

Tito-Stalin Propaganda War Flares Into High as U. S. Grants Aid to Yugos

By HAL DRAPER

The recent intensification of the propaganda war between Moscow and Tito, combined with the new open virulence of their charges and counter-charges, has led to a frank guessing game among all hands concerned, particularly the foreign correspondents.

Only guesswork—that is, informed speculation—is possible in a situation where, as usual in Eastern Europe even more than in the rest of the world, 99 per cent of the verbiage contained in speeches and articles is pure eyewash. But there is reason to believe that the most popular speculations being made miss the heart of the matter.

These are the speculations which center around the possibility of military action, in three different forms: (1) by Russian troops directly—to be dismissed almost out of hand; (2) in the guise of an invasion by one of the neighboring satellites; (3) guerrilla operations in the Macedonian mountains.

The second, which is associated with completely unsubstantiated rumors of troop concentrations along the Hungarian frontier of Yugoslavia (while at the same time 10,000 Yugoslav army officers attend a football game in Belgrade), is almost as unlikely as the first. If neither can be dismissed as completely excluded, it is only because such action would represent a state of extreme desperation on the part of the Kremlin in face of the effect of Titoism in the Balkan satellites—and there is no reason to believe that the inherently disintegrative effect of Titoism on the Russian empire has reached anywhere near such a point as yet.

GUERRILLAS AGAINST TITO?

More credence is widely given to the possibility that Moscow may reconvert its Greek Cominform followers from guerrilla warfare against Athens to guerrilla warfare against Belgrade, centering in the mountainous country of Macedonia. It is true that Macedonia has traditionally

been the most pro-Russian section of Titoism; it is also true that the largest number of individual disaffections from Tito toward the Cominform have come from Macedonian officers in the army; and finally it is true that up to the recent flare-up the Cominform campaign against Tito has been emphasizing the Macedonian question.

But it is interesting that even the speculations along these lines do not speak of guerrilla warfare on the part of the Macedonian population itself. Since the time of the border killing of the high Macedonian officer, General Jovanovic, presumably while he was trying to escape across the border, there have been no public rumbles from that direction.

The speculations deal with the use

of Greek Stalinists, overlooking the fact that (1) of all the Moscow forces in the Balkans, the Greek Stalinists were among the slowest in lining up with the Cominform excommunication of Tito; (2) that the Greek forces were in the mountains not as mindless mercenaries at the automatic beck and call of the Kremlin but as fighters in a struggle widely popular among the Greek masses, the struggle against the tyrannous and corrupt Athens regime. This popular feeling was, to be sure, channeled by the CP, but it provided a dynamism which would be completely absent if arbitrarily given a different target.

No popular guerrilla force remotely approaching the Greek operation could be set up by the Cominform

against Tito. The same goes for speculations about pro-Cominform internal revolt in Yugoslavia at this time. In the latter case, there is no doubt, of course, that Moscow has been bending every effort to lay the basis for it. (This must be understood as meaning internal revolt among the Yugoslav ruling bureaucracy, NOT among the people at large. The inflammatory Moscow and Cominform propaganda has not even been directed to the latter, but has been aimed exclusively and explicitly at the bureaucratic strata of the Titoist CP and government.)

REASON FOR FLARE-UP

But here again every straw in the wind indicates that the Cominform (Continued on page 3)

UAW Strikers Show Bell Brand-New Kind of 'Back-to-Work' Movement

By MICHAEL FERRIS

BUFFALO, Aug. 21—Approximately 1,000 members of Local 501, UAW-CIO, paraded in and out of the struck Bell Aircraft plant on Friday, August 19.

For months the Bell Aircraft Company has been pleading with the workers to come back into the plant. The company ran full-page ads, sent letters and telegrams to each and every worker, sent "visiting squads" to workers' homes to promise them foremen's jobs in an attempt to get them back to work. The company was so anxious to get the workers back into the plant that it went so far as to exert pressure upon all the loan sharks in Buffalo to rescind an agreement with the strikers allowing striking workers a moratorium on payment of their principal on loans for the duration of the strike.

Not only was the company begging, cajoling and threatening workers to get them to come back, but it was shouting from the rooftops that hundreds of strikers were already back at work. Since the company had taken to flying men to work in airplanes, there might have been some slight doubt in the minds of the "public" that some Local 501 members had gone back to work. The union requested that an impartial committee, chosen by both company and union, be allowed to enter the plant and see just how many men were working. The company refused.

SCABS SMOKED OUT

The leadership of the union displayed its skill and militancy by the technique it used in countering the company's futile attempts at this phony back-to-work movement. A

highly organized "commando operation" was planned.

The members of Local 501 were to enter the plant, make a general survey, convince what few scabs they found to leave the plant, and then all were to return to strike headquarters. So high was the morale and so solid the ranks of Local 501 that not until the entire "operation" was over did the company have the slightest inkling of what was happening.

It was 9:00 a.m. when approximately 1,000 members of the union marched quietly up to the gates of the Bell Aircraft Corporation, flashed their work badges and announced they were coming back. By this time all the office help were safely in the plant sitting comfortably behind their desks and reading the latest comic books. The sheriff's "Buffalo Bill" deputies were gathered in a quiet group allowing their horses to graze in the grass at the far end of the plant. Sleepy newspaper photographers lolled at Gate 1, where action had taken place a week ago.

When the line of marchers reached Gate 3 they made a sharp right turn. The company guard nearly fell over himself in his eagerness to let the workers into the plant. As the workers marched further into the plant, the idle office help dropped their books and started clapping and cheering the "returning" workers.

Supervisors, office workers, plant guard deputies and Larry Bell himself stood on the plant floor and beamed at the workers—for only a brief moment. After that their faces paled, their eyes popped, their mouths fell open.

The 1,000 workers did not come to a respectful stop before the company (Continued on page 4)

Deportation of Jews from Russian Border Areas Confirmed by Israeli Dispatches

By AL FINDLEY

Reports of the deportation of masses of Jews from the border provinces of Russia are increasing in frequency. Outside of the Yiddish press, LABOR ACTION was the first paper to report the deportation of Jews from the Ukraine and White Russia. Since then the deportations seem to have been extended to other border provinces—Russian-annexed Bessarabia and Bukovina.

It is significant that whereas all previous reports originated in Europe and from so-called private sources, the new reports originate from Tel-Aviv and are probably a reflection of the concern of the Israeli government for the fate of the Russian Jews. The government of Israel probably has the best sources of information about the fate of the Jews in Stalinist Russia.

The Israeli government has known the truth for a long time but has remained silent in order not to lose Russian and satellite support. The fact that the Israeli government (with its strict censorship) NOW permits a dispatch from Tel-Aviv shows that the situation is probably worse than that already reported.

On August 15, 1949, the Jewish Morning Journal reported deportations from Bessarabia and Bukovina. On August 19, the Jewish Telegraphic

Agency reported from Tel-Aviv that during the period from the 10th to the 20th of July, masses of Jews were arrested and packed into waiting trains, shipped to Siberia to special areas assigned to Jewish deportees from the Russian-Rumanian border. In Czernowicz, capital of Bukovina, there were 1800 Jewish families after the war. The total Jewish population in the two provinces is estimated at 70,000.

"ADDRESSEE HAS MOVED"

The reports also indicate that a state of panic reigns among Jews inhabiting the Rumanian sectors of these provinces. Most of these had prepared to go to Israel, but were caught by the government's action in stopping emigration to Israel. These Jews too fear exile to Siberia. Whether Russia will completely ignore the boundaries and treat Rumania as another province is doubtful.

Lending further credence to these reports is the established fact that it has been months since Jews in Israel have received any mail from their relatives in Bessarabia and Bukovina. This is similar to developments in the Ukraine and White Russia, where mail addressed to Jews has been returned marked "Addressee has moved."

The Russian government has denied officially the deportation of Jews

CP Is Preparing for Split from CIO; Dodd Tells Stalinist Plans

Stalinist Leaders In Singer Strike Fear CIO's Aid

By A. WINTERS

ELIZABETH, N. J., August 21—Militants in the strike of 9,000 workers at the Singer plant in this city have raised the demand that the Stalinist leadership of Local 401, United Electrical Workers (CIO), break their self-made isolation and call in Philip Murray and the CIO in order to bring the full weight of the CIO to bear on the stubborn sewing-machine monopoly.

This new turn of events is the outcome of the impasse into which the Stalinists have led the Singer workers as a result of their perspective of split from the CIO. The company has undoubtedly counted on this isolation in their hopes to starve the strikers into submission.

The strike is now nearing its fourth month. The militants have demanded that the Stalinists put aside their factionalism and allow the full official weight of the CIO to bear down on Singer, as a demonstration of labor solidarity. The Stalinists, who always preach solidarity in words, are resisting this demand tooth and nail and are resorting to their usual slanderous method of branding militants raising this demand as company stooges. This, however, is proving very difficult to do, since so many of them have excellent records of support to the strike.

When the demand was first raised, the Stalinist international represent- (Continued on page 4)

While for some time there have been rumors and speculations openly that the Communist Party forces in the CIO have been orienting toward a break with the national CIO, two indications in recent days point most clearly to the existence of a real split perspective on the part of the Stalinists.

Whether such a split actually is put through or not when the chips are down—and there can be no doubt that it would have the most far-reaching effects on several sections of the CIO—there is little room for doubt that, at the very least, the CP generals are weighing the idea.

Actually they are doing more than that: already taking actions based upon its possibility. (See the story on the Singer strike in Elizabeth, N. J., elsewhere in this issue, for a local example.)

The two indications of greatest weight are: a statement by a former CP leader, recently expelled; and the announcement of the coming conference of Stalinist-controlled unions in New York.

REVEALS CP ORIENTATION

The CP leader is Mrs. Bella Dodd, who first became prominent as a top party back or whip in the Teachers Union in the 1930s. She was later elected, as an open CP'er, to the New York State party executive and then was put on the national committee, becoming one of the two or three most important women leaders of the CP.

A couple of months ago, her sudden expulsion from the party was announced without prelude. The charge laid at her door was "Browderism," which was also spiced up with accusations of "anti-Negro discrimination," "white chauvinism," and anti-Semitism.

The racial charges do not deserve a moment's attention, being the usual Stalinist sewer campaign at work, but it appears that the expulsion was the result of a real dispute in the over trade-union policy. This is revealed in an interview with Mrs. Dodd by Louis Schaeffer in the New Leader of August 20, which is all the more interesting since the interviewer was interested mainly in the racial eyewash and mentions the meat of the matter only in passing.

"The real cause of my break," Mrs. Dodd told him, "was the [CP] leadership's determination to maintain the Communist opposition in the CIO at all costs."

The interviewer adds: "She explained that she and others had argued that such tactics might lead to the CIO's expelling its Communist unions. But the party leaders answered that if this happened, the expelled unions would form their own central body."

