt. It is largely owing to the People's Front, and above all to the workers within its ranks, that our factories have so soon been rehabilitated and brought into working order again.

It is the merit of the People's Front that the various so-called cultural and educational problems have successfully been solved in the new Yugoslavia. Neither the central government, nor the governments of the different republics, could have succeeded in solving these problems without the aid of so powerful a mass popular organization as our People's Front.

THE FIVE-YEAR PLAN AND THE PEOPLE'S FRONT

The carrying out of the Five-Year Plan is a great and difficult task, requiring the most strenuous efforts on the part of the People's Front. The reconstruction of the country, the industrialization and the electrification of the country, will be achieved thanks to the unity of the people gathered in the People's Front, thanks to the wonderful working enthusiasm of the youth, workers, peasants, people's intelligentsia, and all the other working citizens of our land.

Consequently, all that we have said above shows that the People's Front in our country not only played a

great role in the war, but is playing an even greater role today in the peaceful reconstruction of our country. Therefore, the People's Front is indispensable to the peoples of our country in the future too. The People's Front cannot be replaced by any bourgeois political parties, because it represents best of all, not only the political unity of our peoples, but also brotherhood and unity from the national point of view. For this reason the People's Front has become a lasting, all-national political organization; for this reason it is irreplaceable and differs from all the political parties and all coalitions of parties that existed previously. In its character, the People's Front has nothing in common with any all-state party of the type which used to be formed by the various regimes in Yugoslavia before the war, or by totalitarian regimes in fascist countries. All such parties and organizations, founded by various reactionary and totalitarian regimes, were formed in fact to preserve under a new title the old, obsolete capitalist system. They were formed in order to prevent the democratization of the country, to prevent the establishment of a new type of democracy. In other words, such organizations were formed against the people in order to stifle democratic liberties in the respective countries. In the totalitarian countries fascist organizations were formed from above, with a view toward the preparation of an aggressive war. A negative, aggressive nationalism,

aiming at the conquest and enslavement of other peoples, was fostered to the maximum through such organizations.

In contrast to this, the People's Front of Yugoslavia is the organization of all progressive individuals, not only for the fight against reaction and fascism, but also for the preservation of the achievements obtained so far, and for the attainment of new ones. It is also an organization with immense tasks which have been or are going to be carried out. Our People's Front is a democracy of a new type, a genuine people's democracy. Such is the political character of the People's Front in Yugoslavia, such is the political character of the people's authorities of Yugoslavia, which support the People's Front and emanate therefrom.

What does the experience acquired so far show with regard to internal political developments?

In the old Yugoslavia of Versailles there existed many parties with various programs. All these parties took as a model the so-called Western democracy, which was in fact, and is even more so today, a dictatorship of the minority over the majority, that is, a dictatorship of a handful of capitalists over the majority of the people. The ruling clique, headed by the monarchy, always chose, according to its needs, one or several parties, which gave it their support in the carrying out of various anti-popular measures. The other parties remained in the opposition until such

time as they also were given the opportunity of assuming power—because such services rendered to the ruling clique were well remunerated at the expense of the people. Thus, all parties came to power in their turn except, of course, the Communist Party. Nothing, however, changed for the better, for the benefit of the people, but things went from bad to worse.

What does this mean? It means that the prewar bourgeois parties brought discredit on themselves and have lost their right to speak today on behalf of the people. They have proved that they are incapable of leading the country, and in the present new social system their existence has no justification and has become superfluous.

The new social system in our country also requires a new forum of political life. Numerous and heterogeneous, by their conceptions, political parties would constitute, in our country, the greatest obstacle to the rapid and lasting progress of our fatherland.

Not only the political but the economic structure of our country precludes the possibility of the existence of numerous political parties advocating old programs and old conceptions.

A unified economic program also requires a unified political leadership.

Imagine the following picture. The war is finished; we have to begin the reconstruction of our country. The whole people has to be mobilized for

the carrying out of numerous and important tasks. And we have different parties, headed by various Grols, Maceks, Subasics, Lazics, Gavrilovics, etc. One of them says: "We should not build this bridge first, but the other one." Another one will say: "Why is more aid given, say, to Bosnia, Lika, Montenegro, and not to some other republic?" And all of them would probably say in chorus: "Why are we spending billions for the reconstruction of destroyed villages, when it would be better to wait until we recover a little, receive reparations, etc." They would say: "What do we need the Five-Year Plan for? Why do we need industrialization and electrification? Our grandfathers and ancestors lived in this country without electrification and industrialization, and why should we not do so too? What do we need planned agriculture for? Let every peasant work as he knows and wishes." You can rest assured that such parties would spread such and many similar slogans among the people. That would paralyze our forces and render impossible all that brings our country nearer to prosperity and happiness.

Someone may remark that in our People's Front too there are several bourgeois parties. This is true. But the masses of these parties and some of their leaders joined the People's Front while the war of liberation was still in progress and without waiting for the main leaders. After the war the leaders of these parties

reached the conviction that the People's Front was the best solution for our people. They entered the People's Front and are today holding important posts in the administration of the country. The presence of these leaders in the People's Front does not have a weakening effect on its unity so long as they carry out the program of the Front, so long as they agree with its political and economic conceptions. Furthermore, those leaders of some parties who are to be found in the People's Front are mostly progressive men anxious to contribute to the utmost to the reconstruction and prestige of our country. Therefore, their presence does not weaken but on the contrary strengthens the People's Front.

