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TORCH 4

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Newspaper of the
Revolutionary
Socialist League

Reconstruct the Fourth International!

Vol 1

MINERS SPARK CLASS STRUGGLE

BY BRENT DAVIS AND CHRIS HUDSON

On August 22, miners from six states gathered in Harlan, Kentucky to support the 13-month-old strike at Brookside mine. They were called there by the United Mine Workers leadership, which, after a year of jailings, beatings, and shootings of miners and their families at Brookside, had finally called a five-day "memorial" closure of the nation's coal mines to support the Brookside miners and prepare for the national strike approaching in November.

The miners who gathered in Harlan for the August 22 rally represented the most militant and advanced milieu within the union. The Kentucky miners, engaged in a life and death struggle in a region with a militant labor tradition, were joined by close to 1,000 miners from West Virginia, Virginia, Georgia, Alabama and Illinois. They were eager to utilize their time off during the memorial shutdown to take part in what most thought would be an attempt to stop the scab mines from operating.

The UMW officials were forced to make token concessions to this militancy by promising the miners that, while there would be no violence this time, the next time they would "lay down the scabs."

ENTHUSIASM FOR MILLER

While the disappointment at being confined to a parade on the streets of Harlan was evident, it appeared that no one saw the connection between this and the overall policy of the Miller leadership in the UMW. Quite the contrary, the rally

demonstrated universal enthusiasm for Miller. There was no sign of disbelief in his militant pronouncements on the readiness of the union to strike and win in November.

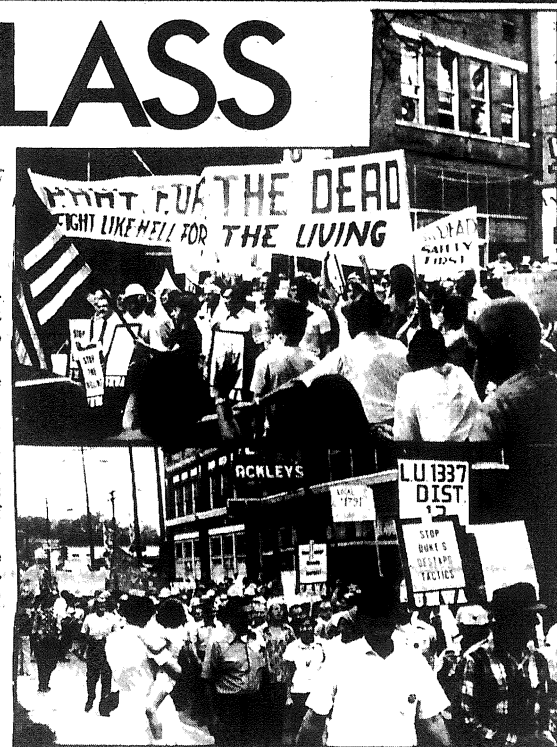
The high points of Miller's speech were the slogan, "If the coal cannot be mined safely in America, it will not be mined at all," and a threat to those who complained about the memorial shutdown that this was mild compared to what November will bring if a satisfactory settlement is not reached. The miners greeted these sections of the speech with thunderous applause.

Within two weeks of the Harlan rally, Duke Power Co., which had fought for more than a year to keep the Brookside mine non-union, admitted defeat. This victory has importance far beyond the mountains of Appalachia.

UNENDING STRUGGLE

The Harlan struggle is only the latest chapter in an unending struggle in eastern Kentucky stretching back more than 70 years. Time and again the miners in Kentucky and elsewhere have fought heroic battles, marked by hundreds of deaths, against the mine operators. Time and again they have won union rights, only to see that, instead of these rights forming the basis for new gains, their gains and their union rights have been stripped away in time.

At the same time, the Harlan struggle comes as one of the sharpest fights in the wave of union unrest now sweeping across the United States. It sets the stage for the expected November national mine strike, which can give a spark to the entire class struggle in the United States. Both for what



UMW rally to defend Brookside miners, held in Harlan County, August 22. Miners won major victory at Brookside, demonstrating tremendous courage and militancy.

it shows about the historic struggles of the UMW, and for what it shows about the unfolding labor struggle in the United States, the Harlan strike has exceptional lessons to teach every militant and revolutionary worker.

The tactics employed by Duke Power give warning to all workers of the brutality and ruthlessness with which the capitalists are prepared to fight the class struggle. If the class struggle reaches similar heights elsewhere, Duke

Cont'd. p. 11

ON THE BRINK OF DEPRESSION

BY JACK GREGORY

"President Ford and Secretary of State Kissinger said yesterday that continued high oil prices set by producing countries involved the risk of a world depression and, the President added, the 'breakdown of world order and safety.'"

So began the lead story in the September 24 New York Times, commenting on Ford's statements to the World Energy Conference in Detroit and Kissinger's address to the United Nations General Assembly. Ford and Kissinger also held up the increasing possibility of nuclear war together with a thinly veiled threat of military intervention in the Middle East to force down the price of oil.