PAYOFF DUE IN OCTOBER

This is also the significance widely attached to the fact that a number of CP-dominated unions have called a conference on "democracy and autonomy" in the CIO for August 30 at Manhattan Center (New York City) to discuss their line and strategy at the New York State CIO convention in September and at the national CIO convention in October.

The Cleveland convention is expected by many to be the payoff on the Stalinist course, with the CIO leadership determined to make them toe the line. Center of the issue may be Harry Bridges, longshoremen's president, who it seems has been deliberately put out in front by his party leaders; he has continued his support of and membership in the World Federation of Trade Unions, which is now almost wholly a Stalinist international.

Under whatever form the issue breaks, split is quite likely to be the end result of a head-on collision between (1) the CIO leadership's expressed determination to shove their newly discovered principle of un-



HARRY BRIDGES
Will He Split from CIO?

democratic centralization down the throats of their affiliates, with the aim of whipping the Stalinists into submission; and (2) the CP's indicated line of fighting this with flagrant acts of organizational insubordination and independence no matter what the result.

The conference call of the Stalinist stand-bys in the New York union movement uses the language one would expect if the CP held a split perspective:

"Today, the CIO is becoming divided and disunited because of the dangerous encroachment upon this fundamental principle of trade-union democracy and autonomy."

CALL SPEAKS OF SPLIT

While the CIO leadership's encroachment upon democracy and autonomy are real ones—the CIO's leaders, being what they are, are perfectly willing to sacrifice democratic methods for the exigencies of their power struggle with the CP—the Stalinist talk of "fundamental principle" is sheer hogwash as far as they are concerned. During the war, for example, when CPers in the unions became super-duper patriots as soon as the imperialist war involved Russia on the side of the U. S., they led the way in teaching the other bureaucrats the latest tricks in bureaucratic stifling of democracy for the sake of upholding the notorious no-strike pledge and spineless submission to the employers in the name of "national unity."

If they now talk of "principle" in connection with union democracy, it is only because the international propaganda needs of their Russian masters now run counter to the line of the CIO.

The conference call also warned that continuation of the "dictatorial policy of the CIO executive board majority" would "completely split" American labor. Naturally, a real split depends upon them as much as it does on the CIO leadership, and their willingness to employ the term is indicative at this time. The unions sponsoring the conference are: the United Electrical Workers (UE); American Communications Association; Food, Tobacco & Agricultural Workers; Local 1 of the Amalgamated Lithographers; United Office & Professional Workers; United Public Workers; Furniture Workers; United Packinghouse Workers and the Fur Workers.

Dodd in the Manger

Bella Dodd, whose expulsion from the Communist Party for "Browderism" is discussed in the accompanying article, tells her New Leader interviewer of her feelings about her long-standing love affair with Stalinism:

"I feel," she said, "like a newly divorced woman who has just lost her husband because he is a scoundrel, but nevertheless doesn't want anyone else to berate him."

Steel Union Reps Prove Workers Have Not Shared in Record Profits

By SUSAN GREEN

The week of August 15, at the federal courthouse in Foley Square, New York City, the representatives of the steel industry used every trick in the bag to prove to the president's fact-finding board—and to the public—that (1) to grant the union's demands would bring immediate economic catastrophe to the whole nation, and (2) that the establishment of the fact-finding board was a step toward totalitarianism.

Such are the fantastic claims made by the steel companies in their determination not to pass on to their workers any of their billion-dollar profits.

The background: The United Steel Workers (CIO) are asking for a 12½ cent an hour wage increase, social-insurance items adding another 6.27 cents an hour, and a pension plan equivalent to 11.23 cents, or a total of 30 cents an hour increase. The big steel companies absolutely refused to negotiate the pension issue, claiming that it cannot properly come under collective bargaining—this in spite of the ruling of the National Labor

Board to the contrary. The companies not budging on this issue, the union took a strike vote and the men voted to strike for their demands.

FACT BOARD IS SET UP

At this point President Truman stepped into the picture to avert a strike and proposed to both the union and the industry the three-man fact-finding board. Philip Murray, as president of the Steel Workers, promptly accepted the president's proposal, but the bosses rejected it. The latter claimed that the president was not acting under the law of the land, namely, Taft-Hartley. The president replied that "the present situation in the steel industry does not constitute such an immediate peril to the national health or safety as to authorize the appointment of a Board of Inquiry under Section 206 of the Labor Management Relations Act, 1947" but "Nevertheless, an interruption in steel production would have serious consequences to the whole nation," warranting in his opinion the appointment of a fact-finding board with power to recommend a settlement.

This could be termed a clever dodge on the part of Truman. But in the eye of public opinion, the steel industries were on the spot. If they refused to appear before the board, the onus of a strike would be squarely on them. Since these days it is important to capitalists not merely to make record profits but to do so with "public approval," the companies finally consented, avowing that they were acting out of respect for the exalted office of the president of the (Continued on page 2)

Will Tom Clark Refuse to Take One of His Own Loyalty Oaths?

This isn't a trick question. In all likelihood that is exactly what is going to happen.

Tom Clark, fresh out of the attorney general's office, has now been confirmed for the U. S. Supreme Court. The Supreme Court may or may not recover from the blow against its prestige and dignity thus struck, but Tom Clark himself is in a unique spot.

As attorney general and Truman's chief witchhunter, Clark made willingness to sign a "loyalty oath" the symbol of staunch Americanism, opposition to communism and sin, and support of patriotism and the Ten Commandments.

The justices of the Supreme Court have, however, unanimously refused to sign the blame things, even though the law presumably requires them to do so. Their refusal is on principle—the principle being, however, one that applies only to themselves: independence of the judiciary from the other departments of government. The idea is that if they accept the precedent that Congress can impose a loyalty-oath test on them, Congress can impose other requirements on the basis of the same precedent.

Unless the freshman justice decides to break the Supreme Court front on this question, Mr. Justice Clark will also refuse to sign his own precious loyalty oath.

Keep It Clean!

R. R. Deupree, chairman of the board of Procter & Gamble, recently told a Senate committee that soap sales may reach a record high in 1949.

He must have been reading about all the dirty scandals coming out of Washington lately.

Moulton Report Proves Possibility of Plenty for All—in a Sane Social System

By GORDON HASKELL

For a change, let's take a look at a cheerful item in the news: the report, issued recently in Washington, by Dr. Harold G. Moulton, president of the Brookings Institution.

In this report, Dr. Moulton states that a hundred years from now the United States should be able to support double its present population at a standard of living eight times as high as the present one.

Just let your mind dwell on the matter for a moment. If you're making fifty dollars a week now, your child or grandchild will be able to hold down your job at a neat wage of \$400 per week, with the cost of living the same as it is now. Or, if at that happy time you should decide they'd rather have more leisure and fewer yachts, your grandchild will be able to work four hours a day at your job and still draw \$200 per week.

Even if you're unemployed at the present time, be of good cheer! Just keep in mind that a hundred years from now if your grandchild could happen to be unemployed he'd get \$200 per week compensation!

THE RESOURCES ARE THERE

Of course, Dr. Moulton didn't put things in such gross monetary terms. He has figured out just how much more each of the items which make up our standard of living could be produced in the next century.

Food and nutrition will have to increase eight times; shelter and house maintenance, 16 times. (Incidentally, I figure this would give me 32 rooms to live in.) Attire and personal care will increase 20 times (which leads me to think that the additional rooms will have to be used to store the shoes and dresses for the little woman and the kids). Health and education will be expanded thirty times, and recreation and travel 33 times.

Of course, all this will represent national averages, so one shouldn't get lost in fanciful calculations multiplying what you have by the above figures.

When you consider that in the slums all over the country poor people are living five and six to a room, and that in vast areas of the South millions of families are living in one

Condensed from a talk delivered by news commentator Gordon Haskell over radio station KPFA-FM (Berkeley, California). Gordon Haskell is heard by residents of the San Francisco Bay Area over this station every Thursday evening at 7:45-101 on your dial.

and two room shacks without running water, toilets or bathrooms, and that for millions of Americans ten times the clothes they now have would amount to a couple of good suits and a warm winter overcoat, you'll see that so much of the bounty Dr. Moulton foresees for us will have to go to the poorest third of the nation and that for the rest of us it may mean an increase of only three or four times our present standard of living.

Of course, Dr. Moulton doesn't confine himself to painting this beautiful picture. The Brookings Institution is probably the most thorough and responsible private research outfit in the country on social and political problems. He shows that our natural resources are quite adequate to provide that kind of a standard of living, if they are not wasted and are used properly.

So we begin to search Dr. Moulton's report for his answer to the things we'll have to do to reach this paradise in a century.

TELL FORD ABOUT IT!

First, Dr. Moulton says, we're going to have to continually increase our productivity, that is, we're going to have to use more labor-saving machinery, and to organize our whole production process more intelligently so as to avoid duplication and waste and thus to get more goods for the same amount of effort, or even for less.

Next, writes Dr. Moulton, we're going to have to achieve a "progressive expansion of mass purchasing power." Along the same lines he says that the "unfulfilled desires of the masses constitute the great potential market of the future," and he proposes that to fulfill these desires we must achieve a "constantly broadening distribution of income."

He's absolutely right, and I only hope the Brookings Institution rushes a copy of this report to Henry Ford II, and the head of United States Steel, and the president of the company for which I make money. Then I'm sure they'll all see the light and grant wage increases to their workers which will progressively expand mass purchasing power and constantly broaden the distribution of income.

Of course, one has to admit that neither Henry Ford nor the other great corporation heads and bankers of the nation seem to share Dr. Moulton's idea of spreading the wealth around more broadly.

As a matter of fact, they seem vigorously determined to resist to the limit any demands for wage increases, pensions, health plans and other things which would cost them money and would bulge the standard of living of the masses up a little toward that 800 cent mark.

But perhaps Dr. Moulton has some ideas about how we can clip the wings of these gentlemen so that the forward movement of spreading purchasing power can get under way?

HERE'S THE GIMMICK—

At this point I have to warn you that the cheerful note in Dr. Moulton's report has to give way to sobering reality.

Dr. Moulton informs us that "under modern conditions, considerations of efficiency require operating companies of great size." This endorsement of big business so pleased the San Francisco Chronicle that it carried a lead editorial entitled "Big Business Has a Future" which was a paean of glorious praise to Dr. Moulton and all his ideas.

Now I too agree with Dr. Moulton that modern industry needs large-scale operation. Even more important, this very fact makes all ideas of trust-busting and a return to small, free individual enterprise a dream of the past which is gone forever.

The efforts of well-meaning people toward breaking up the great corporations or limiting their power under our existing economic system is wasted effort and takes our attention away from the REAL problem.