THE PEOPLE'S FRONT AND THE COMMUNIST PARTY

The Communist Party of Yugoslavia was the initiator and organizer of the People's Front of Yugoslavia even before the war. It brought into the Front the whole of its considerable experience as organizer and leader in the struggle. It gave to the Front its cadres tempered in battle, who set and are setting today an example by their initiative in the struggle during the war of liberation, and their initiative today in the reconstruction of the country. Consequently, and because of these characteristics, the Communist Party today also plays the leading role in the People's Front. Furthermore, this

role has been allotted it by the broad masses of the people.

Has the Communist Party of Yugoslavia some other program outside that of the People's Front? No! The Communist Party has no other program. The program of the People's Front is its program too. What then is the difference between the Communist Party, on the one hand, and the other parties and the People's Front, on the other? Being the advance guard of the working class, the Communist Party of Yugoslavia was allotted the role of leading all the progressive, democratic forces, both in the war of liberation and now in the peaceful reconstruction of the country. The Communist Party has been given this broad role under the new conditions arising from the war of liberation. Under the occupation, its role was that of an organizer and leader in the liberation struggle for the liberty and independence of the peoples of Yugoslavia.

Before the new state was established and the conditions we have mentioned came into being, the Communist Party was not only the advance guard of the working class, but also the leader of the progressive forces which were fighting together for a definite aim, that is to say, for driving out the aggressors, for annihilating local traitors, and for creating a new state structure, the Federal Peoples' Republic of Yugoslavia.

After the new state had been created, the Communist Party as-

sumed the leadership of the entire social development: in the building of people's authorities, in the organization of the state, that is, in the reconstruction of the country, in economic and cultural life, etc. It carries out this task as a component part of the People's Front because it is the leading element within it.

In every period of social development, of social change, there exist definite stages which are characteristic of that period and which are conditioned by the basic elements of the events taking place therein.

What are the basic characteristics of the present period?

1. The appearance of fascism. Fascism, which was born as a result of irreconcilable contradictions among the imperialists, showed an intensified imperialistic tendency toward world conquest, both economic and political, a tendency to liquidate small countries and create living spaces for the so-called "higher race," a tendency to destroy the entire cultural heritage of the world.

2. The great war of liberation and the complete military defeat of fascism, a war which was waged by the United Nations, headed by the Soviet Union.

3. The downfall of the old political systems in the Eastern countries, which lived according to the principles of the so-called Western democracy, and the forming of new social systems in these countries, based on the principles of a true people's democracy.

4. Revolutionary social changes are taking place under the banner of the struggle against fascist aggressors, for freedom and national independence, for the founding of a just social system, instead of the old capitalist system based on so-called Western democratic principles.

5. The attempt to revive fascism on the part of the imperialistic powers, as a counterpoise to the growing strength of the democracy of a new type, and as a mailed fist for the realization of the imperialistic aims.

6. Warmongering and slandering of new democracies. Unable to satisfy fully the imperialistic appetite, international reaction, headed by American imperialists, is undertaking the most virulent campaign of slander against the democratic countries, especially against the Soviet Union and Yugoslavia. The warmongers are doing their utmost to throw the world into a new war, into a new catastrophe.

7. Against the front of reaction—the front of peace. There is a growing awareness of the necessity of achieving the unity of all progressive people against the unity of international reaction and warmongers—a unity which is already being formed, of all those who are desirous of peace and international cooperation. A front of peace, a front of democracy, is coming into being.

8. The common interests of the working class and all the other true democratic forces, especially in the countries of Eastern Europe and par-

ticularly in our country, are the chief factors making for the creation of political unity, for the achievement of a true people's democracy of a new type.

As a result of the liquidation of the old social order in our country, with the nationalization of the means of production and their passing into the hands of the working people, as a result—in a word—of the creation of the new Yugoslavia, with a new political and economic structure, the interests of all those who are participating in this work have become identical, common.

What then is the People's Front in our country?

1. The People's Front in our country is a lasting, all-national, political organization with a clearly defined lasting program.

2. The People's Front embodies the political unity of the working men and women of our country: of the workers, peasants, people's intelligentsia, youth, women, of all work-

ing citizens, *i.e.*, of all who are working in the spirit of new Yugoslavia.

This is proof that the peoples of Yugoslavia possess in the People's Front their common political organization, tested and tempered in the gravest moments of their history. It proves that our peoples—united in this organization, which includes the Communist Party of Yugoslavia—will be able to achieve a better and happier future. This common organization, the People's Front, is the guarantee that our peoples will preserve the achievements of the great struggle for liberation, that they will maintain the brotherhood and unity which are the guarantee of all our successes at present and in the future. It means that, thus united, our peoples will preserve all for which the best sons and daughters of our country gave their lives, that they will preserve the fraternal community of peoples—the Federal Peoples' Republic of Yugoslavia.

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