FAMINE

Meanwhile, the world food crisis is spreading, leaving famine and death in its wake. The starving millions in West Africa are now joined by the

teeming masses of India. The same issue of the Times that carried the statements by Ford and Kissinger quotes an Indian agricultural expert on the "immense problems in terms of human misery, malnutrition, and starvation. The big question is how many people will actually die."

Mass starvation, food crisis, energy crisis, the threat of depression, the danger of nuclear war, and the possible breakdown of world order and safety—these are all in a day's news. For today capitalism faces a crisis of monumental proportions.

The ruling class is now beginning to admit the proportions of the conjunctural situation, something they have long tried to suppress. For example, only a few weeks ago the nation's leading bourgeois economists concluded their "pre-summit" conference in Washington, D.C., in general public agreement that there was no reason to fear a depression. In addition, these optimists pretty much concurred that inflation will slowly decline.

Later in the month, the chairman of the New

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BOOKS



Samizdat

EDITED BY GEORGE SAUNDERS
MONAD PRESS. \$3.95

Yuri Galanskov, Russian underground editor who died in prison

REVIEWED BY HARRY PARKER
AND RON TABER

Torch No. 7 demonstrated that the state capitalist system in the Soviet Union is in serious trouble. With declining growth rates and growing discontent in the population, the bureaucracy finds it increasingly difficult to rule. Just as is happening in the west, barbaric attacks against the working class are being prepared as the rulers desperately try to save the system from itself.

How can the workers defend themselves? How can they overthrow the state-capitalist system that has ruled since the thirties? How can revolutionaries best prepare the workers for revolution? These are the "burning questions of our movement."

CENTRIST TAILISM

Likewise these are questions one expects to see highlighted and put in a more concrete light when a "revolutionary" edits a collection of writings from the Soviet opposition movement. Or if these questions aren't being discussed by the movement we expect to see this fact discussed and analysed. And we expect to see the "revolutionary" expose the reformist tendencies and counterpose a revolutionary program to what they are advocating. But this is too much to demand from a member of the centrist Socialist Workers Party.

Despite the author's intent, the book is valuable for a number of interesting and important documents. Most important of these is the "Memoirs of a Bolshevik-Leninist."

The anonymous author of the "Memoirs" somehow survived all the hardships and cruelties imposed on Trotskyists by the Stalin regime and has written a personal and political chronicle. While it is not a programmatic document, we get a feel for the revolutionary internationalism that was the basis of the LO.

There are also the memoirs of a woman whose husband was in the LO. Her crime, in addition to being married to her husband, was having been an honest party worker. To her the growth of industry was unthinkable without a corresponding increase in living standards of the workers. Her report on the conditions of workers at the Glukhovka Textile Mill and suggestions for improvements are an indication of the resistance of much of the party rank and file to the policies of the Stalin faction.

An account of the Trotskyists at the Vorkuta camp including the great hunger strike of 1936-1937 and their subsequent massacre rounds out the discussion of the LO.

Saunders, however, had more in mind than collecting a few documents. The organization that Saunders represents, the Socialist Workers Party, adapts itself to state-capitalism just as it does to

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the traditional forms of capitalism. Having abandoned the Leninist conception of revolutionary proletarian leadership, the SWP looks to petty-bourgeois forces to bring about the socialist revolution.

COVER-UP

Saunders' book, therefore, is no mere collection. It represents the SWP's attempt to justify its own capitulation to the Russian "democratic movement," those dissident elements of the last several years whose writings are characterized by appeals to the bureaucracy to abide by the Constitution, calls for democratization, advocacy of legal and peaceful methods of struggle, and affirmation of loyalty to the Soviet state.

It is also, appropriately, the SWP's attempt to dress these currents up as true descendants of the Russian Left Opposition led by Trotsky. In typical centrist fashion, the SWP seeks to cover its capitulation to Russian state-capitalism through a dishonest public relations job on the "democratic movement" and periodic genuflections to the icon of political revolution.

In order to see this and understand some of the consequences of this method, it is necessary to quote from Saunders himself. On page 39 of his introduction to *Samizdat*, we read:

For all the severity of the Brezhnev "counterreform" the worst forms of the Stalinist dictatorship have not been restored, and it is unlikely that they will be, because of the changed relationship of forces between the masses and the bureaucracy. But the gradual retracting of concessions that the masses had won through struggle in the 1953-1962 period stimulated the developing vanguard, the more conscious elements among the youth, the workers, the intelligentsia and the party rank-and-file, to resist. These elements had become convinced that they had to take a stand: the reimposition of the repressive police regime had to be prevented at all costs. Thus rose the opposition which chose to act in the open, not just underground, but to appeal to the population at large.

The tactic adopted by this opposition was to take the text of the 1936 Constitution and demand all the freedoms that it guaranteed: to declare that it, the opposition, was adhering to law and that the bureaucratic authorities were the violators. This initial tactic was politically well founded, because the aspiration for Soviet democracy is undoubtedly the chief common denominator of the various social layers in opposition, and of the different ideological currents within what is now given the name "democratic movement."

