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Marshall Plan and The Steel Trust

— See Page 4 —

Let the Ranks Decide Labor's Political Course!

— An Editorial —

CIO President Philip Murray has instructed all CIO unions not to "make any pledges or commitments which promise support to any party or any candidate" in advance of the coming meeting of the 11-man CIO Political Action Committee in Washington.

Any such pledges, he said, would be contrary to the action taken at the recent Boston CIO convention which pledged "full and unstinting support to the strengthening of the CIO Political Action Committee and to the carrying out of its program."

Murray didn't mention Wallace, but everyone understood the purpose of his instructions was to prevent any further endorsements of the Wallace movement.

His arguments about the binding character of the Boston CIO convention are phony from beginning to end. That convention never discussed the question of supporting or endorsing any new party because the CIO bureaucrats did not want any such discussion. It took no position on the question, one way or the other.

Furthermore, if the question of PAC policy for 1948 has not yet been decided, by what authority did the PAC leaders issue a statement saying its policy is against a third party shortly after Wallace threw his hat into the ring? If the policy has not been decided, why did Murray let his supporters in the New York and Illinois State CIO Councils come out against the Wallace candidacy, and why did he let them split the American Labor Party down the middle over this issue?

Murray had better quit trying to kid the public, which knows that he is ready to split existing labor political organizations like the ALP if they won't go along with support of strikebreaker Truman. And he had better quit trying to kid himself if he thinks he can now force the will of 11 men on the 6 million members of the CIO.

Wallace's third party move has upset a great many calculations, not only in the old party circles but also in the councils of the labor bureaucrats. It's not going to be as easy as they previously figured to get the rank and file unionists to support Truman. Wallace has in effect told the workers that it is a waste of time to try to reform the Democratic Party — and he has been one of the authorities on that question. He has also told them that the theory of the "lesser evil" is the bunk and that they should fight against all the evils — words which they have long wanted to hear.

Now that the voters have a choice other than Truman or a Republican, the situation is considerably changed. Should the workers continue to support the Democrats — as Murray, Green and Reuther propose — even though this political company-union policy has produced nothing but the Taft-Hartley Act, high prices, discrimination and militarization? Or should they back the Wallace movement — as the Stalinists advise — even though his party is not based on the union movement, or controlled by it, or responsible to it? Or should they — as the Socialist Workers Party and many union militants recommend — form their own independent Labor Party, controlled by the unions and running its own candidates in 1948?

Murray and his fellow bureaucrats have no right to pretend that they speak for the CIO ranks when they have never consulted them on these questions, either directly or indirectly. The question of labor political policy for 1948 is too big — and too important — to be left in the hands of 11 men.

The rank and file themselves must make this decision. There is only one way in which that can be done effectively — through a United Labor Conference in Washington, representing the national and local unions not only of the CIO but also of the AFL, Railroad Brotherhoods and independents. We, who favor the formation of a Labor Party, are willing to leave the decision in the hands of the representatives of the rank and file. Are the Trumanites and the Wallaceites willing to do the same?

TRUMAN DEMANDS 40 BILLIONS FOR INFLATIONARY WAR BUDGET

Sliding Scale Bonus Asked By UPWA

Other Unions in CIO Initiate Wage Programs

The CIO United Packinghouse Workers is the first international union in the current CIO wage campaign to adopt a program calling for a sliding scale cost-of-living bonus. In addition to demanding higher basic wages, the UPWA will seek a cost-of-living bonus which "will protect the workers from any further living cost increases," said President Ralph Helstein.

Helstein's statement emphasizes the need for a wage program that provides automatic wage rises as prices go up. He recalled that during the war the packinghouse workers were denied any wage increases while profits rose. "Whatever increases we received since that time have been lost in a saturnalia of high profits by Big Business" which have skyrocketed prices.

Last year, the UPWA introduced a similar cost-of-living bonus demand in its wage negotiations. Helstein and other UPWA leaders failed to really press for this vital demand and settled for a slim fixed wage increase. Because the escalator clause demand was dropped, the UPWA members lost millions in real wages this past year. It remains to be seen whether the UPWA leaders intend to seriously fight for an escalator clause now.

Another CIO international has joined the growing list of CIO unions which have announced their intentions of demanding more wages. The Executive Board of the Food, Tobacco and Agricultural Workers on Jan. 11 called on its locals to raise demands for "a substantial wage increase."

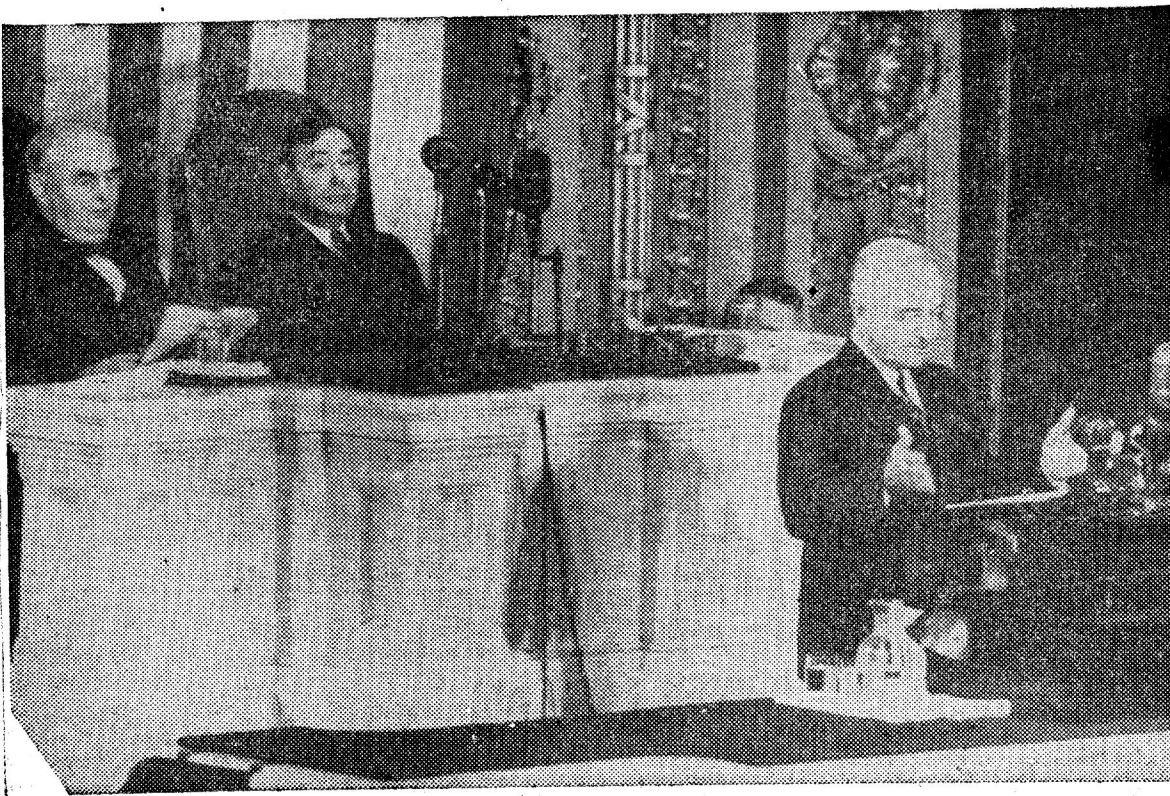
Like the leaders of the auto, steel, electrical and packinghouse unions, the FTA officers have not yet announced the specific amount of wage increases they are seeking. Also like the other CIO leaders, outside of packinghouse, they propose no effective program to protect real wages from continuing price boosts.

BASIC AND BONUS

A considerable section of the CIO United Auto Workers is pressing for the inclusion of a sliding scale cost-of-living bonus in the new UAW wage demands, along with a 25-cent hourly basic increase. This drive was initiated by the five General Motors locals in Flint.

UAW President Walter Reuther's Wage Policy Committee ignored the sliding scale bonus demand in its proposal to open a wage drive. A meeting of the UAW Executive Board is to decide the amount of the wage demand. In a speech in New York on Jan. 12, Reuther indicated it might be 25 cents an hour.

The State of the Union



Pres. Truman delivers his annual state of the union message to Congress as Sen. Arthur H. Vandenberg (R. Mass.), presiding Senate officer, and House Speaker Joseph A. Martin (R. Mass.), listen intently.

Washington Directs War Against the Greek People

Last week was a busy one on the Greek front. It showed that in Greece the role of American imperialism has gone beyond the stage of intervention—it

has reached the point of complete domination. Every step that the Greek dictatorship takes is ordered or approved by Washington's representatives. And every one of these steps brings closer the day when American troops, like American money and American equipment, will be actively engaged in a war the American people want no part of.

On Jan. 5 over 1000 combat marines boarded ships in North Carolina for the Mediterranean. Washington had pretended this was a "routine" matter of shipboard training, but the marines were accompanied by tanks, flamethrowers, guns, trucks and jeeps—which are not used for shipboard training. Hanson Baldwin of the N. Y. Times, who approved this step, denounced the way in which it was done as "obviously intended to deceive" the American people.

In Athens on the same day Dwight P. Griswold, American Aid Czar for Greece, gave the Greek government permission to increase the size of the Regular Army by 12,000 fully equipped men and to more than double the National Guard. Griswold promised an immediate half million dollars for the Greek Army and refugees in the Konitsa area.

In Washington, also on that day, the British were given permission to transfer to the Greeks any or all of the lend-lease material they had, including millions of rounds of am-

munition, armored equipment and field artillery.

On Jan. 6 Griswold's deputy announced he was allocating another 15 million dollars to the Greek armed forces. Congress had originally voted 300 million dollars for Greece, half for military and half for civilian aid. The 15 millions were being switched from civilian to military purposes. In Washington the State Department promised a new Greek government offensive would be successful next spring. (The same thing had been promised last year.)

In Athens on Jan. 8 Maj. Gen. William G. Livesay, head of the U. S. military mission, announced that "as a result of decisions made in Washington, U. S. officers will hereafter sit 'at the elbow' of Greek unit commanders, giving 'advice' on combat operations as well as on supply and logistics.