This problem is the PRIVATE OWNERSHIP of these corporations, which permits a small handful of extremely wealthy and powerful men to exploit our natural resources, rig our price structure, control our politics and deprive the masses of the people of the economic advancement which is made possible by the increase in the productivity of labor.

And, sad but true, Dr. Moulton has no plan to transform these vast aggregates of private wealth into social wealth. Quite the contrary. Dr. Moulton believes that one of the foundation-stones of his prosperity in a century is "a fair degree of assurance with respect to the perpetuity of the private enterprise system." Put in more blunt words this simply means: you'll get all these things if you don't scare big business with any talk about taking over the great wealth and power they control and subjecting it to the control of the people.

And when I read further that Dr. Moulton says that depressions are inevitable, that they have no single cause nor any single cure, and that neither government nor business can prevent them, then I am sorry about the prospects for all of us held out by Dr. Moulton in the first part of his report.

CONCENTRATION HAS GROWN

I'm sorry, because Dr. Moulton has played on us one of the oldest and shabbiest tricks known to the confidence racket. He has held out a prospect of prosperity and security which I'm sure is quite realizable. And then he has told us that all this can be ours if we continue to give our confidence to an economic system which for the past fifty years has been holding back productivity, which has kept the majority of our people in poverty, and which bids fair to drag us through depressions and wars to some kind of totalitarian

barbarism rather than to a world of plenty and security and peace for the masses.

Just take, for instance, Dr. Moulton's proposition about passing on the increased productivity of labor through lower prices. I wouldn't dream of questioning the fact that over the past century increased productivity has in fact led to an increased standard of living in the United States. But it has NOT led to a wider distribution of the wealth of the nation, but rather the opposite.

For every hundred per cent in increased productivity, the workers have got perhaps ten or twenty per cent increase in standard of living, and that only after bitter and often bloody struggles. This means that every increase in productivity has brought a greater SHARE of the increased wealth to the owners of capital, and this is the fundamental reason for the indisputable fact that wealth in our country today is LESS equably distributed than it was a hundred years ago.

It is this growing accumulation of wealth in a few hands at the expense of the purchasing power of the mass of the people that is the bedrock cause of depressions in America, and I agree with Dr. Moulton that neither business nor government can do anything about it—AS LONG AS BUSINESS CONTROLS GOVERNMENT!

BUT THERE'S A WAY!

And there's the nub of the matter. To get at the vast concentrations of economic wealth and power in America, to break their hold on the natural resources and their restrictive power over the development of industry, to socialize the productive wealth of the country and thus usher in the century of plenty for all—to do all this it is necessary first that the working people of America organize themselves politically and take the government out of the hands of business.

For this purpose they need a party completely independent from and completely uncompromised by any control or association with big business—a party based first on organized labor, and embracing the interests of the poor farmers and all other productive groups in society.

Such a party must have a program of widening the distribution of the national income and increasing productivity, and as such a program clashes with the control of industry by the great corporations and banks, it will be forced to socialize these controllers of the standard of living of the people if it is to remain true to its purposes.

That's the road to Dr. Moulton's eightfold increase in the standard of living for all of us, not in a hundred years, but in a much shorter span of time. The raw materials are there, science is there, the industrial know-how is there. What stands in the way is the control of all these things by a handful of powerful people who run them in their own interest and against the interests of the mass. Once we break that control—and we'll have to—we'll be able to march forward to the century of plenty and security for all.

LABOR SCOPE

Conservative Tendency in UAW Considers Militant Tradition a Mistake

By BEN HALL

The Reuther group in the UAW-CIO is not one homogeneous body of men who represent a unified program for the labor movement. On the contrary, it includes two main antagonistic TENDENCIES.

But, because these are TENDENCIES and not organized factions or sub-groups, because they represent a general leaning toward two different kinds of unionism rather than clearly formulated programs and platforms, it is sometimes difficult to see just where they differ.

One example, however, can help to clarify the lineup. We will quote a brief excerpt from the Year Book of the Toledo Industrial Union Council (CIO). But first a word about the Toledo CIO. The UAW is its dominant single union, Howard H. Rediger, executive secretary of the Toledo CIO Council, is a member of Local 12, UAW, and became an international representative on Richard Gosser's staff in 1948. Gosser was then UAW regional director; today he is a vice-president of the UAW. In our opinion, he is an example of one of the two tendencies inside the Reuther group.

And now, a look at the Toledo CIO Yearbook.

After reminiscing about the militant struggles to build the union, it continues:

"Times have changed. From the crude and regrettable beginnings, labor-management relations have progressed to the point where no city

in the United States of America can boast the enviable collective-bargaining relationship now enjoyed in Toledo.

"Instead of name-calling and brick-tossing, we sit around the conference table and discuss not only our differences of opinion but ways and means of helping each other, of working as a combination, to the mutual benefit of labor, management and the public.

"Gone and forgotten in this industrial-relations evolution are outmoded methods both sides employed in the early days. We are smarter than that. We have learned the simple lesson of getting along with one another. We want to work together. Our history is evident proof that we have done an admirable job of co-operating. . . .

"While others wrangle about this and that, we shall continue to exercise the Toledo prerogative of negotiating the problems that face us because in this procedure no one loses anything while we get together. . . . There is a magic word which has made possible the greater portion of our success. That word is 'unity.' We get along with each other, we get along with corporate management seeking to achieve harmony, and we get along with the public."

IT WAS ALL A MISTAKE

Naturally, it is "regrettable" that the workers had to fight off scabs, militia, tear gas and thugs in order to build their union, and doubly "regrettable" that many men died in

the process. But what does the absence of these "regrettable" conditions at this moment teach us? Simply that when the workers themselves are militant; ready to meet fire with fire to defend their legitimate rights, they can be victorious and can compel the employers to recognize the union.

The Yearbook concludes, however, that the whole business was a mistake. If only they had "learned the simple lesson of getting along," the bosses and the workers could have avoided the messy misunderstanding . . . for after all, "unity" between the employers and the workers is desirable and possible.

The labor movement today is very powerful, too powerful for the employers to beat back with the old "regrettable" methods, although in more and more cases we hear about the use of injunctions and police violence against the union.

The capitalist class, no different in Toledo than anywhere else, is now carrying on a political attack on the labor movement through its two parties.

The conservative tendency in the Reuther group glorifies the reputed harmony of interests between the workers and their exploiting employers. But the rank and file and the progressives in the UAW who put Reuther into office after the GM strike know that this "harmony" is a futile dream. Only those who are asleep while political and social events whirl about them could take these reveries for reality.

Readers Take the Floor . . .

Berlin's Crisis

To the Editor:

There are three causes which brought about—which, indeed, had to bring about—the economic crisis in Berlin. First was the blockade of Berlin which halted production at numerous enterprises, thereby obliging the city to support those who worked there. The enterprises themselves received the "blockade help" which is to be repaid after three years.

Secondly was the division of the city—instigated by the Stalinists—into a Western Section, comprising about two-thirds of the city, and an Eastern one of about one third. Thereby the Western part was forced to take over numerous functions which ordinarily would have to be borne by the entire city.

Thirdly, the "second" currency reform, according to which the Westmark was designated as the only valid means of payment in West Berlin, also had its share in causing the crisis. Now the municipal council had to pay for everything in the high-value Westmark, whereas previously it had been using the low-value Eastmark. The same holds for the borough administrations.

The estimated budget for Berlin which, according to law, was submitted

by the municipal council to the Western commandants of Berlin, resulted therefore in a deficit of several hundred million marks. It was not right, however, that the commandants should thereupon decree, without a moment's hesitation, that the budget would have to be cut by more than 250 million marks at least.

First of all, the idea of democracy and self-administration which should be upheld is thereby discredited. Secondly, it is precisely by means of a deficit policy on a grand scale that unemployment, with its lack of buying power, can be fought—witness what is happening right now in the United States. Nor is it understandable why the contributions for Berlin from Western Germany should have been cut 110 million marks at this very moment, and those from the Allies 400 million marks.

The Berlin city councilmen will now go ahead and cut their economic plan as ordered. For the commandants have the formal right to supervise expenditures. Unfortunately, there will be many and important victims of this cut. The school system, also, will have to suffer. Many teachers will be dismissed. The number of pupils per class will be increased. In the future there will be one teacher to 60 instead of 50 pupils. Numerous employees of the city administration will also be dis-

missed. This will be very hard on them, since right now it is especially hard for white-collar workers to obtain jobs. However, in case one has the older employees in mind, who would soon be receiving a pension or old-age insurance anyway, the savings gained thereby would be only very slight.

The real solution to Berlin's economic crisis is entirely different. To achieve it, it is above all necessary for the Western Allies and Western Germany to bear in mind continuously that Berlin is not fighting the fight for freedom, the fight against Stalinism, for itself alone, but for Western Germany and, indeed, for the entire Western world. Once this has been recognized and aid extended in allaying the needs which have arisen out of this fight, the crisis can be easily solved.

Berlin needs two things: credits and raw materials (no finished products). With the help of these two things she would be able to reintegrate her unemployed (who now constitute 10 per cent, as opposed to the 3 per cent in Western Germany and the USA) into the productive process. Berlin would once more be able to produce and sell, even for export. In this way the city of Berlin would slowly regain its former wellbeing.

F. N. Berlin.

Against Company Rule

C. B. Randall, president of Inland Steel, walked to the steel fact-finding board about the intervention of the Federal Mediation Service into his dispute with the union:

"I felt that I had been let down. I felt that something on the outside had come between us and the honest desire of our workmen to come to an agreement."

"Something" had indeed come between Randall and his workmen but it wasn't just the mediators. Inland had fired several hundred workers for committing a misdemeanor which, according to the union contract, was no cause for discharge: these workers had been so foolish as to reach the age of sixty-five.

Workers Have Not Shared in Record Profits --

(Continued from page 1)

United States. So now they are strutting their stuff.

UNION GIVES THE FACTS

The union presented its case to the board first. It was based largely on the report of the union's economic adviser, Robert Nathan. The points made by the union to prove that the companies can pay its demands can be summarized as follows:

Costs to the steel industry are lower, while prices are higher than before the war. All along prices had been raised more than was needed to offset higher costs of labor and material. In the first half of this year, 1949, the cost of fuel oil and of all important raw materials fell enough to pay the 30 cents an hour wage increase asked by the union. Profits, the union claims, would not suffer by the 20 cents increase because of this lower cost of raw material.

In the words of Economist Nathan: "Material and labor costs have fallen almost 15 per cent in the last six months. Yet bar-steel prices have remained virtually unchanged. This pattern can certainly not be characterized as a healthy adjustment. . . . Historically and currently the steel industry has resisted price declines. There is no basis for confidence that failure to increase wages in the steel industry will have any other effect than to add to its already huge profits. In other words, the windfall of lower costs will merely augment already swollen profits."