This tactic is also consistent with the basic political logic of the most consistent elements among the new opposition who approach fundamentally the same point of view as that held by the Left Opposition. . . . That is, it . . . denies that Stalinist terror is the product of October or of Leninism. . . . The opposition focuses its attacks on the phenomena of bureaucratic degeneration and considers the establishment of full democratic freedoms for all the workers and citizens under the socialist constitution as the central aim of its struggle. Stalinism appears to the new oppositionists primarily as the violation of legality. . . .

LEGION OF ERRORS

The political errors in these three paragraphs are legion. These are some of the more grotesque.

1) Saunders, supposedly a Trotskyist, considers the vanguard to be the "more conscious" members of a political and social hodge podge rather than the revolutionary leadership of the proletariat organized in a Trotskyist democratic centralist party.

2) Saunders asserts rather than proves that the "democratic movement's" emphasis on the 1936 Constitution and the "rule of law" is a tactic and not the actual program of the "democratic movement." Yet all the evidence provided by the writings in the book prove the opposite.

3) Saunders implies that the program of the LO and the 1936 Constitution are one and the same. He further implies that the gains of October are equivalent to the content of the Constitution. But he "neglects" to tell the reader that this is counterposed to what Trotsky said in *The Revolution Betrayed* where he described the 1936 Constitution as "juridically liquidating the dictatorship of the proletariat."

4) Instead of a class analysis of the "democratic movement," Saunders serves up a hash which

merely asserts that some elements are "more consistent" than others.

These gems, especially numbers 2 and 3, make it clear what is going on here: Saunders buys the program of reform and tries to hide the fact by calling it a tactic, a Trotskyist tactic at that.

The approach of revolutionaries is quite different. Recognizing the legitimacy of democratic demands, revolutionaries give support to the struggle to win them. At the same time, they point out that state capitalism can't be reformed and that if the ruling class grants concessions as it retreats, it does so in order to gain time to regroup and return to the attack.

Revolutionaries also point out that reformist leaders, who are more afraid of revolution than the status quo, will take fright and betray the struggle as they realize what is at stake. Only the proletariat, led by a revolutionary party, can overthrow the system and guarantee the achievement of democratic rights.

THE MIDDLE CLASS APPROACH

Rather than being the common denomination of all social layers, a program limited to demands for legality and democratization is the program of such middle class sectors as technicians and the intelligentsia. Let's look at the program of these elements more closely.

The most explicit exponents of reformism are the spokesmen for what Saunders calls the moderate wing of the "democratic movement." This wing is represented by Andrei Sakharov, Roy Medvedev, and Valery Turchin. In March, 1970, they sent a letter to Brezhnev, Kosygin, and Podgorny in which they explain their program. A few brief quotations will substantiate the point being made here:

Our country has made great strides in the development of . . . new socialist human relationships. Our achievements have universal significance. . . . (Pages 399-400)

At the present time there is an urgent need to carry out a series of measures directed toward the further democratization of our country's public life. This need stems, in particular from the very close connection between the problem of technological and economic progress and scientific methods of management, on the one hand, and the problems of information, the open airing of views, and the free clash of ideas on the other. (Page 400)

Democratization, carried out under the leadership of the CPSU in collaboration with all strata of society, should maintain and strengthen the leading role of the party in the economic, political, and cultural life of society. (Page 400)

Democratization should be gradual in order to avoid possible complications and disruptions. (Page 400)

A course toward democratization would bridge the gulf between the party and state apparatus and the intelligentsia. The mutual lack of understanding will give way to close cooperation. (Page 400)

ELITISM

These "moderates" make no bones about the elitism that characterizes reformist politics. Democratization, de-Stalinization, rule of law, etc. are code words middle class elements use to indicate that they should have more say in running society.

And by new "socialist human relationships," which must be based on the elimination of classes and the difference between mental and manual labor, these people really mean "scientific management," the retention of this division and an expression of bourgeois ideology. We see that state capitalism reproduces all the ideological props of capitalist society everywhere.

Even Saunders "more consistent" elements are miles away from a revolutionary standpoint. Pyotr

CORRECTION

The statement "League Expels Entrists" (*Torch* No. 14) contained one factual error, when it said, "Jon Myers, Brecht's corporal in Chicago, was dropped from the CC and soon afterwards reduced to candidate membership and eventually dropped altogether by the Chicago branch." Actually, Myers was reduced to candidacy by the Central Committee, at the same time as he was dropped from the CC. The Chicago branch did later drop Myers from membership.