That same day the Greek dictatorship published the text of the U.S.-approved purge of "disloyal" civil service employees, which was patterned after Truman's purge order for U.S. government employees. Every government worker who "believes in" or "makes propaganda" on behalf of the Stalinist-led guerrilla rebels will be marked down as "disloyal." Written loyalty declarations are required of every employee; refusal to sign will be considered proof of disloyalty; those accused of making false statements will be liable to court-martial. Appeals will be "permitted only after the end of the rebellion."

On Jan. 9 it was announced in Washington that the Greek dictatorship was getting six U. S. submarines. The Turkish despots were also given four submarines and 11 other ships.

Secretary of State Marshall held a press conference the same day, denying that the Navy had consulted "on a policy level" with the State Department on the dispatch of Marines to the Mediterranean. According to the N. Y. Times, he "added with a laugh that the State Department had hoped the move could be done quietly, but that he anticipated the headlines that would follow announcement of the news." Some joke.

On the same day it was reported that the U.S. Fleet maneuvers in the Mediterranean, again described as "routine," were proceeding as scheduled. "Ships and planes of the fleet may possibly come in sight of Greece and her island," the brass hat in command declared.

The U.S. government's role in Greece is a preview of its role in Western Europe when the Marshall Plan goes into operation. Its effects will be to strengthen reaction and hasten the day of U.S. involvement in a shooting war by no means limited to Greece.

Landis Out



Chairman James M. Landis of the Civil Aeronautics Board will not be reappointed by Pres. Truman despite protests from CIO Pres. Philip Murray and the AFL Airline Pilots Assn. Landis is one of the early Roosevelt New Dealers. (See John F. Petrone's article—Page 4).

Federated Pictures

PRESS BLACKOUT ON GESTAPO RULE IN MISSISSIPPI

Unknown to the rest of the country, the state of Mississippi, with a population of 2½ million, has been ruled for the past two months under a fascist-like secret police system and brutal anti-labor laws which include the death penalty.

So sensational are the facts that it seems incredible the country has been kept in the dark so long about them. Yet the very existence of these savage laws and gestapo system within United States borders has been concealed from the country at large by a conspiracy of silence scarcely paralleled even in the notorious history of the American Big Business press.

Prior to a shocking exposure in the Jan. 3 issue of the weekly New Yorker, only two newspapers outside of Mississippi even mentioned the series of sinister laws passed last November 14 by the Mississippi legislature in a special session called by Governor Fielding L. Wright.

The target of these laws is the union movement in Mississippi. The laws are the outgrowth of attempts by the state government to smash a six-month strike of bus drivers

against the Southern (Trailway Bus) lines. The strike was led by the AFL Amalgamated Association of Street Car, Railway and Motor Coach Employees.

One of these laws gives Governor Wright the power to establish his own armed secret police force, called the Mississippi Bureau of Investigations, whose members are appointed by and known only to him. These secret agents under Wright's exclusive control are authorized "to investigate and make arrests in crimes of violence and intimidation." They can make searches, seizures and arrests on mere "suspicion" and without a warrant.

Another law empowers a judge to sentence to death anyone convicted of placing a bomb in a "building, ship, vessel, boat, railroad station, train, bus station or depot, bus, truck or other vehicle, gas and oil stations and pipe lines, radio station or radio equipment or other public utilities"—even if no one is killed or injured.

This is the first law in any state to make damage to property punishable by a death sentence. Under this law and the others enacted in

Mississippi it would be mere child's play for the Governor's secret police and the corrupt state courts to frame up and railroad strikers to their deaths.

Another law provides a five-year prison sentence for throwing a stone at a bus or for mere possession of "dynamic caps, fuses, detonators, dynamite, nitro-glycerine, explosive gas, or stink bombs" unless in the conduct of a "lawful business." (Our emphasis).

FRAME-UP SYSTEM

What scope can be added to a frame-up system where the law makes mere possession of an explosive or "stink bomb" evidence of criminal intent? Think what a secret police force could do to plant "evidence" on a union organizer, "discover" the same in his house or car, arrest him without warrant and send him up for five years for "unlawful possession" of a "stink bomb."

Another law makes it a penal offense for "two or more" persons to conspire to "intimidate" an employee of a bus company. If two workers even discuss ways and means of per-

suading workers not to seab on a bus strike, they can be railroaded to prison. Of course, the Governor's secret police will supply all the "evidence"—and maybe even some hard-won "confessions" by the time they get through a secret session with workers spirited away without a warrant.

Sound like some things you've read about Nazi Germany? Well, that's what we have right here in the United States down in Mississippi. Indeed, even in the rabidly anti-labor, "white supremacist," poll-tax Mississippi legislature, a few bold spirits dared to call these laws by their right name. State Senator Luther A. Whittington, of Natchez, asked: "Isn't this the same kind of law which dictators of Europe started and then began terrorizing the people with a secret police or gestapo?"

PRESS IS SILENT

The fact that such Hitler-like laws could be passed anywhere in the United States is startling enough. But what is equally startling—and ominous—is that virtually the entire American press didn't

print a line about them and hasn't to this day.

Only by pure chance have the facts been given national publicity even at this late date. They were uncovered accidentally by A. J. Liebling, an outstanding war correspondent and a leading American journalist. He succeeded in getting them published in the New Yorker, which has a limited public.

In going through a pile of papers from various parts of the country he came across the Nov. 14 issue of the New Orleans Times-Picayune — the only newspaper outside of Mississippi to report in detail the action of the Mississippi legislature. Its headline caught his eye. When he read that these unprecedented laws had been passed as "the outgrowth of recurrent violence" in the bus strike, "I wondered why I had not read about this Mississippi rebellion before."

"It seemed to me that this kind of legislation deserved prominent space in newspapers throughout the country, if only because of the sanguinary anarchy that must have

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A-Bomb Gets 17 Times As Much As Housing

By Art Preis

Seventy-nine cents of every dollar the American people will shell out for Truman's proposed 1949 budget of \$39,669,000,000 (that's billions) will go for war—past, present and future. This does not include items, like the atom bomb development, which are hidden under special misleading headings.

SUPPORT MILITANT SUB WEEK!

The Militant calls on all its readers and friends to pitch in securing subscriptions to our paper during Militant Sub Week, Jan. 25 to Feb. 1.

We ask you to set aside time during this week to approach the fellow workers in your shop and your neighborhood and sell them Militant subscriptions.

You readers of the paper know how important it is to bring its message to ever-wider circles of workers.

You know that The Militant arms its readers with information and analysis they can get nowhere else.

That it points the way toward the formation of an independent Labor Party.

That it mobilizes the workers for a successful struggle against the Taft-Hartley Act, high prices, Jim Crow, red-baiting and militarism.

That it exposes the reactionary aims and consequences of the Truman-Marshall Doctrine at home and abroad, and gives first hand reports of the revolutionary struggles in other countries.

If every reader gets one new subscription, Militant Sub Week will be a success. Will you help?

"State of the Union" -- Militarism, Inflation

The Republican Congress' reception of Truman's "State of the Union" message on Jan. 7, was not enthusiastic. But it did break into wholehearted applause — for Truman's comments on the Taft-Hartley Act.

"As long as it remains the law of the land," he said, "I shall carry out my constitutional duty and administer it." Truman said nothing about its repeal.

This alone puts the reactionary stamp on Truman's speech and program. It explodes the attempts of the press, the Republicans and sundry union bureaucrats to represent Truman's speech as "liberal," "New Dealish" and even—"leftist."

True enough, the speech was heavily larded with liberal demagoguery and resounding promises. This is to be expected in an election year—especially with the Wallace movement sending shivers down Truman's spine.

Actually, what marks his speech is not that it promises the people so much, but that it offers them so little.

Truman's strongest stress is on the military machine and the Marshall Plan. His chief proposals are a 15-month expenditure of \$6,800,000,000 for "foreign aid" and military regimentation at home through universal compulsory military training to cost \$2 billion a year.

What else of a concrete nature does he offer? He says he wants to cut everybody's income tax \$40 a year, plus \$40 for each dependent.

Truman's tax proposals are obviously intended to offset in a propaganda way the previous Republican proposals to cut taxes. But they cannot be taken seriously. The "Republican-Democratic" coalition in Congress is ignoring them,

Six times more will be spent for war preparations than for human needs.

Direct military expenditures alone will cost \$11,025,000,000—28% of the total—a \$279,000,000 increase over the present budget. The Social Welfare, Health and Security program will take \$2,028,000,000—\$69 million more than before, but one-third less than the \$3,147,000,000 in 1940.

Almost 17 times as much will be spent for developing the atom bomb (\$674,000,000 under the heading "Natural resources not primarily agriculture") as for long-range public housing (\$40 million). Truman proposes a "first year" expenditure of \$400,000,000 for "universal training"—that is, universal compulsory military training which "in full operation will cost about 2 billion dollars annually."

At the same time, he allocates the magnificent sum of—\$20 million—to extend unemployment compensation to millions of workers not now covered. He also asks for a new national health insurance fund of \$150 million—to be paid for out of new payroll taxes—and to cost the government in 1949 just \$15,000,000 for administration.

In addition to direct military outlays, Truman proposes to spend \$7,009,000,000 to bolster capitalist dictatorships and military machines in Europe, Asia and Latin America—under the heading of "international affairs" and "foreign relief." This is nearly 1½ billion more than in the present 1948 budget.

Another major war cost will be payment of \$5,250,000,000 of interest on public debt—mostly to bankers and corporations for war loans and on interest-bearing government bonds.

Another \$5 billion—a claimed anticipated surplus of revenue over

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and the administration is making no effort to fight for them. In other words, they're just pre-election bunk.

Besides, Truman's monumental war budget of 40 billions means more, not less taxes. It also means more inflation—despite Truman's strictures about the inflationary danger.

His social welfare proposals—housing, health insurance, extension of old age benefits and unemployment insurance—bowl down in his budget to a total expenditure of about half a billion a year.

His talk about "effective Federal action" to safeguard civil rights flies in the face of his own Gestapo-like "loyalty" purge among government employees; his political blacklist of "subversive" organizations; the failure of previous Democratic Congresses to pass anti-lynching, anti-poll tax, FEPC and other civil rights legislation.