STEEL PROFITS AHEAD

The union pointed out that profits in steel increased far more rapidly than those in manufacturing in general. From 1946 to 1948 profits in all manufacture doubled, while in steel they increased three and a half

times. In the first half of 1949, with profits elsewhere going down, steel profits rose to new heights. The profits for 1949 are going to be far above the high of 1948 and two and a half times the huge wartime take. The profits for the first quarter of this year constitute a 15 per cent annual rate of return on investment, whereas a return of 6 per cent to 8 per cent is considered very good.

The union holds that the steel worker has not shared in the profitability of the steel industry. While the productivity of the steel worker has risen 50 per cent in the 1939-49 period, the buying power of hourly earnings has increased only 14 per cent. Against the 14 per cent increase the return of the industry on investment skyrocketed 165 per cent, making allowances for price changes. Furthermore, in this industry where profits rose much more than in manufacturing as a whole, the wages of steel workers went up much less than in manufacturing in general.

Arguing for a social-insurance program, union spokesmen dwell upon the inability of workers to pay for sickness emergencies. Philip Murray quoted the American Medical Association "which is not noted for its progressiveness," to the effect that in 1939 an annual income of \$3,000 was not adequate to enable a family to pay for the costs of a major or chronic illness. Since the value of the dollar has declined, a family today would need more than \$5,000 to have the same spending power that \$3,000 gave in 1939.

THEY TREAT MACHINES BETTER

Eighty per cent of the families of this country earn less than \$5,000 and would consequently have difficulty in meeting the costs of a serious or prolonged illness. Needless

to say, almost 100 per cent of the steelworkers in this country earn less than \$5,000.

The pension expert testifying for the union on its demand for a pension plan of \$125 a month for workers retiring at age of sixty-five, underscored the lack of old-age security in the industry. For instance, since June 1947 United States Steel retired 722 workers, of whom 384 received no pension payments at all. In United States Steel the average monthly payment is \$9.35, while some of the companies do better. The \$21 and \$31 a month paid by Bethlehem and Jones & Laughlin respectively are still pittance. Republic Steel pays none at all.

In contrast, the chairman of the board of directors of Republic Steel will retire on a pension of \$63,815 a year, and Benjamin Fairless of U. S. Steel will worry along on \$70,323 after retirement.

"The time has come," declares the union, "for the industry to stop treating its machines better than its workers!"

This is the case of the union and it will enable the reader to properly evaluate the case of the companies. It will become clear why Murray burst out with his characterization of the steel magnates as "the most sanctimonious band of racketeers I ever saw in my life."

THE TYCOONS RAVE AND RANT

The first witness for the companies was Clarence Randall, president of Inland Steel. His abusive and angry exaggerations were directed against President Truman's proposal for the fact-finding board. Here is the cream of Randall's crop: "By doing so [President Truman] has declared himself as favoring a new social order . . . Collective bargaining has

been destroyed. It has been repealed by the president . . . [It] would commit us to boards and government wage-fixing forever . . ." Randall also raged against the union's "global strategy" and declared that Murray "possesses the power to induce the president of the United States to take extra-legal action at his request."

This diatribe against the fact-finding board is at first hard to understand. Such boards have been used to avert or to break a strike for many and many a year. The recommendations of such boards never, never grant the union's demands. In this case the composition of the board is certainly not unfavorable to the companies.

The chairman, Carroll S. Daugherty, was Wage Stabilization Director of the War Labor Board when the obnoxious "Little Steel" formula was clamped down on wages, and labor had no love for Daugherty. David L. Cole, a second member of the board, is a lawyer, son of a Paterson silk manufacturer, has acted for the Silk & Rayon Manufacturers Association, considers himself a "genuine middle-of-the-roader." The United States News & World Report says Cole "is counted on by industry to exercise a restraining influence on the board." The third board member is Samuel I. Rosenman, famous as President Roosevelt's adviser and reputed to be a New Dealer. However, we saw time and again how the prince of New Dealers himself, FDR, sold the workers down the river in a strike situation. So why not his disciple?

METHOD IN THE MADNESS

Why then have the captains of steel gotten so excited over this time-honored procedure for breaking

strikes? Ira Mosher, ex-president of the National Association of Manufacturers, cast a bit more light on the subject because he made his language more definite. He too raved against "the tactics of those who are trying to bring about a complete totalitarian state."

But he also stated clearly that the president should have allowed the Taft-Hartley law to operate. Further, he openly declared: "We have consistently and with all the vigor at our command opposed industry-wide bargaining." Motives are clear now. By "global strategy" Randall of Inland Steel means industry-wide bargaining.

Yes, NAM is opposed to the union's fight against a fragmentation of their forces, and NAM always has been. It also becomes apparent why Inland Steel was willing to negotiate with the union while U. S. Steel refused. The objective was to deal a blow at industry-wide bargaining, and NAM and the steel industrialists were counting on T-H to help them beat the unions. Therefore their ire; therefore their shouting about "totalitarian wage-fixing"; therefore their accusations of "extra-legal action."

Perhaps we find here also the motivation of the union in accepting the proposal of the president for the fact-finding board. The principle of nation-wide bargaining is thereby acknowledged, and for the present the T-H Law has been circumvented—both of which points Mr. Truman no doubt stressed to the union leaders.

UNIONS WANT IT NOW

Against the economic arguments of the Union, the companies' representative claimed that the profit picture painted by the union is false.

They asserted that the business recession that started in other industries hit steel later. They sought to show that profits in steel fell at a faster rate than the decline in the volume of business and stated that there was a 25 per cent drop in profits for the second quarter of 1949 when production fell from 101 to 91 per cent of capacity or only 10 per cent.

Robert Nathan claimed for the union that the steel industry could grant 10 cents an hour and, operating at only 80 per cent of capacity, would still net the record high profits of 1948; or it could grant 20 cents and, at a 90 per cent operating capacity, would net twice as much in profits as during the war. It must also be pointed out that no one really expects more recession at the present time and the question must be asked the steel industry: "When should the working people put in their demands for a better life, with a bit more now and a bit of security for the future—when, if not when profits are at their height? Will industry come across during a depression?"

There was considerable dispute between the union and the industry as to the point of operating capacity at which the industry breaks even and profits begin. The union claimed that at June 1949 prices, wages and material costs, the break-even point of the industry would be at 32 per cent of capacity, that if wages were increased 20 cents an hour the break-even point would be at 42 per cent of capacity, and if the 30 per cent an hour demanded by the union were granted the break-even point would be at 48 per cent of capacity. A spokesman for the industry countered that the break-even point for his company was 60 per cent of capacity

at 1948 figures for wages, prices and material costs.

"CHRONIC AND INSATIABLE"

The fact-finding board is to make its recommendation to the president by September 15. Industry spokesmen have tried to impress the board that "The issue facing the country and this board is: Does America want more inflation?" If this is the issue, then it is so only because the profit-bloated steel companies refuse to increase wages out of profits, and insist on raising prices instead.

If capitalist industry cannot, at the height of its prosperity, give workers earning between \$50 and \$60 a week a modest raise of 12½ cents an hour, if it cannot provide some backlog for its workers against ruinous illnesses, if it cannot assure them some small measure of old-age pension security such as the \$125 a month asked by the steel workers' union, then it must make way for another system of production—not by any means the "totalitarianism" with which the industrialists now try to scare children, but a system of full industrial and social democracy.

When the president of Bethlehem Steel Corporation self-righteously states that the requests for higher wages "have become chronic and insatiable," it is time to take note that the insatiable profitmakers are forgetting that the human being will getted never cease in his struggle for a better life.

Excelsior!

There's a new machine being tested that's supposed to be able to dig a grave in thirty minutes flat.

You see how the atomic bomb inspires Progress.

YOUTH and Student CORNER

By JULIUS FALK, National Secretary SYL

Academic Freedom at Issue in Brooklyn College

Students returning to Brooklyn College this fall will be faced with the task of regaining and extending democratic rights which have been lost as a result of an administration offensive last term. This offensive culminated in the suspension of ten prominent student clubs—the aftermath of an unsuccessful “class stoppage.” This Stalinist-led stoppage and subsequent suspension of various student clubs, however, were preceded by a series of provocative administration acts.

Here are some of the more important examples of administration tactics: (1) The administration, true to form, enforced its reactionary policy of not allowing individuals “under judicial review” to speak at clubs; this policy, in effect, accuses the indicted of being guilty before the verdict is handed in.

(2) The legal basis for administration censorship of the student newspaper, The Vanguard, was established.

(3) The administration arbitrarily cancelled student elections to the Student Council.

(4) Eight students were suspended in the course of the semester for violating some of the more vicious administrative strictures, thus helping to create a witchhunt atmosphere on campus.

Stalinists Sought Martyrdom

The “class stoppage” revealed most vividly the social and political forces at work on campus and, unfortunately, in addition, the reactionary and impotent character of most of them.

On April 1 the Stalinist-controlled Karl Marx Society openly violated the administration ban on indicted speakers by sponsoring an off-campus rally at which Henry Winston, organizational secretary of the Communist Party, spoke. The meeting was held despite administration threats of “suitable actions” being taken against them if they did so. Consequently, the club was suspended for the remainder of the term and three of its officers were suspended for a day. The suspension of these students was motivated, in part, by the vindictive desire to note the suspensions on their permanent college record cards which, in turn, is guaranteed to hamper seriously the careers of the students involved.

The week following the Stalinist club's suspension witnessed the utter irresponsibility of the local campus CP hacks. A series of “spontaneous” and unauthorized meetings were held on various parts of the campus, consciously designed to violate as many college regulations as possible and to give a more than willing administration a pretext for cracking down on the Karl Marx Society and its leadership. The Stalinists were seeking martyrdom in order to make political capital on campus; to compensate for their previous failures at Brooklyn College; and as part of a broader Stalinist student policy of distracting attention from Russian tyranny and building a political tie-up with the trial of the Communist Party leaders.

The Brooklyn College Stalinists acted in a consistent fashion: they functioned in such a manner as to alienate organizational support from non-Stalinist clubs, thereby posing as the unrivaled fighters for student rights. Unfortunately, a large number of students, reacting against the Stalinists' tactics, supported the administration. The failure of the Stalinists to arouse widespread sympathy for their suspended organization and members facilitated the administration's suspension of four more students, its censorship of The Vanguard and the postponement of Student Council elections.

Student Council Capitulated

Despite their isolation, the Stalinists initiated a “class stoppage” as a means of protesting the suspension, censorship of The Vanguard and postponement of the election. At this point, the militant socialist clubs on campus decided not to support this hoax, which was certain to become a small Stalinist propaganda meeting, obscuring the issues at stake. However, immediately following the call for a stoppage the Student Council (an anti-Stalinist body) endorsed the proposed action and a Student Council committee was elected to lead the stoppage. The Stalinists presumably subordinated themselves to this committee, which had an anti-Stalinist majority. With Student Council endorsement it might have been possible to take control away from the Stalinists and guarantee a broad united front with large student support. Following Student Council endorsement, some of the more militant clubs on campus announced their support of the stoppage.