Grigorenko is the wing" of the "democratic movement" prison diary in 1968 has come to recognize the political thinking of

... The old approach to the creation of a strictly organized organization, no less obvious tyranny, fall the perversion of the overthrow of the regime to the point at which remove the visible observation of the existence of constitutional revolution. Now the framework of the life of our society. either in tactics or in



Left opposition members demonstrate on anniversary

The above quote from Saunders remark that the open and that it is a moralistic protest against the ruling class to subvert

Grigorenko does not of Medvedev, et al. the rights of oppressed. But there is no indication than a militant liberation convictions. While his imprisonment and regime, his program Grigorenko, too, is a class.

The essence of the banner, and stressing a revolutionary party the "historic process" "democratic movement" Trotskyism.

Just as the SWP nationalism, feminism must it believe that there too. Instead of a revolutionary perspective reformist currents, the centrists and reformists the opposition movement

To justify this perspective character, Saunders did. But in doing this, he weaves webs of distortions. The approach of the "democratic movement" of the Left to the reader that in the Trotskyists changed they rejected any strat political revolution, let overthrow the Stalinist

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CONCLUSION

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Grigorenko is the leading exponent of the "left wing" of the "democratic movement." Writing in a prison diary in 1969, Grigorenko explains how he has come to recognize certain "mistakes" in his political thinking of the early sixties:

... The old approach was typically Bolshevik: the creation of a strictly conspiratorial illegal organization and the circulation of illegal leaflets. But now there's no organization, no leaflets, just open, bold attacks on obvious tyranny, falsehood, and hypocrisy, attacks on the perversion of truth. Before, the call was for the overthrow of the regime of that period and for a return to the point at which Lenin left off. Now the call is to remove the visible evils of society, to fight for strict observance of the existing laws and for the realization of constitutional rights. Then the call was for revolution. Now the struggle is an open one, within the framework of the law, for the democratization of the life of our society. What, then, is there in common, either in tactics or in essence? (Page 357)



Left opposition members exiled to Siberia by Stalin demonstrate on anniversary of the October Revolution.

The above quotation reveals the meaning of Saunders remark that the opposition chose to act in the open and that it had to take a stand. It means moralistic protest activity aimed at getting the ruling class to submit to the law.

Grigorenko does not represent the explicit elitism of Medvedev, et al. He is also an open champion of the rights of oppressed nations in the Soviet Union. But there is no indication that he is anything more than a militant liberal with genuine courage of his convictions. While his refusal to capitulate, despite imprisonment and torture, has antagonized the regime, his program cannot seriously threaten it. Grigorenko, too, is a representative of the middle class.

The essence of the SWP method is the following: Instead of openly raising the revolutionary banner, and stressing the centrality of constructing a revolutionary party in Russia, the SWP appeals to the "historic process" to lead the present "democratic movement" from its present stance to Trotskyism.

Just as the SWP believes that consistent nationalism, feminism, etc. lead to socialism, so must it believe that consistent democratism leads there too. Instead of waging a Leninist struggle for a revolutionary perspective against all centrist and reformist currents, the SWP capitulates before the centrists and reformists that presently dominate the opposition movement in Russia.

To justify this perspective, to hide its reformist character, Saunders drapes it in Trotskyist clothes. But in doing this, he entangles himself further in his webs of distortions. While he equates the present approach of the "democratic" dissidents with the approach of the Left Opposition, he fails to notify the reader that in late 1933 (40 years ago), the Trotskyists changed their position. At this time, they rejected any strategy of reform and called for a political revolution, led by a revolutionary party, to overthrow the Stalinist bureaucracy.

In 1938, Trotsky wrote the following in the Transitional Program:

... It is necessary to return to the Soviets not only their free democratic form but also their class content. As once the bourgeoisie and the kulaks were not permitted to enter the soviets, so now it is necessary to drive the bureaucracy out of the soviets. In the soviets there is room only for representatives of the worker, rank-and-file, collective farmers, peasants, and Red Army men. . . . Only the victorious uprising of the oppressed masses can revive the Soviet regime and guarantee its further development toward socialism. There is but one party capable of leading the Soviet masses to insurrection—the party of the Fourth International.

This is a far cry from the perspective of the "democratic movement" of today. The "most

consistent" elements never give their slogans either the class or the revolutionary content that Trotsky insisted on.

But Saunders is not quite finished with his atrocities. On the last page of his introduction he notes the isolation of the "democratic movement" from the "masses." After saying that the ability of the "democratic movement" to find a broader base amongst the masses is central, he goes on:

[whether they can find such a base] depends in part on what policies the democratic movement adopts and which of the tendencies within it can learn to mobilize the masses. . . . It is too early to say what the final outcome of the effort to create a public movement for democratic rights will be. (Page 44)

Thus the post-1933 orientation of the Fourth International has been completely remade in the image of the "democratic movement"—in place of the program of revolution we have a public movement for democratic rights that is searching for a base among the masses. The "masses" are to be the club of the liberals as they try to scare the bureaucracy into granting more reforms.

In short, the strategic goal Saunders sets for the "democratic movement" is the formation of a popular front. The first principle of revolutionary politics—the political independence of the proletariat—is ground into the dust as the petty bourgeois forces march at the head of the workers. This is how Saunders must distort the very position he claims to stand on. This disgusting behavior is just one manifestation of the degeneration of the once-Trotskyist Socialist Workers Party.