He made the record in his speech for higher minimum wages. But everyone knows his own political colleagues—the Southern Democrats—have been the bitterest opponents of minimum wages and year after year have defeated all bills to raise the present 40-cent hourly minimum.

Such a threadbare, demagogic speech could be hailed by the labor bureaucrats as "liberal"—shows how cheaply they can be bought. It is another proof that they want to line up the labor movement behind strikebreaker Truman regardless.

The Crisis of the Educational System in America

By Ria Stone

The report of the President's Commission on Higher Education, now being released in installments, is one of the most significant social documents ever published by the U. S. government. It is a public confession by an official body that a crisis exists in this crucial field of contemporary society.

The Commission members represented the cream of America's crop of professional educators and publicists. Not only were there deans and college presidents, but also Rabbi Wise, President of the American Jewish Congress, Mark Starr, educational director of the International Garment Workers Union, Murray D. Lincoln, president of the Ohio Farm Bureau Federation, Douglas S. Freeman, editor of the Richmond, Va., News Leader.

The Commission begins its report with a recognition of the "world-wide crisis of mankind." And in the field which they, as "civic and educational leaders" know best, they are terrified at the gap which exists on the one hand, between "Scientific knowledge and technical skills," and on the other, the "social and political defenses against obliteration."

TERROR-STRICKEN

The Commission is further appalled at the "over-specialization" in professional education, and the lack of "human wholeness and civic conscience which the cooperative activities of citizenship require." It bewails the "provincial and insular mind" in a period when the "oneness of the modern world" is so undeniable. It bemoans the lack of equality for the poor and the Negro and Jewish minorities, at a time when the U. S. " sorely needs"

to develop "leadership" and "social competence." No less important, it is terror-stricken at the explosions that are inevitable, given this inequality.

Undoubtedly, the members of this exalted Commission would be the first to accuse Marxists of "idealism," "crass materialism," "economic determinism" and all the other epithets by which the bourgeois intellectuals justify their role as the hired prize fighters for the ruling class. Yet the critical situation which they describe is merely the concretization, within the field of education, of the contradiction which scientific socialists have long realized would bring capitalist society to an inglorious end. What the Commission is actually talking about is, in Marxist terminology, the contradiction between the development of the productive forces and the antagonistic social relations.

It is because capitalist production mutilates the worker to a fragment of a man that the professions can only breed super-specialists. It is because under capitalism the nation must compete on the world market in imperialist rivalry with other nations, that the population is provincial, is patriotically mobilized by the state behind a single nation. It is because under capitalism the poor are only required for the most unskilled labor in field and factory that there is unequal educational opportunity.

THE REAL SOLUTION

The contradiction between scientific progress and social waste cannot be resolved by giving more courses in social sciences or by adding "men of broad knowledge, men of imagination and understanding and wisdom" to teaching staffs. It can, in reality, only be resolved by building a new world society in

which the exploitation of the workers has been abolished, and the competitive world market destroyed.

How closely these educators approach the answer, and yet how blinded they are by the typical illusions of the intellectual, is indicated by the "radical adjustments" which they recommend. As the first principles of higher education in our time, the Commission proposes that all the people of the nation should be given:

"Education for a fuller realization of democracy in every phase of living.

"Education directly and explicitly for international understanding and cooperation.

"Education for the application of creative imagination and trained intelligence to the solution of social problems and to the administration of public affairs."

Turned right side up, these prin-

ciples are the principles of a new socialist society. That is, if in their daily lives, the workers had democracy, that is control over production; if the workers could employ the modern development of the creative imagination and trained intelligence for which the modern development of the productive forces has prepared them—then education for all the people of the nation would be democratic, international and creative. On the other hand, without such a revolutionary change, education will either continue in its present crisis, or like the rest of society assume the façade of "social responsibility and organization" along the lines of Hitler Germany.

MORE FUNDS

Unable to see through to either conclusion, the President's Commission tries to find refuge from its own analysis by proposing — an

expansion program. It calls upon the state to devote more funds for scholarships, to erect more colleges, and to set up more committees. As if by increasing the QUANTITY of education, the QUALITATIVE contradiction could be resolved!

The more students there are, the more acute will become the crisis in the academic world. The Commission itself admits that there is a "high degree of student mortality" because higher education is unstimulating and unchallenging. Witnesses also the dissatisfaction of the veterans who make up 55% of the present college enrollment. Moreover, in the weakest link of higher education today, the teachers colleges, it is not lack of resources which is creating a crisis. As was dramatically revealed by the nationwide teachers' strike in 1946-47, American capitalism cannot even

recruit sufficient teachers. Before the war the turnover in public school teachers was 10%. Today it is 20%.

The American ruling class cannot convince the teachers that they are missionaries of an all-conquering and superior ideology and therefore should subordinate the problem of their livelihood to their civic responsibility to capitalist society. Many teachers, walking the picket lines, discovered that their revolt against the city fathers brought them greater respect from students and parents than they had ever received as guardians and purveyors of capitalist ideology in the classroom.

It is a commentary on the bankruptcy of the capitalist ruling class today that the sweeping changes necessary in the spheres of higher education depend upon the workers at the base of society.

Factors That Undermine Inflationary Boom in U. S.

By John G. Wright

In November, production set a new peacetime record. But it was not reported at the time that the bulk, if not all, of this increased output went into the warehouses of wholesalers, manufacturers and retailers. Figures just released by the Department of Commerce disclose this beyond the shadow of a doubt. Over-all inventories have soared to the astronomical sum of more than 42 billion dollars, with over a billion being added in November, the largest monthly increase in history.

At the end of last July at the bottom of the 1947 production downswing, total inventories stood at 38½ billion. In the next four months production was pulled back in large part through the expedient of dumping 3½ billion dollars worth of goods into warehouses.

Here we have one of the secrets of the continuing boom. Production has been kept going not merely to satisfy the demand of the domestic and foreign markets but because of a frenzied gamble that prices will continue to rise. Industry is thus inextricably attached to a price balloon, whose inflation has thus far kept the economy from going into a tailspin.

The dilemma confronting the American capitalists is: Either the prices must be kept shooting up or production must be cut-back in one field after another. When confronted with this dilemma last July, the decisive section of the capitalists, with the steel and coal magnates in the van, chose inflation as the way out. They temporarily averted production cut-backs and the resulting depression by resorting to a general price rise and the ensuing orgy of speculation.

Now they have to decide again whether or not to impart more impetus to the inflationary spiral. They can do so by still another price hike in steel and by still further expanding credit in order to carry even bigger inventories.

They did this last July and they can do it again. But the conditions for this operation are not as favorable as they were six months ago. For one thing, the credit situation is much tighter because the banks and the insurance companies have already extended unprecedented loans.

BECOMING ARMED
Not that additional funds are unavailable. On the contrary, the banks still dispose of scores of billions of credit. But an important section of the bankers is becoming alarmed by the speculative orgy, and the ultimate consequences not so much to the economy as a whole—as to themselves. The more the banks finance bigger inventories, all the greater is their loss risk.

Moreover, tighter credit, with higher interest rates, means greater profits to the financiers. But they are hesitant to move drastically, because they are already quite heavily committed. Only formal steps have thus far been taken to clamp down on credit. Meanwhile the debate over this issue mounts, and the shadow of a credit squeeze is superimposing itself on the threat already represented by the imbalance in inventories.

Even more serious are the unchecked downward trends in the foreign and domestic markets. In November foreign trade resumed its downslide, skidding 8% from October. This coupled with other whopping export slashes since May make very slim the prospect of retaining in 1948 the export levels of 1947, even with the most effective operation of the Marshall Plan.

LESS FOR MORE

At home, the retailers are still by and large recording on their cash registers higher sales, while disposing of fewer items. But selling less for more money has always been good business from the capitalist standpoint.

The picture of the sales of manufacturers and wholesalers is not quite so bright. Their combined sales in November took a tumble to the tune of almost 3 billion dollars, with the manufacturers' sales sliding off 1.3 billion and the wholesalers skidding even more from the October totals.

This drop has been dismissed by government experts as harmless on the grounds that there were "fewer working days" in November than in October. But this can explain only a part of the thumping drop. There is a much more direct connection between production and the number of working days in a month than there is between the latter and sales. Yet production did not drop off like sales in November. On the contrary it rose.

GROWING ABYSS

The November sales drop therefore reflects at least in part the growing abyss between the volume of production and the absorbing capacity of the domestic market. The pinch is being felt by such giants as General Electric with its annual sales volume of one billion. GE's latest sales report records a substantial drop. This has much more to do with the minor price reduction recently announced than

Brooklyn Open Forum On Price and Wages

Brooklyn Militant readers will have an opportunity to discuss the zooming cost of living and the gap between pay checks and prices, as well as the solution to these problems, at an open forum on Sunday afternoon, Jan. 18, at 3 p.m. The speaker will be William F. Warde, National Education Director of the Socialist Workers Party. Child care facilities will be provided, and a dinner served. The Brooklyn branch address is 635 Fulton St.

the ballyhoo about "fighting inflation."

At all events, the entire capitalist world, the bankers and credit men in particular, are now keeping their eyes glued to the retail sales reports. So far as they are concerned, these sales now spell everything. Up to now retail sales have kept hovering slightly above 1947 levels. If they stay there, a breathing spell, they believe, is assured for at least six months. Should they slide off, then the depression they have postponed but not averted will make its appearance.

What is even more decisive today are the sales of manufacturers and wholesalers, who hold the overwhelming bulk of the swollen inventories and who have increased them proportionately much more than the retailers. Should these sales continue to dip, then the "10% gains" recorded by the retailers will prove to be so much chaff in the wind.

Truman Demands 40-Billion Budget

(Continued from Page 1)

expenditures—will go to these same bankers and corporations to pay off a part of the \$251 billion war debt.

Still another sum of nearly \$2 billion is earmarked for payment to the capitalists. It is buried right at the bottom of the budget under "Refund of receipts." This is \$1,990,000,000 for war tax rebates mainly to corporations.

The budget proposes \$300 million as grants to states for elementary and secondary schooling in the face of the near-collapse of the country's public school systems. Less than half as much for our children's education as for the atom bomb!