The non-Stalinist stoppage leaders, however, were without any real conviction and most of them were without any real understanding. This estimate of the non-Stalinist student leaders was proved with dramatic force on the day before the scheduled stoppage. At that time these student leaders resigned from the committee which they controlled (!) in response to an administration offer to “compromise.” This abdication meant, in effect, that the Student Council no longer endorsed the stoppage. The remaining non-Stalinist clubs were forced to withdraw support for fear of being swamped in what was once again an almost exclusively Stalinist demonstration.

Needless to say, the stoppage was a miserable failure: only a hundred and fifty showed up. This fiasco made it just that much easier for the administration to suspend ten organizations, including two militant socialist clubs. These latter clubs were suspended even though they too were forced to withdraw following the withdrawal of the anti-Stalinist student leaders.

Administration Feeling Its Oats

The members of the Socialist Youth League who are active in Brooklyn College politics, though critical of the Stalinist tactics, never identified their methods with the legitimacy of the issues involved. The grounds on which the administration originally suspended the Karl Marx Society (prohibiting indicted persons from speaking) is in the worst style of totalitarian judicial policy. Also, the reasons given for the suspension of individual Stalinist students could well be applied by the administration to genuinely militant students.

The Brooklyn College administration, headed by its publicity-hungry President Gideonse (of New Leader fame), is beginning to run amuck. It will be the responsibility of all progressive clubs at BC to combat this witch-hunt and the special responsibility of the socialists on campus to demonstrate the possibility and need for vigorous student action unhampered by Stalinist disruption.

Eugene MARTEL (Brooklyn College)

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WORLD POLITICS

A new national state has been born—the Federal Republic of Western Germany.

True, it is not yet a fully independent, autonomous national entity; true, it is still occupied by foreign forces and their administrators; true, one third of the country is cut off and isolated from the other two-thirds. But, nonetheless, nothing can negate the fact that the German people are marching steadily toward the national reunification, liberation and freeing of their entire land from the forces of occupation.

Within the framework of the so-called Bonn Constitution—a document never submitted to popular approval and drawn up by hand-picked delegates who arbitrarily left a whole series of prerogatives to the occupation authorities—a general election has been held throughout Western Germany. Contrary to predictions before the elections, 80 per cent of those eligible voted and thereby indicated that they wanted their representatives to assume responsibility—even the limited and qualified responsibility—placed upon them under the Bonn Constitution. Even the Bonn Constitution was considered a partial step on the road to ending the totally unpopular occupation of the country.

STALINISM DRIVEN BACK

As is well known, every single party in the Western zones campaigned on an anti-Allied, end-the-occupation program, expressed in one or another way. Not a single party or its spokesmen had a kind word to say for the occupation! In this sense, the election results may be considered a solid 100 per cent vote, on the part of the 24 million Germans who participated, against the continued occupation of their country.

Stalinism, and the threat of the Russians have, thanks to the heroic efforts of the Berlin people, been temporarily crushed and driven back. Those in Western Germany who were inclined to tolerate the occupation as a “necessary evil” to be used against the Russians no longer feel this way and have taken this first opportunity to express their attitude toward their “own” occupation forces. Their verdict is a unanimous condemnation, and the expression of a desire to end all and any form or shape of occupation as soon as possible.

It should be understood, of course, that the Allies themselves have recognized that the old form of occupation of last year—the post-war occupation based upon military might, troops, decrees by military government officials, etc.—is now a thing of the past. An effort is under way to modify the occupation drastically, give it a more presentable shape and form by forming a bloc between the Allied forces and the most conservative forces in Germany itself. This will undoubtedly be the major problem of the future.

There are other broad meanings to be drawn from the election results. First and foremost, the German people stated their desire to form a new national state and served notice they will not be satisfied with the truncated, semi-independent kind of state the Allies have permitted them to have. They are marching on the road to a new political life and a new unification.

Secondly, the campaign itself indicated the true “esteem” in which the Allies are held. Thirdly—and perhaps most significant of all—Stalinism was administered its most severe and thorough trouncing since the end of the war. The German Stalinist party was literally swamped in an avalanche of anti-Stalinist and anti-Russian votes and ended up with not even six per cent of the total ballots cast! Stalinism, polling a bare 1,360,000 popular vote, was liquidated in the workers' Ruhr areas and not even one Stalinist won a popular

election! Nowhere else in Europe has such a thorough thrashing been administered to this reactionary force.

WORKERS SUPPORT SOCIAL-DEMOCRATS

In examining the actual election statistics, it would be wrong to draw hasty conclusions as to their significance. Bigger issues than party programs and party policies were at stake, together with the fact that none of the parties, without exception, commands popular respect or esteem. The American press is attempting to wrest some comfort from this anti-occupation election by pointing to the victory of the conservative parties with which—so they hope—it will be comparatively easy to work. Yet even this victory was not so great as may be thought, even though it must definitely be recognized that rightist and even reactionary parties won a popular majority.

In the final election returns, the Christian-Democratic Party received a plurality vote of 7,357,000, while their close allies with whom they will form a coalition government (the Free Democrats) got almost three million votes. The German Social-Democratic Party received a popular vote of seven million (30 per cent of the total), which is a disappointment, even though it was an almost solid working-class vote. It had been hoped that this party would receive the largest popular vote. Nevertheless, the fact is indicated that great masses support the Social-Democratic Party and that the German labor movement has taken great forward steps in the difficult job of reorganizing itself.

One of the distinctly unfavorable aspects of the election is the large popular vote received by clear-cut reactionary, neo-Nazi, anti-Semitic and provincial organizations such as the Bavarian Party, the German Party, etc. Together, these revivals of Nazism and all that is reactionary in the German body politic received the surprisingly high total of almost 2½ million votes, or over 10 per cent of the total. The fact remains that large and powerful segments of the German population, centered in Bavaria, retain their most vicious Hitlerite beliefs and express them on every possible occasion. This is but another indication of the failure of the occupation.

PEOPLE WILL DEMAND INDEPENDENCE

Now with the elections over and the formation of the new state scheduled for September, a new phase in Germany's history will begin. The new government will be conservative, if not reactionary, and is very subject to church pressure on many fronts. The Allies hope for peaceful collaboration with it, and America has promised an even greater flow of Marshall aid. It is clear that American imperialism looks for the even more rapid revival of this new German state as its real bulwark against Russian imperialism.

But the German Christian-Democrats will demand a price for falling in with this bloc conception of the occupation. They will demand increasing autonomy and independence, particularly in economic, trading and commercial fields. And within Germany itself there is the revived voice of the German working class, pressing for its just place in the reconstruction of Germany and demanding fulfillment of its many economic and social demands.

This new German state now in process of birth will certainly be a lively and energetic arena for political life. In this respect, the election and its results continue that development which has been increasingly apparent over the past year: the transference to Germany of the center of political and social life formerly centered in France.

Henry JUDD

Tito-Stalin Flare-up--

(Continued from page 1)

has made little headway in this direction and that such Cominform cells of disaffection as exist cannot possibly be looked on by their masters as challengers for power in Yugoslavia. The strident tone of the new Russian attacks on Tito may herald something, but not this.

The fact is well known that the weapon of internal organization for revolt has been one of the two main lines of attack by the Stalin-Stalinists but that it has been the subordinate one. Russia has hitherto put its main hope in the ECONOMIC strangulation of Tito's Yugoslavia.

And if “educated guesses” have to be made about the current exchange of threats and insults, they have to be made on this background. It also leads to the least fanciful explanation of the flare-up at this time.

(1) The Russian blasts were triggered not by any planned initiative of its own but by the U. S. grant of a \$3 million steel mill to Tito.

(2) Russia's blasts are not primarily designed to impress the Yugoslavs behind Tito but are aimed at intimidating its branch agents in the other satellites.

The U. S. decision to let Tito have a steel mill, which does not seem to have impressed most of the observers as sufficient in itself to precipitate the Kremlin outburst, is the most impressive success for Tito since his break with the Cominform. This, so to speak, is what Tito has been waiting for.

We have explained elsewhere (in The New Internationalist last year) why the basic cause for Tito's split is to be found in the conflict between the Yugoslavs' paramount aim of industrializing the country, and the Russians' stubborn opposition to such industrialization. Suffice it to recall at this point that in January of 1949 Tito publicly disclosed that this was indeed the specific cause of the break.

Russia replied by shutting off the flow of essential trade between itself and its satellites and the rebellious Titoists, in order to bring them to heel precisely on the field which caused their break in the first place—industrialization. Desperately needed machinery, tools and raw materials ceased to go to Yugoslavia. The Yugoslav leaders have been explicit in declaring that the ability of the Tito regime to survive depended on its success in its economic plans. And throughout 1949 the Yugoslav Five Year Plan has been in desperate straits.

What Tito could no longer get from the East he had to get elsewhere if he was to survive—and that meant from the United States. Behind the continual Russian accusation that Tito was “capitulating to capitalism” was the fact that the question before Tito was: Would the West give the necessary economic aid to Belgrade as long as Yugoslavia maintained its line of political independence from the Washington bloc and maintained its bureaucratic - collectivist social structure intact from concessions to private capitalism?

WASHINGTON SAYS YES

The steel mill signifies that the answer is a provisional yes, on the basis of a high-level policy decision by Washington. It signifies—not that Yugoslavia's economic problems are solved or that Tito's vaulting ambitions for a modern industrialized Yugoslavia are assured—but that he has as much chance of achieving a sufficient measure of success as he would have had if Moscow had supported his industrial plans; maybe more.

It is to be assumed that the one steel mill is not the last thing the Yugoslavs will get. Washington, to be sure, has taken this step, after more than a year of hesitation, out of no charitable inclination and out of no love for the economy which Tito is trying to build in the image of the Russian totalitarian and staffed system—an economy which has no resemblance to socialism but which is as exploitive and oppressive as the private capitalism it supplanted.

For Washington, even Tito's brand of Stalinism is a lesser-evil pawn in the cold war against its major antagonist, Russia. In this world context, Titoist splittoffs from Moscow's empire can expect economic aid without being forced to reconcile themselves to the re-establishment of capitalist property in their domains—not today, at any rate. Tito has succeeded in maneuvering his way between the U. S. - Russian antagonism without sacrificing his own social base.

SATELLITES ENVIUS

As a success for Tito on a fundamental field, the same development removes one of the grounds for hesitation on the part of other satellite figures to follow in his footsteps, since to a greater or lesser extent all of them are pulled by the same nationalist - Stalinist tendencies which were able to come to a head first in Yugoslavia. This is what Stalin is most deathly afraid of.