While Saunders pays passing obeisance to Trotsky's theory of political revolution in order to betray the working class, revolutionaries must re-examine Trotsky's position to find the roots of the revisionist errors of the so-called "orthodox Trotskyists."

TROTSKY'S MISTAKE

Trotsky was mistaken when he continued to call Russia a workers state after the completion of the Stalinist counterrevolution in 1936-38. His theory of the Russian state had a contradictory nature.

Trotsky always regarded nationalized property in the Soviet Union as a conquest of the October revolution. It was the strength of the workers movement that placed the Bolsheviks in power and allowed the expropriation and nationalization of bourgeois property. In Trotsky's opinion it was the pressure of the working class that prevented the liquidation of nationalized property, that prevented the degeneration of the workers state from leading to its downfall.

Trotsky argued that after 1933 the workers had been politically expropriated, but maintained their social power as expressed in nationalized property. Despite the complete political expropriation of the workers and the strangulation of the Bolshevik Party by the Stalinist apparatus, the Russian state remained, to Trotsky, a workers' state, although degenerated. Thus, Trotsky called for a political revolution to throw out the Stalinist bureaucracy

New York: Debate Revolutionary Socialist League vs. Spartacist League

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and regenerate the workers' state.

Trotsky's error lay in his fetishization of nationalized property forms. The degeneration of the Russian workers' state, and the destruction of the Bolshevik Party by the Stalinist bureaucracy led Trotsky to increasingly identify the nationalized property forms established by the October Revolution as inherently, in and of themselves, proletarian. Consequently, he argued that the capitalist counterrevolution had to take the form of smashing the nationalized property. As long as the nationalized property was maintained, Trotsky argued that the state remained a workers' state.

This conception is incorrect. In fact, nationalized property forms out of the hands of the proletariat and its vanguard are not inherently proletarian at all. When the proletariat led by its vanguard seizes state power, proceeds to smash the bourgeois state and expropriate the bourgeoisie, its fundamental task is to utilize all the positive achievements of capitalism in order to defeat the bourgeoisie, root out all the legacies of capitalism. It must use the tools of capitalism to destroy capitalism.

This is the essence of Trotsky's argument in *Literature and Revolution*: rather than building a "proletarian culture," the workers had to struggle to assimilate all the positive cultural achievements of the bourgeois culture, and then go on to build a truly socialist culture. This was also the point that Lenin was making when he argued in *State and Revolution* that the state, as an institution, is bourgeois. He included in this the workers' state, which he called a state of a new type, a state whose job it is to do away with all states.

This was also the core of Trotsky's polemic in his military writings against the ultra-left conception which argued against the use of Tsarist military officers to stiffen the officer corps of the newly-formed Red Army. And this was the essence of Lenin's position that after the Revolution the Russian economy was a special kind of state capitalism. In all these arguments, Lenin and Trotsky were emphasizing that the proletariat had to defeat capitalism with the weapons inherited from capitalism.

This conception holds for nationalized property forms. The state property, in and of itself, is bourgeois. As long as the apparatus of the workers' state (this apparatus itself largely an inheritance of capitalism), the industrial apparatus, the nationalized property, remains in the hands of the proletariat through its vanguard, the state remains a workers' state. When the proletariat is completely disfranchised, when the vanguard is completely strangled by the apparatus, the bourgeois forces have triumphed over the proletariat, the workers' state has been destroyed.

THE COUNTER-REVOLUTION

In Russia, this point was definitely reached at the end of the period of the purges. By this time, almost the entire generation of Old Bolsheviks, the leading cadres of the Red Army, and thousands of party members had been liquidated, jailed, or driven out of politics. Almost the entire political generation of the working class that had led the Revolution from 1917 to 1923 had been destroyed.

The purges thus represent the end of the process of the destruction of the workers vanguard by the Stalinist bureaucracy. They represent the completion of the capitalist counterrevolution in statified form. The content of capitalism, the separation of the producer from the means of production, forcing him to sell his labor-power to gain the means of subsistence, was reestablished by Stalin without an apparent change in the form of property.

Despite the errors in Trotsky's position, in his hands it retained a revolutionary thrust. This thrust is the identification of the workers state with the workers revolution and the uncompromising opposition to the Stalin regime. Unlike the reformists of the "democratic movement," Trotsky recognized that the bureaucracy must be overthrown, that to do this a revolutionary party was necessary, and that "democratization" was a question of proletarian revolution. However, he was mistaken in thinking that after 1938 the Soviet Union was a workers' state and in limiting his program to political, but not social, revolution.

The weaknesses in a theory will manifest

PERMANENT REVOLUTION: KEY TO BLACK LIBERATION

BY CHRIS HUDSON

The end of the post-World War II boom, which has brought new explosions of class warfare throughout the world, is threatening catastrophe for American blacks. As capitalism's decline accelerates, American blacks find themselves, as always, hit hardest—with the gains of recent years stripped away and new attacks ahead. This prospect raises again the question of the strategy for black liberation.