NON-MILITARY

Only \$1,157,000,000 of the budget is designated for general operations other than those concerned with the military. This is less than the 1948 budget total of \$1,473,000,000. It gives an idea of what the federal government's operations would cost minus the war machine. Even this item includes a hidden war cost—\$85 million for cemeteries and return of war dead.

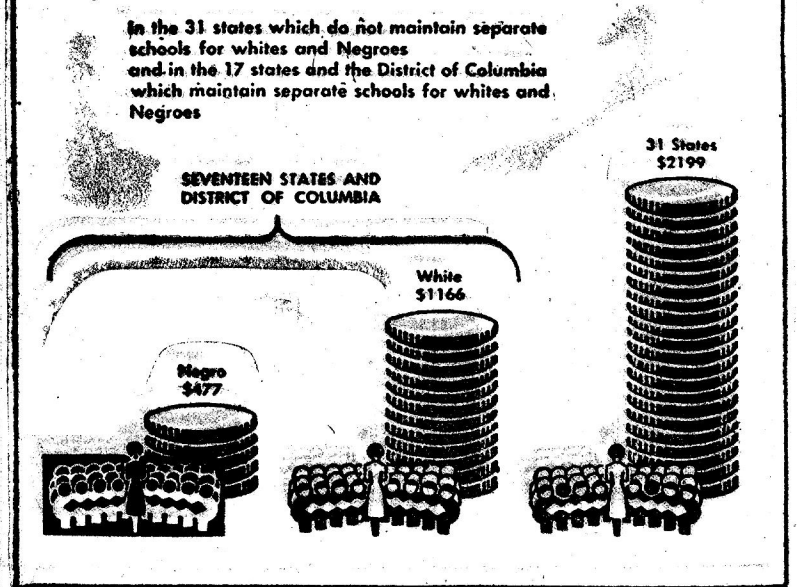
While interest payments, military preparations and other war costs are higher, there is one war cost that Truman proposes to reduce—expenditures for the victims of past wars, the veterans. Veteran services and benefits will be cut from \$6,632,000,000 in 1948 to \$6,102,000,000 in 1949.

Compared to his eventual \$2 billion annual spending for compulsory military training, his \$450,000,000 for "foreign aid" and his \$1,250,000,000 for "occupation purposes" in 1949, Truman has asked for just \$571,000,000 in new appropriations for his much-vaunted new social welfare program, which some of the press has dubbed his "New Deal."

MORE INFLATION

Included in this "New Deal" is \$80,000,000 of additional expenses

A Comparison of the Average (Median) Expenditure per Classroom



Reprinted from the Southern Patriot, this chart highlights the differences in educational opportunity between Negroes and whites. Note that the \$477 expenditure on Negro education in the South is almost 80% less than the amount spent in non-segregating states. Federated Pictures

for a so-called "new anti-inflation program." This useless expenditure just raises the cost of government—and the inflation.

The "economy-minded" Republicans who dominate Congress have quickly indicated that if there is going to be any cutting of Truman's budget, it will come from the minor items related to human welfare. Thus, Republican Senator Styles Bridges found the military and foreign affairs items "realistic," but thought the meager sums for social security, health, education, housing, etc., "beyond the means of the nation to meet this year."

Truman's expanding war budget is the greatest single item aggravating the inflation, although he says in his budget message that "we are all aware of the imperative necessity for preventing further inflation." One of his major proposals on this score is:

"I am not recommending at this time cost-of-living increases in pay for military and civilian government personnel, nor cost-of-living increases in benefits for our veterans, social insurance beneficiaries, retired Federal employees and other similar groups," although "the rapid increase in living costs... has placed a serious burden on these groups."

Truman's claimed anticipated surplus of \$5 billion in 1949 is all going to pay the war debt to the bankers.

The budget figures give the lie direct to Truman's "State of the Union" speech where he demagogically said he wants to cut income taxes \$40 a year for every individual and put additional taxes on corporation profits.

His own estimate of direct taxes on individuals in 1949 totals \$23,322,000,000, compared to \$22,793,000,000 in 1948. Total direct taxes on corporations will be only \$610,000,000 more in 1949 than 1948. But Truman doesn't expect Congress to follow his tax proposals anyway.

THE MILITANT ARMY

Militant Subs Total 328

While complaining about not receiving his Militant lately, because of some differences with the post-office worker what is his correct address, W. F. Kraklaw of St. Paul takes "this opportunity to tell you that I value The Militant very much. Since I believe in the principle of a classless society and one based on co-operation as opposed to competition, I look upon The Militant as a valuable source of information and verifier of many of my own interpretations of the political goings-on in the world.

"The sincerity and straightforwardness of The Militant; its unceasing and unwavering criticisms, disclosures and most important of all, its program of positive political action to combat the evils which it reveals and criticizes, makes this paper deserving of the support of all who suffer under the present economic disorder and who long for a world in which mankind will not waste its energy in constant struggle, the consequence of which the world today is certainly paying for."

"Thanks for the kind words, W. K. We have sent all the numbers you missed."

New and renewal subscriptions obtained in December totaled 328.

nearly tying the November figure. With the cold weather curtailing house-to-house work by the branches, a larger percentage of renewals, 75, were obtained by mail, almost a quarter of the total.

The following are the branch returns:

DECEMBER SUBS	
New York	53
Boston	37
Detroit	35
Chicago	33
Los Angeles	26
Philadelphia	13
Minneapolis	12
Akron	8
Cleveland	8
Milwaukee	8
St. Paul	8
Connecticut	7
Lynn	6
Newark	6
Oakland	6
Reading	6
Buffalo	5
Pittsburgh	5
St. Louis	5
Seattle	4
Flint	3
Youngstown	3
Rochester	2
San Francisco	2
Toledo	2
Allentown	1
San Diego	1
General	23
Total	328

NAM on the Loose Again

By George Lavan

The National Association of Manufacturers has undertaken a big propaganda campaign for 1948 to convince the American public that profits are not unusually high. Millions will be spent on newspaper and magazine advertisements to prove that the capitalists can hardly make ends meet. None of these ads, which are being prepared by the NAM, will bear the NAM label, however.

16,500 member companies of the NAM have received instructions and copy for this advertising barrage against the common sense of the American people. Twenty-seven sample ads explaining away the fabulous corporation profits have been sent out. Instructions accompanying these samples were that the companies should print them under their own names and not in any circumstances to identify the propagandists with the NAM.

Many millions are expected to be spent on these ads which at the same time purchase the "good will" of newspaper publishers for the corporations and the NAM. Companies pick the sample ads they wish to run. Mats for reproducing the samples are available to member companies at NAM headquarters.

WORKERS' FORUM

Mine Union Can't Rest on Laurels

Editor: The other day a man came to live at our house. He is a coal miner like my husband, and they got to talking about mining, the bosses, and the union. This fellow has a splendid record behind him of militancy beginning in 1924. He's been in the mines for 31 years and has been on some tough picket lines. He told one story about being put in the Fairmont jail for 107 days without trial because of his militancy. When he got out they fined him a dollar and "costs." When he asked the court, which was directly controlled by the operators, what the fine was for, the reply was "shut up and be glad you got out at all." There was much more to the story and there were many more like it. I have heard many such tales from the older miners around here.

But the reason I am writing to you is to report what I thought was a very important point that they touched on in their discussion. That is: why don't the younger men take more interest in the union? I have heard miners say the same thing that this one did. "The young ones had the union handed to them on a silver platter. They didn't have to fight for it like we did. They don't appreciate it."

My husband, who is young, admitted that this was true for the majority of young workers, but he asked the older man, "Why doesn't the union have a program that will interest the young miners? They don't care to hear about the old battles when there are so many new ones yet to fight. Why doesn't the union have a program that will eliminate this having to strike every year and sometimes three times a year, to get a living wage, and then have prices go up past them again? A man gets fed up with striking that doesn't get him anywhere."

The older fellow thought a bit and said, "We haven't done right by the young ones. That's true. When they came up with an idea, why we'd just say, 'that punk' and not pay him any attention. And you gotta have young men to fight your battles—in war or anything. And this is the biggest war in the world." I don't know whether all the older miners would admit what he did. Maybe they feel it anyhow. They know that the UMW can't rest on its laurels and that the young fellows will have to fight some good battles too. No doubt, they'll out-strip their fathers.

Japanese Workers Resent Troops

Editor: At the end of September, I went on leave to a luxurious hotel in the American zone not far from Tokyo, that has been taken over as a leave center. It is on a wild rocky coast in a region famous for its scenery and historical remains. I visited various well-known places such as Ito, where Will Adams from 1600 to 1610 introduced European ship-building to feudal Japan; Lake Hakone, giving a good view of Mt. Fuji and overlooking a vast panorama of plains and hills; Atagawa, a hot springs resort; Odawara, a great holiday resort and a hot spring center, besides Tokyo itself. Many of us were struck by the sullen attitude of the Japanese here, though they always became very warm and talkative when I began speaking to them. I wondered about the reasons for this sullenness; the people themselves were not very explicit. At times I thought that the ugly incidents that happen not infrequently in American-occupied zones may have alarmed them, but there is little to choose between Australians and Americans for the bursts of violence that sometimes break out among the troops. Ultimately I felt convinced that American efforts to frustrate the labor movement were mainly responsible. When labor disputes break out in the BCOF zone we are never very clear on official policy, which is entirely up to the Americans. As a result BCOF tries to sheer clear of these complex issues, giving the local workers the impression of impartiality. But in the American zone the hostility of the occupation forces is always immediately apparent, as in the famous case of the newspaper

strike a few months ago, when an American officer said that by striking, the workers were impeding the democratic principle of freedom of expression, meaning the freedom of the newspaper owners to express their views through their newspapers. In this way the Japanese workers have been increasingly antagonized.

Not Practical to Compensate Owners

Editor: I enjoy your paper immensely. Would you discuss this question sometime?—Socialization by compensation, as practiced in Great Britain by the Labor Government, and as contemplated by the CCF movement in Canada? Is it theoretically possible to pay the capitalist the market value of his property, then to tax the remaining capitalists until the debt to the first capitalist is liquidated? The Fabians believed this. What is your answer to the "compensation" socialists? I know it is unjust to compensate the thief, but is it practicable? Will it work financially?