The blasts from Moscow, more than ever, can have little effect on the Yugoslavs themselves. They had already burned their bridges. As if to symbolize the fact that the Russian notes are only formally addressed to Belgrade, the especially violent one of August 20 was delivered by the messenger of the Russian embassy to a charwoman in the Belgrade ministry of foreign affairs at five in the morning. The violence is intended as a warning to the Bulgarians, Hungarians, Rumanians et al. who, while dutifully repeating the Cominform anathemas against Tito, have been secretly hoping that he would show them the way in spite of all.

In the first big counter-demonstration against the Tito success reported from the satellites, a rally of select CP functionaries in Bucharest, the main cry raised against Tito (by Rumanian Vice-Premier Gheorghiu-Dej and Russian Marshal Voroshilov) was that he is “plotting to set ablaze the Balkan powder keg.” This is true, but the new powder in the old Balkan powder keg is Titoism.

On the same day, August 22, the Moscow correspondent of the N. Y. Times reported: “Dispatches published in the past few days (in Pravda) have reported ‘subversive’ agents of Marshal Tito at work in some Eastern European countries including Czechoslovakia and Rumania.” As a matter of fact, it can be added that Tito's main target for infiltration is still Bulgaria.

The question mark before Stalin now is not what he is going to do about the Yugoslavs. These thorns in his flesh are going to be feeling more bumptious than ever, unless snags and obstacles develop in respect to further economic relations with the Western seat of power. (And these are far from out of the question in view of the tortuous line of Washington's handling of any foreign-policy question which passes the limited understanding of the far-from-politically-intelligent bureaucrats in that city.)

The big question mark for Stalin right now is how to handle the envious satellites. If there ever was a safe prediction about Eastern Europe—a doubtful proposition at the best—it is that the next period will see a stepping-up in the purge tempo among Tito's neighbors. Stalin has threatened that Tito's head will fall, but there are some others that will fall first.

HOOVER

BACK AT THE OLD APPLE STAND, PEDDLING REACTIONARY POLITICS

By LARRY O'CONNOR

Former President Herbert Hoover has just celebrated a birthday. This happy milestone in the life of the old man was the occasion for a speech by himself at Stanford University, and for an outpouring of admiration and well-wishes from the press of the country.

As I read the fulsome praise of the press I was, at first, a little puzzled. I was puzzled at what seemed to me the shortness of the memory of men. But then it occurred to me that the editorial writers don't have a short memory at all. Most of them were for Hoover when he was president, and for the policies of Hoover after he had been retired by the public will. And, it seems from his speech, that, like the old Bourbon monarchy, Hoover has learned nothing and forgotten nothing in all the long years of his life.

The chief burden of Hoover's birthday speech was to bemoan the fate of our grandchildren, who will be loaded with the cost of our present government expenditures. If the government keeps on spending, they will have to pay the bill. And if the public gets accustomed to accepting the benefits of government spending, our grandchildren will not only lose their shirts but their liberties as well.

The “Hoover Boom” and the Grandchildren

I don't know how you feel about it, but to me as to millions upon millions of American workers the name of Herbert Hoover is associated above all with one historic event. To this day the great depression which lasted from 1930 to 1940 is called by many workers “the Hoover boom.” They will never forget the man who promised them two chickens in every pot and a car in every garage, and as they stood in the relief lines and saw their homes and cars and furniture repossessed by the finance companies kept assuring them that prosperity was just around the corner. They will never forget the “Hoovervilles”—the last residences of the completely destitute.

As I read Hoover's speech, it seemed to me that he is determined not to let us forget another symbol of the depression—our famous grandchildren. Throughout those dark years, every demand for relief for the living was met in the public press by walls of grief over the fate of future generations. The WPA and housing and all the measures of the Roosevelt administration, though pitifully inadequate and designed to organize poverty on levels just high enough to keep the unemployed politically in line, were denounced for robbing the poor of their liberty while placing the burden of relief on the shoulders of our grandchildren.

Then came a number of years during which the grandchildren were no longer mentioned by the public press, at least not in this connection. These were the years during which the national debt soared from seventy-five billions to two hundred and fifty billions—when in the space of two weeks a Congress which had fought over every million for the unemployed voted one hundred billions each for the army and navy in contract authorizations.

Of course, that was wartime. Neither Hoover nor the newspapers raised their voices against the military appropriations by invoking the shades of the grandchildren who would have to pay the bill. It seems that all of them agreed that killing people was much more important than keeping grandchildren free of excessive debt.

But no sooner is it again a question of appropriations for housing or public works or schools or the unemployed—that is, appropriations to alleviate the worst sufferings brought about by our topsy-turvy economic system—than Hoover and the press which has always supported his views again find the fate of our grandchildren to be the most pressing problem before us.

As Long as He Makes Speeches . . .

The other night I saw a newsreel which depicted episodes in Herbert Hoover's life and ended with a short talk by him. Movie theaters are one place in America where political demonstrations are regarded as perfectly normal occurrences. I was quite amazed to hear a fair scattering of applause as Hoover's benign face was flashed on the screen, as I could well remember the day when boos and catcalls completely dominated the Hoover political demonstrations.

I looked around and noticed that the theater seemed full mainly of youngsters in their teens. To most of them, stories of the depression are like stories of the First World War to me, or stories of the Spanish-American War to the previous generation—just the reminiscences of old-timers. They were clapping either for what the newsreel narrator had described to them (a “great American”) or for some vague idea that Herbert Hoover stands for cleaning up the government bureaucracy.

But as long as the Hoover boom lives in the memory of living Americans I doubt very much whether all the efforts of the press and the newsreel narrators combined will be able to convince the workers that Hoover was or is a great statesman who has been sadly misunderstood. In any event, as long as Hoover continues to live and make speeches he will make it quite clear to all who have ears to listen that he wasn't misunderstood and that he stands now as ever for the same thing: the interests of the wealthiest and most reactionary section of the population.

Here's Info for SYL Summer Camp

Final arrangements for the National Summer Camp of the Socialist Youth League have been completed. As previously reported in LABOR ACTION, the SYL Camp—featuring educational and recreational activities, good food and other ingredients of an enjoyable and interesting week—will run for one week in September.

The camp will begin with the evening meal on Sunday, September 11, and will end the midday meal on the following Sunday, September 18. This will give the out-of-town comrades all day Sunday to reach the camp, get established with their quarters, and become oriented. The encampment must end at noon in order to give the comrades and their guests the necessary time to reach Chicago.

The encampment will total seven days and nights. The total cost will be \$25. This will include food, sleeping quarters, etc. The charge will be by the day and meal. If for some reason a person must leave the camp temporarily or terminate his stay early, he will receive a refund for the meals missed.

LET US KNOW YOU'RE COMING!

Finances will be handled by the SYL Camp Committee in order to save the comrades the trouble of dealing with the camp management separately. The rate for the weekend, which includes Friday night (no meal) and the rest of Saturday and Sunday, will amount to \$7.50. We repeat: Send in your \$5.00 deposits as soon as possible!

Hitch-hiking from Chicago is both easy and pleasant. The camp is 50 miles from Chicago and the trip takes about two hours. Out-of-towners should phone Barry at Dorchester 3-4644 if they reach Chicago on or before September 1; they should phone Don at BUTterfield 8-9298 if they arrive after that date.

If one goes by train, he should get off at Genoa City. There will be a car waiting at the station to take people into the camp. The camp is the RECREATION CAMP, GENOA CITY, WIS., located on Route 12. There will be cars on hand in case anyone should wish to go into Chicago during the week.

The camp management are socialists and are prepared to cooperate with us in every way possible. The SYL will have the camp entirely to itself that week. To date we are sure of an attendance from St. Louis, Chicago, Detroit, Buffalo, Pittsburgh, West Virginia and New York.

All comrades will be located in the same area. The rooms are airy and clean. The food is good. There will be three square meals a day at regular and stated intervals. The food is served cafeteria style. There is an ice cream and soda fountain in the dining hall, as well as a well-stocked bar.

We urge all comrades and friends to inform us as soon as possible as to their intention to come to the camp.

Next—A Labor Party!

by Jack Ranger

A Hard-Hitting, Meaty, Simple Presentation of the Need for an Independent Labor Party

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At a Turning Point in the Chinese Bureaucratic Revolution—

New Change in Stalinist Line Is Due in China

By JACK BRAD

A turning point has been reached in the Chinese bureaucratic revolution. Recent events have forced the hands of the new rulers. They are now in the process of accelerating a change in policy which they had expected to accomplish gradually, or as Mao Tse-tung never failed to emphasize, "by stages."

Several events beyond the control of the Communist Party have altered the situation. First, the Kuomintang blockade has been extremely effective. It has rendered helpless the great cities of the Yangtze Valley and has made Shanghai a burden instead of an asset.

Second, the great river floods have produced a food shortage, not only in Central China and its cities—but in North China as well. This in turn has affected social relations in the villages and undermined Communist strength, particularly in Central and East coastal provinces.

Third, U. S. policy has perceptibly hardened. The KMT blockade is being respected in spite of formal protests and it is probable that Washington has pressured London into acceptance of the situation: consequently foreign trade has dried up.

The combination of these developments has limited the initiative which the CP has held. To date it has been able to determine pace and circumstance to a very large degree because all of its policies, social and political, were organized around the single axis of the military conquest of power.

Labor "Honeymoon" in Shanghai

This phase is now over in two-thirds of coastal China and Manchuria. What is more, victory in the South has become a necessity imposed by the blockade and the floods. The time schedule has been upset. Administrative training schools have curtailed courses and students have been ordered into the "take-over" corps without completing indoctrination studies.

The terrible flood of the central Yangtze this year is the worst since 1931, affecting six provinces and making homeless over 20 million people. Famine, with its inevitable consequences of pestilence and death, is a real threat. Nature has apparently done her worst, for while there is flood in the central provinces, there is drought in the North.

The Stalinist government has increased taxes and revenue in kind in order to feed its newly conquered cities. In fact, it has attempted to woo the workers, from whom the party has been alienated these last 20 years, by tying wages to the rice-price index. This has been done in Shanghai and Nanking as part of the "labor honeymoon," a prelude to integrating the workers into the CP-controlled apparatus. In Manchuria, where the CP is securely in the saddle, such "leniency" toward labor is long past.

In the face of the disaster to agricultural production in the stricken areas, the CP has undertaken not only to feed the cities, then, but also to provide fixed food income of the workers. The resulting squeeze on the peasantry has brought about the first rumblings of revolt in the countryside. The Red Spears secret society has again become active and other groups seem to be able to rally small peasant oppositions. They do not represent threats to CP power by any means but they are straws in the wind whose significance has been grasped by the new ruling class. For while engaging in suppression of every show of discontent, a change in policy has been ordered.