The most recent annual survey of the status of black Americans, compiled by the Bureau of the Census, was released in July. Like the reports of the last several years, this survey shows that the inequality in income between black and white, after lessening slightly up to 1970, is growing again. The median black family now makes only 58 per cent of the income of the equivalent white family—the same as in 1966, and less than in more recent years.

BLACKS' INCOME FALLING

Black income is falling in real terms, not only in proportion to white income. The Census Bureau's report shows that, after taking inflation into account, the income of the "typical" black family fell by 0.2 per cent from 1969 to 1973. This does not include the drop of five per cent in real income for all workers in the last year, which meant a greater decline for blacks.

These statistics are "median" figures—that is, half the black families are below the level shown, and half above. In other words, half the black families in the United States live on less than \$7,269 a year. The number of black families below the official "poverty level" increased by 160,000 from 1969 to 1973, while the number of white families below this level dropped.

Even more significantly from a political point of view, the growth of the "black middle class"—the focus of the reformist strategies for taking the sting out of racism—has slowed down or stopped. From 1969 to 1973 the number of black families making over \$10,000 (in 1969 dollars) hardly rose at all. "Negro and other races still lagged far behind whites in the proportion holding high-paying, high-status jobs," according to the Census Bureau report.

The number of blacks moving into higher-paying jobs is also slowing down. And, while the percentage of black males enrolled in college is still rising, the percentage of black females in college is going down—another sign of the greater financial pressure on black families.

Finally, while the life expectancy of black women rose in the ten years from 1961 to 1971, the life expectancy of black men did not improve. It remains 61 years, compared to a life expectancy of 68 years for white males in 1967.

These figures show the beginning of a trend. They show what capitalism has in store for black people: increasing numbers out of work, increasing numbers trapped in the worst-paying jobs; disease and early death, with no hope of escape. And the trend toward an increasing gap between black and white shows how illusory was capitalism's promise that it could bring blacks the long-sought goal of equality.

CAPITALIST DECAY

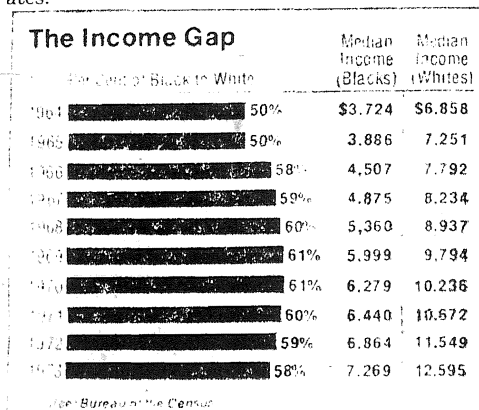
In the years after World War II, the world capitalist economy gained a new lease on life and went through twenty years of boom. As previously analyzed in *The Torch*, this boom was not a rejuvenation of decaying capitalism. The defeats of the world proletariat, the rebuilding of industry on a more efficient basis after the war's enormous destruction, the redivision of the world's markets by the victor nations, debt and waste spending and looting from backward countries combined to

produce the boom in a few advanced capitalist states.

Moreover, the boom was short-lived. Reaching its height in the early 1960's, by the mid-'60's it was already tapering off. Since then the classic symptoms of capitalist crisis—falling production, monetary and trade crises, trade wars, unemployment and rampant inflation, the threat of new imperialist wars—have increasingly reappeared.

While the boom lasted, it allowed millions in the advanced countries—most of all in the United States—to think that prosperity and a decent life could be achieved under capitalism. Black-Americans, by the millions, shared this hope.

For them it was the most illusory of all. As the Census Bureau's figures show, the period in which blacks made real gains was compressed into a few years in the later '60's. And now these gains are being ripped away as capitalism's decline accelerates.



The international scene has already shown what this decline means for the world's masses. While tens of millions in Asia and Africa exist on the verge of starvation, while drought pushes millions in West Africa and India over the line, Robert McNamara, President of the U.S.-dominated World Bank, defines a new category of "marginal people."

According to McNamara, these are people who cannot be provided for by the world economy, who do not produce and cannot be fed, and who might as well be dead. Current thought by imperialist "philanthropist" institutions like the World Bank leans toward cutting out assistance to these "marginal people"—aiding the economies which are still on their feet and letting the starving starve.

This barbaric perspective has its U.S. counterpart: the "benign neglect" advocated for blacks by Nixon's one-time brains-truster, Prof. Daniel Moynihan. The policies of President Ford's first weeks—his proposals to cut federal spending on public transit and education, to continue "tight money" policies and increase unemployment—show him a more effective enemy of the working class and the poor than the weakened Nixon was.