W. C. Ontario, Canada
ED. NOTE: Marxists admit the theoretical possibility of compensating owners for their property in order to buy them off from organizing against the revolution. But in the present bankrupt conditions of the world, and the avowed counter-revolutionary policy of world capitalism, the only practical program is expropriation of industry without compensation. In this connection see the editorial on "British Nationalization of Railways" in the Jan. 12 Militant.

N. Y. LENIN MEMORIAL MEETING "What Next in Europe and America"

WM. F. WARDE, speaks on WALLACE AND THE THIRD PARTY
PAUL G. STEVENS, Militant Staff Correspondent
Speaks on EUROPE UNDER THE MARSHALL PLAN
FARRELL DOBBS, Chairman
WEDNESDAY, JAN. 29TH, 8 p. m. Central Opera House, 205 E. 67th St.
Auspices: Socialist Workers Party, N. Y. Local

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New and renewal subscriptions obtained in December totaled 328.

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THE MILITANT

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Monday, January 19, 1948



TROTSKY

The processes of great changes must be measured by scales which are commensurate with them. I do not know if the Socialist society will resemble the biblical Paradise. I doubt it. But in the Soviet Union there is no Socialism as yet. The situation that prevails there is one of transition full of contradictions, burdened with the heavy inheritance of the past, and in addition is under the hostile pressure of the capitalist states. The October Revolution has shown only the first stages of its realization. Edison's first lamp was very bad. We must learn how to discern the future. —Leon Trotsky, Copenhagen Speech, 1932.



LENIN

Reactionary French Government Behind Split in Labor Unions

PARIS — Most notable among the developments in France since the conclusion of the strike wave are the split in the General Federation of Labor and the renewed offensive of the de Gaulle R. P. F. (Rally of the People of France) for the dissolution of parliament.

The split in the CGT has been given great attention by the entire press. It was announced at a national conference of leaders of the reformist "Force Ouvriere" group (Workers Strength) identified with Leon Jouhaux. The latter, and most of the trade unionist leaders associated with him appeared to be opposed to an immediate split, and argued along that line at the conference. They finally yielded to the pressure of many second-line officials, most of them organized in trade union groups under control of the Socialist Party of Leon Blum.

The policy of splitting the CGT is thus believed to have been inspired by the SP ministers in the government of Premier Schuman. The more cynical press commentators openly point out that the split constitutes government policy in effect, and stems from the government's inability to apply "strong measures" against the labor movement. This was demonstrated in the recent strikes which the military was unable to smash in spite of the hastily passed repressive laws.

The policy of the French capitalists is thus clearly oriented towards weakening the working class from the inside, in the period ahead. To this end it gave powerful propaganda support to the "Workers Strength" group as a strike-breaking factor throughout the strike wave. The split constitutes a new stage in this policy. The capitalist's main agents in this respect are the "Socialists." In the further development of this policy, economic concessions to the workers—coupled with particular advantages to the unions associated with "Workers Strength"—are expected to further undermine Stalinist prestige, which has already suffered as a result of their recent capitulation. Thus, the split in the union ranks is being organized with a view of facilitating a more decisive capitalist onslaught later on.

In the government's economic program, concessions to the workers had to balance in the precarious budget. Thus heavy tax burdens have been imposed upon the middle class layers of the population in a series of new fiscal laws and measures. This has given de Gaulle a chance to beat his drums again. Almost completely inconspicuous in the days of open class warfare—its extra-parliamentary forces had not yet been organized for any kind of real combat—de Gaulle's RPF has now come to life again. Mass meetings of the RPF are now being held to hammer into shape the mass movement for the world-be Bona parte. But de Gaulle is still in the propaganda stage. The main butt of his attack is the parliament and its new fiscal laws. The main slogan: Dissolution of the present National Assembly and immediate new elections.

Against the rising de Gaulle threat and against the insidious policy of dividing the working class—as well as against the Stalinist policy of adventurism coupled with new variations of the old chauvinist line—a new tendency grouped around the newspaper "Front Ouvriere" (Workers' Front) is arising in the trade unions. It calls for the preservation of trade union unity by means of an extraordinary congress of the CGT, democratically elected under the direction of joint committees representative of all trade union tendencies; for a united front against the de Gaulle threat. The Trotskyist PCI actively supports this trade union tendency.

Within two months Dutra had suspended the Communist Party and the Stalinist-supported Brazilian Workers Confederation. Political clubs were padlocked, newspapers were suppressed, militant unionists were hounded. Truman and the U. S. State Department and their bi-partisan supporters in Washington, who bellow indignantly against Stalinist suppressions in Eastern Europe, smiled with satisfaction, patted Dutra on the head and promised him more aims and more funds to keep up the good work.

Application of the Truman Doctrine in Brazil was extended further this month. On Jan. 7, the Communist Party members of Parliament, the legally elected representatives of several hundred thousand people, were ousted from their posts. The next day police smashed their way into the offices of a Stalinist newspaper in Rio de Janeiro, arrested everyone present and shut down the paper.

In this fashion, our plumed knights of the State Department are valiantly struggling the world over "against totalitarianism."

Of people be driven crazy—in the literal sense—in a country that boasts of its wealth and opportunity?

Because the system is loaded with contradictions. Side by side it breeds enormous poverty and enormous wealth. It staggers like a drunken idiot from boom to bust, from war to inflation to depression. It unleashes anxiety, insecurity and fear to tear at the minds and nervous systems of the people.

Psychiatry is a worthy science and we are glad to hear it is advancing. But the prevention of the tremendous incidence of individual insanity requires the elimination of the socially-insane system of capitalism and its replacement with the rational society of socialist security and peace.

Neither the Associated Press nor United Press — whose wires are flooded daily with hundreds of

Marines off to War Zone



Armed with tanks, guns and other combat equipment, almost 1,000 Marines board a transport sailing for the Mediterranean. According to the official announcement their mission is to reinforce battleship personnel in Greek and Italian waters. Federated Pictures

Fascists Assault Meeting Of British Trotskyists

OXFORD, England — Mosley's thugs launched their most brazen move to date when on Nov. 27 they mustered their forces to attack an open Trotskyist meeting. 50 workers and students, assembled in an Oxford hall to commemorate the Russian Revolution, were listening to an address by Comrade Jack Haston, General Secretary of the RCP, when the hall lights were suddenly turned off. Fascist hooligans burst into the premises, upsetting the literature stall and throwing bags of pepper into the audience. In the scuffle that followed one woman trade unionist sustained an eye injury.

The fascists were cleared out of the meeting by the audience. The outer college gates were locked in time to prevent several dozen fascists from forcing their way into the hall. Cries of "Mosley!" and "Down with the Labor Government!" were heard. Unable to cause further disruption and frustrated in their attempt to break up the rally, the fascists dispersed singing "Land of Hope and Glory." The meeting continued in good order.

An appeal has been issued by the Oxford Trotskyists for the formation of a Joint Defense Guard of all local labor organizations. This appeal has met with a sympathetic response among the best elements of the local labor and Stalinist parties. Students of Ruskin College have taken the first step in the right direction in setting up an anti-fascist committee to organize the fight in Oxford.

Law Enforcement in the Deep South

A. J. Liebling's article in the Jan. 3 New Yorker, giving the first national publicity to the Hitlerian anti-labor laws and Gestapo system adopted in Mississippi last November, has forced Governor Fielding L. Wright to adopt a few face-saving moves.

Although he called the special session of the Mississippi legislature and proposed the laws, he now claims he did not ask for a secret police with powers of search, seizure and arrest without warrants—which is what the law provides. But he will ask for a permanent state police force, assuring it will be a less-powerful, publicly-identified, uniformed body.

Liebling's exposure of the national press blackout on the Mississippi events also brought some slight results. The Jan. 10 N. Y. Herald Tribune reported the Governor's remarks in an obscure article next to the want-ad page. The Jan. 11 N. Y. Times made the record with a small item on page 33—in one edition. Neither has ever reported the unprecedented death penalty law for damage to property by bombing.

Thousands of words of tripe—could dig him up a copy of any dispatch on the Mississippi event, if any were sent out at all. He finally wired the Times-Picayune reporter for more information. Liebling got not only a direct confirmation of the facts—but copies of the bills passed by the Mississippi legislature.

He learned also that the organization of the Mississippi Bureau of Investigation began the day after the law was passed under "an ex-Army colonel who had been executive officer of the Mississippi National Guard."

He learned further that three CIO locals in Hattiesburg, Miss., had published a full-page advertisement "stating that they would pay legal expenses of the first 'innocent' person arrested by the Bureau of Investigation, all the way up to the Supreme Court."

The American labor movement must smash through the "iron curtain" around Mississippi. That plague spot of developing fascism must be exposed, quarantined and disinfected before its deadly virus spreads.

All the News That's Printed to Fit

America's daily press boasts of its worldwide and speedy news coverage. It points with pride to its network of news-gathering forces and communications reaching into the remotest hamlets and least accessible spots on the globe.

Is it likely, then, that the complete national press blackout on the sinister developments in Mississippi was due to any slip-up?

The Mississippi Legislature doesn't meet in some mountain fastness. It holds forth in Jackson, a flourishing American city with all modern conveniences, including telegraph, telephone and wireless.

Failure of the American press to report the unprecedented actions of the Mississippi Legislature last Nov. 14 is a case of deliberate suppression. This was news embarrassing to the American ruling class. Apt to stir up a lot of stink and protest. Apt to arouse labor on how far fascist developments have gone here in America.

Nor is this suppression of news anything

"Pax Americana"

The special report submitted by Admiral Nimitz, retiring as Chief of Naval operations, boasts that this country now has control of the sea "more absolute than was possessed by the British."

Our navy, this doughty salt informs us, can "establish offshore anywhere in the world, air fields, completely equipped with machine shops, ammunition dumps, tank forces, warehouses, together with quarters and all types of accommodations for personnel."

And these wondrous things can all be accomplished — "without resorting to diplomatic channels."

Think of the wonderful opportunities this opens up to bomb the hell out of revolutionary masses in Milan, or Athens, or Paris, or Hamburg. Think of the new possibilities in beating to a pulp any upstart colonial peoples who get any cockeyed notions that they are entitled to freedom.