Rich Peasants Have Upper Hand

When the army launched its drive for the Yangtze Valley in March the public manifestoes promised that "the feudal land-ownership system in the rural areas is to be abolished." However, "it must be eliminated only after adequate preparation and stage by stage." In other words, no agrarian revolution which would transform social relations through the activity of the peasants themselves. The stages were to be regulated by the rate of CP consolidation. "The land problem can only be solved after the People's Liberation Army has arrived and work has been carried on for a considerable period for its solution." The nature of the change must not too sharply upset the agricultural system so that all social classes emerging from agrarian reform should own their status to the CP. "Generally speaking, reduction of rents should be carried out first, and land distribution later."

Thus the hinterland of the newly taken cities is still under the traditional semi-feudal structure except that its rich peasants have waxed ever richer as a result of food shortages. Reform by "stages" has now developed into a danger because the swollen-rich peasants are strong and can now resist any change more effectively. They can also demand their own prices. The secret societies are not so much peasant organizations as rich peasant organizations.

Therefore, Lin Piao, Central Committee member, has ordered acceleration of land reform. On July 21, he declared: "In Central China, where industry is weak, the cities at present rely greatly on the villages for their supply of food and raw materials—while feudal influence and KMT secret agents are still very strong in the villages. It is very important that the feudal system in rural areas be overthrown. . . . The central emphasis must first of all be on work in the countryside." (Emphasis in original—J. B.) For a time the emphasis must shift from the great Yangtze cities.

Change in Line Due

However, even where the agrarian reform has been carried out its results have not always been exactly as planned. The basic law of agrarian reform which the CP has promulgated not only retains class divisions in the village but allies the party with the "new rich peasant"—the village Stakhanovitch-kulak. This class, freed from feudal overlordship with its economically depressing burdens, increases production and accumulates wealth so that the tendency toward a "scissors crisis" has already become a major problem in North China where CP rule is less than a year old. From Tientsin on March 24 the official New China News Service reports: "One of the problems still to be worked out is the restoration of a balanced relation between the economies of the city and the surrounding countryside. The purchasing power of the peasants has increased greatly after the land reform and they are able to buy more goods than the old village industries can supply."

Antagonism between the needs of city and country is part of the backwardness of China but has been accentuated precisely by the nature of the CP agrarian program of abetting the "new rich peasant" class. In Central China, where even this reform has been awaiting the readiness of the bureaucrats, those problems are even more distorted and extreme because they still have a feudal form. On top of this, natural disasters of flood and drought have enhanced the position of the rich peasant to a commanding position, while it has brought disaster elsewhere.

It is likely then that the party will attempt to change its relations to the peasantry.

- (1) It will intensify land reform in newly conquered areas as a measure of preventive consolidation.
(2) It will raise taxes in kind, particularly on the rich peasant "ally."

(3) It will begin to tighten up on capitalist elements and change its emphasis to the middle and even poor peasantry to increase its base of village support. These policy changes are indicated from the present growing crisis. However, it is unlikely that anything more than temporary alleviation of the most pressing difficulties will be accomplished.

Industrialization the Real Problem

The real problem that presses even more irresistibly against the new social structure is industrialization. The regime has built up an enormous pressure in the countryside by its "stage" policy and its encouragement of the "new rich" peasants. It has taken them into the CP, given them all manner of prestige and honors, organized congresses of these "labor heroes" and in fact has organized agriculture around them—the rich peasant Wu Men-yu has been made a national symbol like Stakhanovitch and Boussygin were in the first Five Year Plan.

Industrialization cannot be put off or developed slowly with American and British imports, as might have been expected until recently. A new sharp turn is necessary, the first outlines of which are already emerging. It is the peasant and the worker who will be made to pay for a new forced pace. Even lifting the blockade will not change this now.

The march on Canton has become a necessity. For Shanghai and Nanking are useless if the villages that feed them are not tied to them economically. Introduction of the new agrarian reform tempo is intended to integrate the terror. Also the province of Hunan in the Middle Yangtze and Szechuan in the West are the granaries of the great valley. They both produce rich rice surpluses. The present double-pronged drive on Hunan, capital of Szechuan, is intended to relieve food shortages of the coastal cities and secure its continuous flow henceforth. Capture of Szechuan would also eliminate a possible retreat to a "western redoubt" such as Chiang Kai-shek organized during the Japanese war, when he made Chungking his capital.

More important, the conquest of Canton has been made immediately necessary by the blockade. Canton is necessary for the discrediting of the legal status of the KMT government. Once the southeast coastal cities have fallen to Stalinist armies, the CP can claim to be the effective spokesman for the nation. The British and possibly the U. S. as well would grant de facto status; that is already indicated. The way would be opened for Russian satellite de jure recognition.

British Go in for Blockade Running

Most important, the CP would not only deprive the KMT of the physical means of conducting a blockade but by challenging its legal status strengthen its trade position. Finally, it will then be in a position to convene its political consultative conference, out of which will emerge the new CP-controlled national government, and this will be the instrument for obtaining international status. The blockade has hastened the entire development, posing problems sooner than the party was ready to face them.

The chief result of the port-closure proclamation of the Canton regime has been to place a premium of danger on foreign ships attempting to enter CP-held ports. Both the U. S. and Britain protested the order as illegal.

Nevertheless there was a difference in the tone and content of the protests. Washington found many loopholes in the KMT order. But London declared it would use naval vessels accompanying its merchant ships to smash the blockade and placed full responsibilities for consequences with the KMT. For some time the British have seen their opportunity coming with the victory of the CP, which so loudly proclaimed the U. S. as the primary imperialist target. There have been persistent rumors of secret negotiations. The violence of the British note to the KMT would tend to confirm the difference between American and British interests in China. The first ships to break the blockade were all British.

Nevertheless the CP leadership would be guilty of the narrowest stupidity to fail to see the handwriting on the wall. And whatever else it is, it is not stupid. For even if the British do convoy their ships into CP-held ports this will only be a trickle. And the cost of blockade running is notoriously high. The price of goods so obtained will be such a drain as to limit the trade to the most essential and valuable items. No less a person than Chu Teh, one of the top party triumvirate, has declared that preparations must be made to withstand a blockade of eight to ten years' duration.

Stalinist China's Trade Problem

While the blockade brought the matter to a head rapidly it did not create the basic situation of China's difficult and adverse position in international trade. The fact is that China has very little with which to pay for the imports she is able to get. Even before the Sino-Japanese War, in 1936-37, Chinese trade operated at a severe deficit which was overcome entirely by the enormous home remittances of overseas Chinese. This latter source of foreign credits, which do not need repayment in exports, has fallen off sharply and will not again become an important factor in the trade balance. Overseas Chinese will not be able, and very likely will not be willing, to make such large-scale remittances in the future. In the post-war years Chinese trade has operated at a deficit of about \$850 million (if UNRRA is included) out of a total of a little over \$1.1 billion.

The sole basis for an extensive China trade would have to be political subsidies such as the \$2 1/2 Washington granted to prop up Chiang Kai-shek during the past war years. No basis exists for such international subsidies. This analysis applies if the old pattern of trade is maintained by which one-third of China's exports went to the U. S. and even more of her imports came from the U. S. A revamped trade pattern has been projected by the new regime which would reorient China's exports to Russia, Japan and Southeast Asia on a diversified basis. Trade with the West, however, has no economic basis for CP China and still less political reality.

What has China to export? Most of what China exported in 1936, for example, is no longer suitable or has been replaced by other sources or products. After all, China was cut away from trade with the West since 1937, by the Japanese occupation of the seaboard cities. She can still sell tin, wolfram, tungsten and antimony, but these strategic metals are in small quantity and are not so much elements of trade today as strategic elements. In all probability Russia would have first call on them. Even tung oil, a primary export to the U. S., is too small an item and has been replaced. China has raw materials for export in some quantities but not to the U. S. If such comparative giants as Britain suffer from a dollar shortage, the prospects of economic trade of China with the West are extremely limited.

Mao Wants Subsidies

The tendency of Stalinist economic policy is toward withdrawal from the world market. At a time when the Chinese party has embarked on intensified industrialization it has made autarky its watchword; not a complete withdrawal but sharp limitation on imports. The difference between the world market costs and the

higher production costs will be borne by the masses of workers and peasants. What the CP leadership has in mind is not identical with Stalin's program of "building socialism in one country." For as Mao Tse-tung stated in his major declaration of July 1: "Internationally we belong to the anti-imperialist front, headed by the Soviet Union, and for genuine friendly aid we must look to this front and not to the imperialist front." China's industrialization will occur at a political price.

This is the reality behind the new relationship to the U. S. So that none miss the point, Mao said: "We are told that we must do business. Certainly business must be carried on. We are only against our own and foreign reactionaries who hamper us from doing business. . . . We are told that we need the aid of the British and American governments. Today this is childish reasoning. Imperialists still rule today in Britain and the U. S. Will they give assistance to a people's state?"

What Mao is saying is that it is not primarily a matter of "business" but of "assistance" or subsidies. "The CP and also the progressive parties and groups in these countries are now campaigning for the establishment of trade and even diplomatic relations with us. These are good intentions." But they do not answer the main need since the amount of potential trade is so limited.

In the light of the above, several recent incidents become comprehensible, such as the jailing of William Olive, U. S. consular attaché, and a number of other attacks on American representatives. Something new has been added to political harassments with what is fast becoming a campaign against U. S. and British business in China. That the initial attitude of correctness and protection of all such foreign properties has changed is indicated by the Gould newspaper affair, for example. On July 5 all remittances from abroad were halted, directly affecting all foreign business. The Chase National Bank has been ordered closed. Foreign-trade regulations, at first hailed as even more favorable than those of the KMT, have been amended as the authorities have taken ever increasing direction.

"During the past two months the authorities have followed a liberal policy in deference to the general demand of the people," says the Shanghai CP daily. "These provisional liberal policies included measures for encouraging foreign trade and seagoing transport and also lenient policies toward KMT underground workers. However, our liberal and lenient policies were ignored by the imperialists. . . ."

Economic Policy Turns Inward

On July 27 the Shanghai Liberation Daily ran a front-page editorial "instructing all party workers in East China to devote their attention to freeing all economic enterprises of the previous dependence on the outside world." (N. Y. Times, July 28.)

Shanghai, the great port metropolis that carries from one-half to two-thirds of China's trade, is the chief obstacle. Without trade there is no Shanghai. Located at the mouth of the Yangtze it draws from and in turn supplies the economic heart of China, the Yangtze basin with 100 million people. Its huge foreign colonies effectively controlled the city's economic life, organizing it for the needs of foreign profit. The population of the city is now swollen to almost twice its 1940 size, while the blockade has brought both commerce and industry to a standstill.