Some spokesmen of the capitalist class are being even more open about what these policies mean. For example, *Fortune* magazine recently bought an entire page in the *New York Times* to reprint its September editorial, which spelled out that these policies would mean "an unpleasant rise in the unemployment rate" and "years of subpar growth (that) are going to affect the material well-being of millions of Americans."

Cuts in "the material well-being of millions of Americans" do not mean cuts for all Americans. They mean disaster for the most oppressed, those already living on welfare or facing unemployment at rates twice those of whites. So these words themselves indicate the futility of reformist strategies for black advancement.

In the '50's and '60's, the black masses by tens of

thousands demanded the rights they had never been given. As thousands went into the streets, in demonstrations or in "riots," they expressed a profoundly revolutionary urge, a willingness to fight to gain what was rightfully theirs. Yet by and large these struggles remained reform struggles.

The responsibility for this lies with the black masses' leaders. They were the ones who set the terms within which the black struggle was carried out. The strategies they pressed on the black masses, even when they spoke in very revolutionary-sounding language, amounted to making the capitalist economy give blacks what it had already given whites. Thus these strategies relied on the seeming stability and expansion of capitalism.

The major black leaders, above all Martin Luther King, were open reformists. King called the masses into the street as a pressure point on liberals. Because he feared the militancy of the black masses and youth, which continually endangered his alliances with liberals, he continually sold out his own campaigns for a few empty promises. This happened, for example, in Birmingham in 1963 and in Chicago in 1966.

BLACKS AND LABOR

Another element in the bankruptcy of the traditional black leaders was the position of the reformist labor leadership, to which they looked for an alliance. The black masses have in all periods been part of the American labor struggle, and attracted to its left wing.

In the '30's, thousands of blacks were attracted to the Communist Party. In the late '40's, the then-revolutionary C.L.R. James was able to observe correctly that "the masses of the Negro people today look upon the CIO with a respect and consideration that they give to no other social or political force in the country."

This respect and consideration were squandered by reformist labor leaders whose support for capitalism made them incapable of fighting the ruling class either in the South or, later, in the North. In the '50's the labor leaders refused to carry out the long-promised southern organizing drive, which would have meant organizing millions of white and black workers against their common enemy.

The continued alliance of the liberal black leaders with the labor reformists became a fetter on the black masses instead of a means of struggle. In the '60's as the militancy of the black masses emerged in the northern ghettos and in the unions, liberal and conservative labor bureaucrats alike saw their own power base and their snug relations with the Democratic Party threatened. While they talked progress and integration, they did their best to crush black militancy.

BLACK NATIONALISM

Against this background, black nationalism emerged as a mass sentiment in the mid-'60's. Nationalism's first and most charismatic mass leader, Malcolm X, moved in a few years from the Nation of Islam's non-political "self-help" nationalism to a militant, political nationalism, and then toward a radical class analysis of black oppression. Before he died, Malcolm X had stopped calling himself a black nationalist.

"I believe that there will ultimately be a clash between the oppressed and those that do the oppressing," he said a month before his assassination. "I believe that there will be that kind of clash, but I don't think that it will be based upon the color of the skin, as Elijah Muhammad had taught it." Malcolm X stopped calling himself a black nationalist because he went beyond a consciousness of black oppression to a consciousness of the

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FROM NAACP TO SNCC

The shift of the black movement away from integrationism marked a shift in the leading black organizations from professional-dominated organizations like the NAACP to the student and ex-student leaderships of CORE and SNCC. Not tied to a settled position in society like the professionals, these new leaders were able to put forward a far more radical-sounding view under the name of "black power."

The conception of black power meant, for the black masses, black self-confidence, the need for self-organization, and a growing awareness that blacks could wield social power. The door was opened for black workers becoming aware of their social weight and taking the lead in the fight for black rights as part of a class struggle of black and white workers.

For the black power leaders, however, black power was identified with the strength of blacks as a whole, bourgeois and proletarian alike. Even Roy Wilkins and Whitney Young were brothers. The idea of blacks organizing on a traditional American ethnic basis—put forward by Stokely Carmichael and Charles Hamilton in their book *Black Power* in 1966—and the later idea of blacks as an oppressed nation served as the vehicles for an ideology which pitted the mass of blacks against white workers as well as white bourgeois.

NO CLASS ANALYSIS

Nationalist strategies, no matter how militant and "socialist" they became, remained strategies for purely democratic struggle. That is, they aimed at the equality of the black "community" with white society, rather than a class struggle of black workers, which would have meant a common struggle with the most advanced white workers.

To give one example, the Black Panther Party understood that blacks alone could not transform society, and actively sought alliances with white groups. But they made no class analysis of white society. White revolutionaries, to them, were whatever whites supported the black democratic struggle.

The nationalist framework meant that even the Panthers' opposition to the black bourgeoisie was only temporary. Given the aim of improving the position of the black "community" vis-a-vis white society, even these "revolutionaries" had much more in common with Whitney Young than he or they knew. Faced by repression, they moved back into alliances with black—and white—moderates.