Yes sir! This is a time when the breasts of the prussians of West Point and Annapolis are swelling with pride. This country has not only the biggest and best navy in the world. But the biggest and best of everything. More guns. More planes. More money. More industry. More know-how. More everything.

But somehow victory seems to elude our

Dictatorship in Brazil

The Truman-Marshall Doctrine pretended to strengthen the "forces of democracy." Instead it is bolstering up the forces of dictatorship and fascism. This is being demonstrated in action not only in such European countries as Greece, but right here in the Western Hemisphere in Brazil.

From 1937 to 1945 Brazil was ruled by the iron dictatorship of Getulio Vargas, one of Roosevelt's "good friends." The Vargas regime had little to learn from Hitler — it abolished elections, smashed unions and destroyed democratic rights.

When the war ended, Vargas' rule ended too. Opposition parties regained the right to function legally, new elections were held, the Communist Party got almost 10% of the votes, the Social-Democrat Dutra was elected president, a new constitution proclaiming democratic liberties was adopted.

Then last March Truman announced his anti-communist doctrine. His puppets in Brazil — as in the rest of the world — got the cue and joined enthusiastically in the Wall Street crusade.

Insanity and Capitalism

The usually grave columns of the N. Y. Times were brightened on Jan. 3 by the cheerful note struck in an editorial entitled "New Horizons of Psychiatry."

It seems that cases of insanity increased 21% in this country between 1940 and 1945; mental cases fill half of all hospital beds. But even though "It is expected that an increase... will continue for some time to come," according to the Times there is no cause for alarm.

Every cloud has its silver lining. The Times takes comfort from "the tremendous development of psychiatry which took place during the war years."

But what is the reason for this epidemic of mental breakdown? Why should millions

Gag-Law Protests Rock Calcutta

The masses of Calcutta have engaged in heroic struggles and strike actions for almost a month to prevent the passage of repressive legislation by the West Bengal Government, according to reports in the New Spark organ of the Bolshevik Leninist Party of out trial.

Popularly known as the "Black Bill," the Special Powers Bill provides the Provincial Government with drastic powers to prohibit publications and communications, to muzzle newspapers and presses, to ban meetings and processions, to suppress the trade union and peasant movement, to control the use of loud speakers and megaphones, to prevent drilling of a military nature, to extort confidential information from newspaper editors and other persons and to detain persons without trial.

The demonstrators were continued for a second and third day. Police were ordered to break up the picket lines and parades. Using mounted police, tear gas and lathis, police charged the lines again and again but each time the ranks reformed. The demonstrators dispersed when police fired into their midst killing one and injuring several others.

PREVENTED ACTION

The demonstrators dispersed on the third day only after the government announced that it was postponing discussion of the bill. They conducted the actions of the third day despite the arrest of over 200 militants including three members of the directing body of the student organization. One of these is a member of the Trotskyist Bolshevik-Leninist Party.

These militant actions prevented the Congress ministry from considering its bill for almost a month.

A N. Y. Times dispatch from Calcutta reports that the government resumed discussion of the Bill for the first time on Jan. 4.

Don't Let Your Subscription Expire Watch the Date On Address Label or Wrapper Renew Before You Miss Important Issues of THE MILITANT

BOOKSHELF

1,000 AMERICANS, by George Seldes, Boni & Gaer, 306 pp., 1947, \$3.00

What has destroyed liberty and the rights of man in every government which has existed under the sun? The generalizing and concentration of all powers into one body. — Thomas Jefferson

Jefferson's question and reply is elaborated upon and its consequences documented by Seldes in 1,000 Americans. Although a good deal of the material included in the book is old hat, there are some valuable documents and suppressed articles which appear in the appendices for the first time. Much of which Seldes has to say has been said many times in various ways by various people. Reading the book resurrects Oswald Garrison Villard, Lincoln Steffens, Upton Sinclair, Ida Tarbell and Ray Stannard Baker in their halcyon days. This is not to relegate it to the limbo of the past, nor is it entirely a re-hash.

The chapter headings are indicative of the ground covered. Titles such as: DuPont, Hoover and Hitler; The House of Morgan and the Magazines; NAM-to-Press-to-Congress are samples of its contents. The section "Big Business" is perhaps the most enlightening in that it is a field which is comparatively virgin, although names such as Saturday Evening Post, Reader's Digest, Colliers, Life-Time-Fortune are familiar enough to denote their reactionary tendencies.

The author's indictment of them is in the form of a running commentary interspersed with quotations made by either their editors, writers or people with criticism to make. Tying up these periodicals with their financial backers' explanation enough for their reactionary policies.

A seemingly misplaced article is the one titled "J. P. Morgan Stops the St. Lawrence River." This deals with Morgan's interest in fighting the electrification of that natural resource. Why Seldes included it to the exclusion of other instances of similar thwarting of natural development is not clear. An entire book could be devoted to this question alone.

A phase of public communications which is given little attention is the field of radio. With the exception of one table purporting to show press-broadcasting affiliations, Seldes bypassed a much needed study of the evils in that industry, and thereby left a void. Ostensibly, radio should

perform a public service; a record of its many ministrations to the advantage of Big Business would have seemed proper in a book of this type. Radio's puerile pattern in programming, its bogus public forum broadcasts which for the most part follow a prescribed reactionary pattern, its hand-picking of speakers who are arch-enemies of the public interest—would have made for valuable information. The book would have been enriched had Seldes secured information on the radio interests, their control of patents, the holding back of television and FM, in lieu of his comment upon those fields previously covered by himself and others.

Literally thousands of personages gallop through the pages of this book. Names, documents speeches, comment, allusions to them, all in conversational tone, make it easy reading. Its attributes outweigh its shortcomings, despite Seldes' penchant for opposing reaction with

liberalism, which to him seems to be the cure for the maladies besetting every facet of "free enterprise." If we forgive him his slavish regard for New Dealism, and for perpetuating the Roosevelt myth, along with his Populist tendencies, we can learn something from this accumulation of facts; which to repeat have to a large extent never appeared before in print.

Seldes offers no solution (give thanks). His implied liberalism is a sure trap for the unwary. His facts on the other hand are valuable. That his thinking doesn't measure up to expectations shouldn't negate the work in its entirety. Men such as Morris Ernst, Ferdinand Lundberg, and Thorstein Veblen, although not Marxists, served the public to the extent that they contributed new understanding of our economic system. Within these confines, Seldes may be said to have rendered a valuable service.

—NORMAN JOHNSTONE

Activities of 'Militant' Readers and the Socialist Workers Party

- AKRON—4 So. Howard St., 2nd fl. Mon. through Fri., 7 to 9 p. m.; Branch meeting Sun., 8 p. m.; Socialist Youth Club meeting Sun., 3 p. m.
BOSTON—30 Stuart St., Sat., 1-5 p. m., Tues., 7:30-9:30 p. m.
BUFFALO—Militant Forum, 623 Main St., 2nd fl. Phone Madison 3968. Every afternoon except Sun.
CHICAGO—777 W. Adams (corner Halsted), Phone DEArborn 4767. Daily except Sun., 11 a.m.-5 p. m. Library, bookstores.
CLEVELAND—Militant Forum, Sun., 8:30 p. m., Peck's Hall, 1446 E. 82nd St. (off Wade Park Ave.).
DETROIT—6108 Linwood Ave. Phone 7-4267. Mon. through Sat., 12-5 p. m. Forum and open house Sat., 8 p. m.
FLINT—215 E. Ninth St. Daily 7-9 p. m. Open house, Sat. eve. Forum, Sun. eve.
LOS ANGELES—Militant Publ. Assn., 316 1/2 W. Pico Blvd. Phone Richmond 4644. Daily, 12-5 p. m.
NEW YORK CITY (Hq.)—116 University Pl. Phone GR. 5-8149.
EAST SIDE—251 E. Houston St. 1st fl.
HARLEM—103 W. 110 St., Rm. 23 Phone MO. 2-1866. Open discussion, Thurs., 8 p. m.
BRONX—1034 Prospect Ave., 1st fl. Phone LU. 9-0101.
BROOKLYN—655 Fulton St. Phone ST. 3-7433.
CHELSEA—130 W. 23rd St. Phone CH. 2-9434.
PHILADELPHIA—1303-05 W. Girard Ave., 2nd fl. Phone Stevenson 4-5820.
PITTSBURGH—1418 Fifth Ave., 2nd fl. Open meetings, 1st & 3rd Sun., 8:30 p. m. Marxist Study Class, Thurs., 7-9 p. m.
SAN DIEGO—482 F. St., Rm. 213. Tues., Thurs., Sat., 1-5 p. m. Mon. Wed., Fri., 7-9 p. m.
SAN FRANCISCO—1739 Fillmore Ave., 4th fl. Phone FI. 6-0410. Daily except Sun., 12-4:30 p. m.
SEATTLE—Maynard Bldg., 1st Ave. South & Washington, Phone Main 8278.
FACOMA (Wash.)—Write P. O. Box 1078. Meetings, Wed., 8 p. m. Branch Hall, 6th & Fawcett.
TOLEDO—113 St. Clair St., 2nd fl. Open daily.
ST. PAUL—530 Cedar St. Phone GARfield 1157. Daily, 7:30-9:30 p. m.
YOUNGSTOWN—115 E. Federal St., Rm. 302. Phone 3-1855. Mon. through Sat., 11 a.m.-4:30 p. m.

By Art Preis

A hyena, a vulture and a jackel cornered a poor little pig. The hyena said, "Come home with me. I'll put out some pineapple slices." The vulture said, "Come home with me. I'll open a tub of delicious sauerkraut." The jackel said, "Come home with me. I'll put a big red apple in your mouth."

The election fight this year will have its special name in history. It will be called the Battle of the Demagogues.

We are already being pounded from land, sea and air by all the capitalist candidates for President. For the next ten months, we will be flattered and cajoled. Our passions and prejudices will be stimulated. We will be lured with glittering promises and persuaded with specious arguments. No lie or deception will be left unsaid that can possibly swing a vote.