Two-thirds of China's textile mills are in the city. Given the present shortage of domestic cotton, these mills are dependent on imports, chiefly from the U. S. Today 62 per cent of these plants are idle. The CP now proposes to move large numbers of these factories into the interior, closer to domestic cotton sources. Those that have their own power generators are to be moved first. The huge American-owned Shanghai Power Company

used to operate a diesel oil plant with oil that was 100 per cent imported. It has now been transformed to coal-burning, the coal coming from North China.

To reduce the enormous food supply needed to feed this swollen city of almost seven million it is proposed to redistribute from two to three million people. Cigarette factories, 80 per cent of which are in Shanghai, are to be moved to Shantung in the North; match factories to Hankow in the interior. In their place new plants are to be erected for supplying agricultural implements to the huge agricultural population.

"Because of the current difficulties . . . we are being led to recognize the absolute need for us to rid the old Shanghai in good time of its reliance on imperialism," says an editorial in the Shanghai Daily News of July 14.

Conclusions—a Look Ahead

Such vast economic alterations will bring tightened state control. Although the "alliance" with the "national bourgeoisie" is not yet over, its arena will be increasingly limited under the restricted economy that is being built, and the entire arena of the "new democracy" will be narrowed.

The first cost of these problems is to be transferred to the working class. On July 23 the entire Shanghai press suddenly discovered that workers in many cigarette factories had asked for wage cuts to assist in the emergency. The groundwork is being laid for an attack on the workers' standard of living as the "honeymoon" draws to an end under present exigencies. Such cuts may become a form of pressure on workers to leave Shanghai; hunger is an instrument of Stalinist economic policy.

On the part of the State Department, a harder attitude is emerging. To begin with, policy is no longer based on expectations of an early Chinese Titoism. The recent White Paper not only "wrote off" China but in effect acknowledged extension of the Iron Curtain to China's bordering nations. Washington's China policy will tend increasingly to coincide to its general policy toward Russia and its satellites. De facto recognition, a probability, will not alter this. No economic aid is likely while an economic squeeze is probable.

Certain conclusions can be drawn indicating the changed relationship.

(1) The antagonisms between the U. S. and Chinese Stalinism are fundamental, being both economic and political. An early accommodation is unlikely since no basis exists for it.

(2) Chinese economy is being reorganized to reduce dependence on all imports and certainly on American imports for which no economic basis exists. This will have enormous repercussions. Internally, the state will assume decisive economic power, and for industrialization will develop capital accumulation through intense exploitation of labor and larger taxes on the peasantry. Totalitarian measures will be strengthened. All "Western" influence will be driven out.

(3) Between Stalin and Mao Tse-tung there are differences but not, at this time, irreconcilable differences. In all likelihood some economic agreements have been reached, of which the recent Manchurian trade treaty is one. There is no prospect of Chinese Titoism in the immediate future. Only after the present stage has been overcome and new difficulties arise will this question again arise. What is likely is early recognition of the new "people's democracy" by Russia as soon as it is formed.

(4) The inherent tendencies toward Stalinization will be speeded up greatly. Class antagonisms in the village and inside the CP itself will come to the fore more rapidly, demanding solution. The CP will be put to the decisive test of whether it can organize a new ruling bureaucratic class out of the varied elements it has rallied to it before the pressures get beyond control.

UAW Strike Shows Bell--

(Continued from page 1)

executives — they kept right on marching, four abreast down the main aisles of the plant. Perfect order was kept by the marchers as their "convincing committees" searched for scabs behind machines, under benches and into tool cribs.

There were mighty few scabs to be found, but there were a handful. Some of these quickly saw the error of their ways and joined the marchers, promising not to return to the plant again until everyone went back to work. A few others fell on their faces in their haste to escape from talking to the "convincing committees."

"BACK TO WORK" AND OUT

When the marchers reached the Experimental Department, which Bell Aircraft likes to call its "secret" department, they were stopped by an army major. He requested that the men not enter this section of the plant. Both the leaders and the ranks of Local 501 knew there were several remaining scabs hiding behind the major's maple leaf in the Experimental Department. So disciplined were the strikers, however, that when it was decided not to go into Experimental, they all turned, started singing "Solidarity Forever" at the tops of their thousand voices and sauntered casually out of the plant toward the gates.

After the workers had entered the plant, the company, in its startled confusion, ordered all plant gates closed. What it hoped to accomplish by this, no one knows. However, at Gate 3, where a "rearguard" group of 501 members and UAW organizers had gathered, the gate remained open. The strikers marched out of this gate and proceeded to their strike headquarters.

They held a meeting to celebrate their victory, sent picket crews back on the line and then went home to tell the wife and the rest of the world about a new kind of "back-to-work" movement which guarantees that no work will be done in the plant until the company signs on the dotted line with the union.

Singer --

(Continued from page 1)

ative, Archer Cole, tried to set it aside as ridiculous on the ground that Murray and the top CIO leaders had problems of their own in steel and auto and so would not have much time to step into the Singer strike! He also branded as "company-inspired" the charge by a militant that the Stalinists had already given up two major demands, the elimination of the incentive system and the 35-hour week.

The Stalinists are now busily engaged in the project of proving that they can win strikes without the CIO, from which they are preparing to split this fall, according to strong indications. If Murray and the CIO were to settle the Singer strike this would be a big blow to their campaign of self-sufficiency.

The argument that Murray is too busily engaged elsewhere has already been crushed by Murray himself, who today issued a statement in the Newark Star Ledger that he may step into the strike in order to rescue it. From Murray's point of view it is also a move against the Stalinists in his present fight against them. It will now be very difficult for the Stalinists to refuse top CIO aid for the struggle against Singer in the name of "democracy." The Stalinists, by their present line of struggling against top CIO aid, will undoubtedly reveal themselves before many of their supporters as merely agents who would sacrifice the needs of the embattled strikers for the needs of Stalin's foreign policy!

Myth Dies Hard

Max Lerner, writing in the N. Y. Post (August 15):

"There has been talk that if the Greeks invaded Albania, Yugoslavia might also invade in order to secure its interests. AS THE RUSSIANS DID IN POLAND TEN YEARS AGO WHEN THE NAZIS INVADED POLAND." (Our emphasis.)

When Max Lerner was in his pro-Stalinist phase during the war there may have been some excuse for his retelling this myth. Since then the secret diplomatic papers found in the German archives have been published to the world, making clear in gory detail—and out of the mouths of the Russian representatives—that Hitler did not even dare invade Poland until Russia had agreed to do likewise. ("Nazi-Soviet Relations, 1939-1941," published by the State Department last year.)

Can it be that Lerner absentmindedly thought for a moment that he was still writing for the neo-Stalinist sheet PM?

OHIO LABOR NOTES

Cleveland UE Local Elects Anti-CP Delegates to National Convention

By JOE CLARK

CLEVELAND, Aug. 20—On Monday, August 8, a meeting of the Executive Board of Local 707, United Electrical Workers (UE), was held in Cleveland to nominate delegates to the national convention to be held here next month. It turned out to be quite a stormy affair but that is not surprising, considering the fight between the Stalinist and anti-Stalinist wings that has been going on in this local for some time past. (Ohio was the host for the national conference of the anti-CP forces in UE at Dayton earlier this year—Ed.)

The Stalinists were swamped, and, as usual, they couldn't take it. They started a fist fight in which one of their girls was hurt. As a result of this "smear sheet" was distributed by them at some of the plants, claim-

ing that the girl was attacked by their opponents.

But on Sunday, August 14, when the election meeting was held, the Stalinists were swamped again. All ten of the delegates elected were opposition candidates. Even Fred Haug, a very prominent Stalinist and a former business agent of the local, was defeated. Local 707 is an important local, comprising about 3500 members at 22 plants, mostly General Electric.

Previous to the meetings the Stalinists were very anxious to avoid all discussion of a possible strike for wage increases, etc. The reason for this was they feared such discussion would bring out a big membership to the meetings—a membership that would not be favorable to them. But the strike issue could not be kept out of the discussions. Result: a big meet-

ing and a thorough defeat for the Stalinists.

Fred Kelly, the anti-Stalinist opposition candidate for international president against Albert Fitzgerald, came to the election meeting but when he tried to address the meeting the Stalinists raised so much racket that he relinquished the floor rather than disrupt the meeting. But his silence was more eloquent than his voice could have been. Stalinist prestige sank to a new low in Local 707.

ANTI-LABOR WAR FUND

A number of Cleveland's business men recently received wires from the Committee for Constitutional Government explaining in detail about the war chest being raised (to the tune of \$250,000) to oppose the fourth round wage increases.

The Committee in Cleveland is represented by W. T. Holliday of Sohio (Standard Oil) and J. L. Myers of Graphite Bronze. The plea for funds revealed that American Rolling Mills, Republic Steel, Jickands-Mather and Youngstown Sheet & Tube Company have already subscribed \$18,000. Cleveland industrial leaders were urged to send their contributions to S. B. Congdon, president of the National City Bank.

NINE PER CENT IN OHIO

"Unemployment is hitting hardest where it hurts the most" is the word from relief workers in Cleveland. The Ohio State Employment Service reports 37 persons applying for every job available. Typical of groups having special difficulty gettings jobs are: about 5,000 high school and college graduates without previous job experience; 15,000 men and women over 45 years of age; 14,000 veterans who lacked job seniority; 4,000 physically handicapped. According to O. K. Bannister, a Vocational Guidance official: "Increased job competition has pushed marginal workers out of the ranks of the employed."

By FRANK HARPER

PHILADELPHIA, Aug. 20—Delegates of Local 119 of the United Electrical, Radio & Machine Workers Union (UE), representing 3,000 workers at the Elmwood Avenue plant of the General Electric Corporation, have been instructed by their membership to support the slate of candidates headed by Fred Kelly of Lynn at the coming 14th convention of the international union.

This action represents a switch-over by this local in the intense faction fight now going on in the UE. A national anti-Stalinist bloc, organized by a conference in Dayton earlier this year and led by James Carey, is seeking to end CP control in the largest international now dominated by them. Kelly is the candidate of this group against Albert Fitzgerald, incumbent fellow-traveler president.

In the past the Philadelphia GE local has pretty consistently followed the Stalinist line. More recently it had been following an independent course.

The decision of Local 119 to support the candidates of the Carey bloc reportedly resulted from an article appearing in the Daily Worker which claimed that the local's delegates had been instructed to vote for the present UE leadership at the convention.

At the time the Worker article appeared, the delegates had not yet been instructed on the convention voting. Resentment against the Communist Party falsification undoubtedly played a large role in the decision of the membership to instruct Linwood Ford, local president, and the other two delegates, John Hobeman and Sam Petito, to vote against the Stalinist leadership of the UE.

Philly UE, Riled by Daily Worker Lie, Switches to Support of Kelly Slate