The Negro Struggle

"Separate but Equal" Facilities

By Albert Parker

Members of the U. S. Supreme Court come and go, but the Court itself never changes in its undying opposition to equality for the Negro people. This came out once again on Jan. 12 when the Court said segregation is OK.

Two years ago Miss Ada Lois Sipuel applied for admission to the University of Oklahoma Law School, the only school of its kind in that state. She was turned down solely because she is a Negro and Oklahoma segregates Negroes in education as well as other fields.

By unanimous vote, the Court did neither. It ordered Oklahoma to provide a legal education for Miss Sipuel—either at the existing school, from which Negroes have been banned, or by setting up a new school for Negroes only.

Of the two questions, the second is, of course, far more important because it affects all aspects of Negro life in the 20 states and the District of Columbia where local laws specifically require segregation.

By upholding these laws in the Sipuel case, the Court is acting consistently with its own long anti-Negro history and traditions. In fact, this body bears greater responsibility for the pattern of the present Jim Crow system than any other single institution in the country.

The Military Mind

By John F. Petrone

The liberals howled in anguish when President Truman broke his promise to them and refused to reappoint James M. Landis, an early New Dealer, as chairman of the Civil Aeronautics Board.

Senator Glen Taylor was so upset that he tore up a statement for the press announcing his decision not to run for vice-president in Wallace's third party.

The reaction was so unfavorable that Truman decided not to appoint a banker to the job after all. Since all of Truman's major appointees are either bankers or generals, this left him only one way out.

Henry Wallace was quick to take a crack at this action. "For 15 months I have been pointing out that the president has been handing over control of the administration to Wall Street and military men. It is reported there are now more than 170 former army and navy officers in top civilian posts.

While it is hard to keep tally on the growing number of generals and bankers taking over in Washington, it's not hard to see what the effects are. Take the example of General of the Army Marshall, who is hailed as "Man of the Year" by Time magazine.

Notes from the News

DEMOCRACY, TOBACCO AND PEANUTS — Explaining why he supports the Marshall Plan, Senator A. Willis Robertson, Virginia Democrat, says: "Virginians are opposed to communism, are opposed to the communistic objective of world domination, and they realize our stake in the survival of democracy in Western Europe as a bulwark against Russian expansion as well as a future outlet for our tobacco, peanuts, apples and other export commodities."

CHICANEY IN ILLINOIS — Illinois Democrats have got a court decision barring the new Progressive Party from the ballot as a legal party, even though it received more than the necessary 5% of the votes in last November's elections.

FREEDOM LIMITED—Three Negro schoolteachers in New Orleans were arrested when they brought their students to see the Freedom Train.

U. S. POLICE STATE—Roger Baldwin, director of the American Civil Liberties Union who recently returned from a tour of the Far East, charges the U. S. has set up "an anti-communist police state" in its occupation zone in Korea.

TOUCHING DEFENSE—William Z. Foster, Stalinist leader, says in the Daily Worker: "When Franklin D. Roosevelt was in the White House his words could be depended on." Like his promise to keep the U. S. out of war?

There is Truman, pride of the Pendergast machine, colleague of Rankin and Howard Smith. He's anxious for votes and scared of Wallace. So he promises \$40 a year more in every pocketbook and peace on earth. It sounds good—except he wants a \$40 billion war budget and compulsory military training.

Taft is swinging at Truman in the name of "free enterprise" and against "regimentation," "bureaucracy" and "totalitarianism." Mouth-filling words—but not broad enough to cover up the Taft-Hartley Slave Labor Act.

They are joined in the demagogue free-for-all by a past master, Wallace. He plays on the fear of war and hatred of imperialism. This wartime vice president of American imperialism says he will lead us to the promised land of peace—via a few detours, such as continued occupation of Germany and Japan, the United Nations and "enlightened capitalism."

Never say what you mean or mean what you say. That's the slogan of the capitalist demagogues, and we are in for it. Start ducking. That pie in the sky is falling right on our heads. This is no fable.

After the Civil War Congress passed several laws to protect the civil rights of the newly freed Negroes. But the Supreme Court threw most of them out, ruling that authority over the protection of civil rights belongs to the states, and not to the federal government.

"Examples of how the rule works are readily at hand," says William R. Ming, Jr., in the chapter he wrote for the NAACP's recent appeal to the United Nations. "Contrast the crowded, dirty, freezing in winter, and sweltering in summer, 'Jim Crow' cars of the southern railroads with the accommodations afforded white persons paying no more than equal fares. Or, consider the one-room schools, often unheated, poorly furnished and frequently equally poorly taught, to which most rural Negroes go for their education as another illustration . . . Or, wait with a Negro soldier on a three day pass while successive busses admit only a few Negroes at a time as his leave runs out. The fact is that the law permits facilities to be separate but it does not succeed in making them equal."

You can say that again. And while you're saying it, remember what it means: To win equality for the Negro people it is necessary to change not only the laws, but the whole system which makes such laws possible and inevitable.

cluding the members of Congress whose servant he is supposed to be.

At the Senate committee hearing on the Marshall Plan on Jan. 8, Marshall laid down the law: "Either undertake to meet the requirements of the problems or don't undertake it at all." Meaning: You Senators had better do what I say and grant as much money as I demand—or else. It wasn't until a day later that George of Geneva got up the nerve to take the floor and describe this insolent ultimatum as "a propaganda method," although, he hastened to add, "General Marshall may not have meant it that way."

If Senator George doesn't watch out, he's liable to go down into the brass hats' blackbook as a "troublemaker." They don't like to be questioned too much, or to be contradicted. Things just aren't done that way in the armed forces, and their conception of the brave new world is a great big barracks, with the people lined up at attention, waiting for orders.

But Tris Coffin, Washington columnist, on Jan. 10 printed an even better illustration of what the prussification of the government adds up to: "A group of the (State) Department's experts were briefing Secretary of State Marshall on some intricate problem. The Secretary was completely absorbed and occasionally broke in to ask sharp, penetrating questions. One such inquiry was a question of policy. There was a respectful silence among the higher-ups around the Secretary. But one of the younger men, an expert in a specialized field, spoke up bravely, 'Mr. Secretary, I think . . . That's as far as he got. Marshall turned a cold, fishy glare on him and asked, 'What is your salary?' 'Seven thousand dollars a year, sir.' The Secretary said abruptly, 'At that salary, you are not paid to think.'"

By the way, what's your salary?

GOVERNMENT STRIKEBREAKING — 1,500 CIO cafeteria workers in Washington are on strike against Government Services, Inc., a non-profit corporation all of whose trustees are officials of the federal government and half of whose net gains go to the government. Philip Murray charges that Federal Works Administrator Philip B. Fleming "has used the federal building guards, who are government employees, to escort strikebreakers to and from the cafeterias."

IMPERIALIST PRESERVE — The Atomic Energy Commission has told the world to stay out of a 30,000 square mile area around Eniwetok atoll, where atomic experiments will begin next month. The area, which will be "dangerous to trespassers," may be widened, the commission warns.

WORLD WIDE NEED—Like the CIO unions in the U. S., the Canadian Congress of Labor, CIO, is preparing a drive for wage increases to compensate for price rises of the last year.

FEPC FIGHT—Organizations fighting for the adoption of a national FEPC law this year will hold a national conference in Washington on Feb. 2-3.

HALF THE STORY—The first CIO Political Action Committee pamphlet of the year calls for the defeat of "the 200 men in Congress (who in 1946) kicked off the lid on prices of food and clothing for each one of the 6,000,000 members of the CIO." It doesn't say a mumbled word about the politician in the White House who voluntarily decreed the end of price control just before the 1946 elections.

THE DEMOCRATIC WAY—65,000 members of UAW Local 600 are voting this month on whether or not their officers should sign the Taft-Hartley yellow-dog affidavits.

THE MILITANT

Mass Action Defeats Rent-Hike Attempt by Detroit Landlords

Gunmen Hired To Break Strike

AKRON, Jan. 14 — Armed thugs and gunmen have been hired to break the strike of the Brotherhood of Railroad Trainmen against the Akron-Barberton Belt Line railroad. The entire working force of this small but strategic railroad has walked out after fruitless negotiations carried on since 1946.

At issue are 6 changes in present working rules that would bring conditions on the Belt Line up to standards already prevailing on the main line.

The Pennsylvania, Baltimore and Ohio, and Erie Railroads, joint operators of the Belt Line, have refused to meet with the strikers, and are attempting to operate with scabs and imported gunmen. Approximately 30 scabs are trying to run trains, according to union members. The company's claim that box-cars are being moved onto the main lines is disputed by H. M. Drillian, chairman of the B. R. T. Lodge. The entire working force is out and picketing in complete solidarity with the 24 trainmen directly involved, he said.

Although the railroad is small, employing only 40 workers, it is strategic to Akron industry. All but one of the great rubber plants are entirely dependent on the Belt Line for railroad shipments. A prolonged strike would seriously affect their operations.

According to Chairman Drillian, the workers of the Belt Line are being used as guinea pigs for a company offensive against the railroad unions through use of the Taft-Hartley Law. The important railroad interests controlling the Belt Line, their refusal to even meet with the union, and their use of scabs and thugs to break the strike, show the serious implications of this strike for all labor.

Seek to Knife 40-Hour Week

CLEVELAND, Jan. 14 — Leading corporations here have opened up a local campaign in line with the National Association of Manufacturers' drive on Congress to wipe out the 40-hour week and end overtime pay after 40 hours.

Nineteen Cleveland industrial firms, employing a total of 50,000 workers, have sent a petition to Congress demanding that the Fair Labor Standards Act (Wages and Hours) be dismembered.

They want the right to establish a 48-hour week "if the majority of employees in a plant vote to approve." In many instances they feel they can coerce workers into voting for a straight-time 48-hour week by threats of discontinuing overtime work under present standards and reducing take-home pay.

They also want to eliminate a large section of workers—so-called "fringe" employees—from coverage by the Wages-Hours law and seek the right to set up "training" programs without pay for "trainees."

Among the signers of the petition is the notorious Thompson Production in the auto industry, that has successfully prevented union organization for a decade by every form of intimidation and coercion.

ACA on Strike



More than 3,000 members of the American Communications Assn. (CIO) walked off their jobs when the big four international telegraph companies refused to grant wage increases. Here pickets do their stint outside the Western Union office in New York.

Federated Pictures

C.P. Cites Lenin Against Earl Browder--And Itself

By George Breitman

People who live in glass houses should not throw stones. And the Stalinists would be better off if they did not quote Lenin. Such quotations invariably boomerang against them. This is illustrated in their current polemics against Earl Browder.

Two years ago, after 23 years of loyal service to the Kremlin, Browder was ousted from the leadership of the American Communist Party as a Wall Street agent, to use the mildest term of his former fellow-bureaucrats.

Browder's expulsion was not due to any difference in principle with the Stalinists. It resulted from differences in achieving an end sought by all of them—how to continue, or to resume, the wartime honeymoon between U. S. imperialism and the Kremlin. Browder thought the best way to do this was by continuing the policy followed during the war—to give loyal support to U. S. imperialism.

The Stalinists decided, after some vacillation, that the way to do it was by exerting pressure on Washington through such moves as the formation of the Cominform, the strikes in France and Italy, the establishment of the so-called "free" Greek government, the organization of a third party in the U. S. Browder was too committed to the previous policy; so when Stalin changed the line, he was booted out.

Now, according to four articles in the Daily Worker (Dec. 30-Jan. 2) written by CP National Educational Director Jack Stachel, Browder is circulating among key members of the CP advance copies of a pamphlet to justify his policy.

Stachel says that, according to Browder, "because the U. S. joined in the war against the Axis on the

side of the Soviet Union, this proves that American imperialism played a 'progressive' role. He then says that if American imperialism does not today play a 'progressive' role, this is so because Truman does not possess the 'intelligence' of Roosevelt."

"PROGRESSIVE IN PAST"

"According to Browder's idealistic conception, imperialism can be either reactionary or progressive. . . . Browder quotes Lenin's attack on Kautsky's definition of imperialism as a policy, a policy preferred by finance capital, to justify his position. But actually, Browder accepts Kautsky's definition. If imperialism can pursue either a 'progressive' or reactionary course determined by its 'intelligence,' then what is this if not a 'policy preferred by finance capital?'"

"Lenin shows in opposition to Kautsky that imperialism is a stage in the development of capitalism and not just a policy of finance capital. But it is not just a neutral economic category into which can be poured in either a reactionary or 'progressive' policy as Browder believes. It is a stage of capitalism which also has its political counterpart."

And to prove this, Stachel quotes from Lenin's article, A Caricature of Marxism and Imperialist Economism:

"The political superstructure over the new economies, over monopoly capitalism (imperialism is monopoly capitalism)—is a change from democracy to reaction. To free competition corresponds democracy. To monopoly corresponds political reaction."

Lenin's basic teachings thus blow to shreds Browder's theory about a "progressive" imperialism and show it to be the most ardent revision and rejection of Marxism. But Lenin's teachings are equally devastating.

DETROIT, Dec. 30 — 1,000 tenants and property holders attended the Detroit Area Rent Advisory Board hearings on its proposal to lift all rent controls in the Detroit area. The Board was considering three landlord-inspired proposals which would either lift controls entirely or else provide for a flat 15% increase.

The hearing was the climax of many months of struggle between Detroit's realty corporations and the organized tenants. This contest brought picket lines before the meetings of the landlord-controlled Detroit Area Rent Advisory Board. It saw the resignation of the three UAW-CIO members from the Board, and the march of several hundred tenants on Lansing, the state capital.

The Detroit tenants entered this last ditch battle against heavy odds. The UAW - CIO Housing Department, which formerly spearheaded the tenants' struggle, had been abolished by the new UAW leadership. The Michigan State CIO Council, under August Scholle, discouraged and denounced the organization of tenants' councils as "communist schemes." Walter Reuther was prevailed upon to represent the Detroit tenants at the hearing only after a group of housewives threatened a sit-down strike at the International UAW-CIO headquarters. Little effort was made by the

chairman of the proceedings, George D. Lyle, president of the Detroit Steel Fabricating Company, to conceal the true interest and motives of the Rent Board. The tenants were treated in a contemptuous manner. A special detail of police stood guard both to intimidate the tenants and to enforce the arbitrary decisions of the chair. Many of the representatives of the property interests at the hearing were supporters of fascist Gerald L. K. Smith. They venomously spat "Christ-killer" and other invectives at Jewish and Negro tenants and labor representatives.

The speakers were lustily cheered and boord. The raucous property owners merely received a gentle nod from the chair. But a few cheers from the tenants immediately brought the police into their midst. A war veteran who protested the lack of veteran representatives was summarily ejected from the hall by the police.

Although several hundred applications to testify had been submitted, mainly by tenant and labor organizations, the chair recognized fifteen, only five of whom were tenant-labor representatives.

SIX PROPOSALS

Irving Kasoff, attorney for the 28,000 member Greater Detroit Tenants Council presented a brief for his organization with the following proposals:

1. A general statistical survey of the actual rent and housing situation in the Detroit area. Such a survey had been conducted in nearby Ann Arbor, a city of 35,000 people, and it revealed that over 50% of the landlords were for rent control.
2. Enactment of legislation to end speculation in Detroit real estate. A moratorium on the sale of all real estate.
3. Open the books of the Detroit real estate corporations.
4. Initiation of a broad low-cost low rent housing program.
5. Memorialize the Governor and State Legislature for enabling legislation which would allow the City of Detroit to enact its own rent control ordinance.
6. Enactment by the Detroit Common Council of an ordinance which would enable the Board of Health to prosecute all landlords for a failure to provide adequate heat to tenants.

Principal spokesman for continued control was Walter Reuther. He represented himself as a citizen, a property holder, and finally as president of the UAW-CIO. He declared that, "there is no moral or economic reason for any lifting of rent controls."

The great pressure exerted by the mass of tenants at the hearing finally forced the recognition of other speakers in behalf of continued rent control. Contrary to the original expectation of the real-estate interests, the Detroit Rent Advisory Board was forced to postpone its decision to decontrol. The tenants won this first round in the battle.



WHY MARSHALL PLAN WON'T WORK

By Arthur Burch

After the U. S. poured 15 billion dollars into Europe in the space of two years with no perceptible economic improvement, the State Department formulated a plan to end this perpetual dole. Marshall proposed to put Europe on a four-year budget in which the heavy initial outlay from the United States would diminish yearly. At the end of four years European capitalism was supposed to be reconstructed on a firm economic basis making further aid unnecessary.

Marshall requested the European countries to draw up a comprehensive statement of their present resources as well as additional plants and improvements needed to reestablish their economy. They not only had to estimate the cost of rehabilitating industries destroyed by the war, their problem was further aggravated because their would-be benefactor, American imperialism, had gobbled up Europe's gold and foreign investments.

The economic experts of 16 countries that qualified under the plan met in Paris last summer and drew

up the necessary blueprint. The amount of capital which had to be furnished by this country was so staggering that these experts did not dare publish the figures. After making false assumptions that the price structure would decline and not increase, and that Eastern Europe would supply food exports, they arrived at a minimum sum of 30 billion dollars. This figure so alarmed the American State Department that it sent special representatives to the 16-nation gathering with the warning that unless the figure was reduced, the whole plan would be jeopardized. So the Committee of European Economic Cooperation reduced its figure to 22.4 billion dollars worth of goods based on prices as of July 1, 1947. Marshall passed down this amount still further to about 16 billions, and requested of Congress an appropriation for 6.8 billions to cover the first 15 months.

Marshall claims that his plan is a good business risk—a "calculated risk." But many capitalist experts are becoming dubious of the whole scheme, and its worth. The United States News of Nov. 17, 1947 states: "U. S. with all its dollars, however,

can't keep Europe from going through the wringer at some time, can't pour in enough money to prevent that." Business Week also gives a negative answer to the question "Will the Marshall Plan Work?" A growing number of economic experts and journalists are coming to the same conclusion. What are some of the factors which give rise to these opinions?

Europe must not only rebuild a capital plant devastated by the war, but must expand that plant to provide increased exports to make up for loss of foreign investments. Thus the Paris report calls for capital investment outlays of 3 to 5 billion dollars in steel, power, mining, agricultural equipment and shipbuilding industries. More billions are needed for other industries. To achieve the Marshall Plan goals Europe has to set aside 20% of its total output for capital expansion. Even the U. S., with a far superior industrial plant undamaged by the war, spends less than 17% for capital expansion. "So it's obvious that Europe has bitten off more than it can chew," concludes Business Week.

Furthermore, the plan outlined by the 16-nation conference called for shipment by the U. S. of 1 1/2 billion dollars worth of capital equipment. But this has already been sliced almost one-third in the present plan figures. And even this does not tell the whole story. For, in order to obtain the necessary food, fuel and raw materials, Europe has been forced to export machinery badly needed for its own expansion.

The Paris report, according to McGraw-Hill's Electrical World, projects the building of 22 1/2 million kw. of new power capacity in 51 months. The U. S. plans to increase capacity by 15-million kw. over a period of 60 months. To think that Europe, with a weaker industrial base, can outstrip the U. S. by 50% is nothing short of fantastic. The Harriman Committee correctly summarized the situation by stating: "It seems unlikely that European nations can prudently afford to sustain capital formation on a scale as they have planned." Britain at once confirmed the correctness of this conclusion by slashing outlays for capital investment by one-fifth or 280 million pounds. France has also been forced to cut its capital budget. Nor is this all. The American

steel trust stands as another roadblock to European recovery. Not only does it limit steel output in this country, but it decreases its output abroad. The Paris proposal allowed for a 2 1/2 billion dollar steel plant expansion requiring 400 million dollars in new steel-making equipment from this country. Washington's experts cut this down to 192 million dollars—less than half. This sharp curtailment in steel-making machinery exports means that the whole plan must fall of its stated objectives, even were all other factors favorable.

The American industrialists are far more interested in preserving their monopoly of steel exports than in reviving a competitor. The steel barons have no objections to shipping finished steel to Europe. As a matter of fact, they are offering even a larger shipment than asked for in the Paris report. But the American steel masters have no intention of rehabilitating their rivals, especially when all world markets have shrunk.

Europe is thus being "helped" by its big brother across the ocean in the same way that Europe once "helped" its colonies.