Stokely Carmichael, leading spokesman for "revolutionary" nationalism in mid-1960's. Nationalism is a dead-end for blacks.

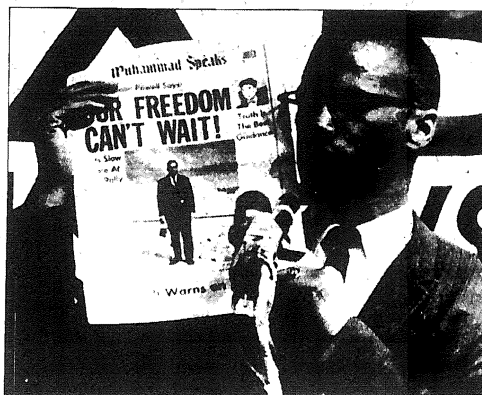
BLACK PANTHERS

The Black Panther Party is only the leading example of this circular motion from nationalism to "revolutionary nationalism" and back to the black wing of the Democratic Party. (For some, "revolutionary nationalism" led to Maoism; this also leads back to the same point, by a longer route, but Maoism must be analyzed in a separate article.)

The winners were the black Democrats, such as Jesse Jackson, who today can pose as a militant while proposing, in August of this year, to organize 15 million blacks for the revolutionary goal of installing Sen. Edward Brooke, the blue-blooded black Republican, as Gerald Ford's Vice-President!

The masses of black youth and workers who embraced some idea of black power or nationalism—those who exploded in rebellion in the summer cities in 1964, 1965, 1966, 1967, and 1968—were not

thinking in these terms. To them, nationalism and black power meant the overturn of all that oppressed them. This could be achieved only through socialist revolution. But their revolutionary aspirations did not find a revolutionary leadership. They remained represented by nationalist leaders who, because they still thought only of organizing blacks as a race for democratic gains, could only



Malcolm X. He broke with Muslims and realized shortcomings in nationalism.

fight for a black base within capitalism.

Nationalism remained the "militant" twin of reformism.

BASIS OF BLACK OPPRESSION

The nationalists did not understand the basis of black oppression in capitalism. The furthest they got was such general statements as "capitalism is inherently racist," and such statements did not reflect a real analysis of capitalism, but only a subjective recognition of and opposition to the deep-rootedness of racism. In order to destroy racism it is necessary to understand how racism is rooted in capitalism.

The rights denied to blacks are referred to by Marxists as bourgeois-democratic rights, as are the rights of women, the right of nations to self-determination and equality, etc. These are rights promised equally to all, regardless of race, class, sex, nationality, etc. Bourgeois society—capitalist society—was the first society in history to raise such conceptions, because it was the first society to organize a universal system of production which (in its rise) constantly expanded the wealth of society.

This accounts for the strength of bourgeois-democratic ideas. For the first time the downtrodden people of the world seemed to be promised equality. Yet capitalism never fulfilled these promises. In its youth it leaned on pre-capitalist modes of production (and oppression). In its maturity it never wiped out their traces. In its decay, when it can no longer revolutionize production, it leans again on inequality and the denial of democracy.

CAPITALIST LOOTING

The birth of capitalism was based on the looting of the tropics—and on slavery. Capitalism utilized blacks first as slave labor. When the industrial capitalist economy in the northern United States came in conflict with the more primitive mercantile capitalism of the South, the North destroyed the southern slave-based economy—and incidentally, freed the slaves.

But even then, in the period which represented the height of its vigor, capitalism could not carry through on this democratic revolution by ensuring the black freedmen the right to the land. Nor could the industrial economy, entering a series of crises, absorb the blacks. As Wendell Phillips, the most radical of the white Abolitionists, commented after the Civil War, "We have freed the slave—but forgotten the Negro."

Blacks remained at the bottom of capitalist society. Legal segregation was introduced, alongside custom, to keep them there. By the beginning of the twentieth century, blacks in large numbers were beginning to move off the land. But a capitalist economy which was no longer expanding organically was able to absorb black labor only in dribbles. So blacks moved into the labor market mainly in

times of labor shortage, and always remained on the bottom.

Thus the society which destroyed southern slavery in order to expand, kept blacks on the bottom because it was no longer expanding, but alternating between shallow and speculative upturns and an increasing organic stagnation.

BLACK PROLETARIANS

But alongside this tendency was a contrary one: to the extent that the modern economy incorporates blacks—and keeps them in the worst and dirtiest jobs—it incorporates a germ which will help bring about its destruction. Placed at the center of capitalism, in its central cities and its basic production industries, are the most oppressed and exploited workers, who are today among the most conscious workers.

Whereas in 1930 there were fewer than 50,000 black union members, and in 1944 still fewer than 500,000, there were by 1965 between 1.5 and two million black members of labor unions, and these were concentrated in basic production and transportation industries, as well as in the newer municipal service unions.

This fact is of tremendous significance for revolutionary strategy. As Leon Trotsky stated in 1939, in discussing the position of the then-revolutionary Socialist Workers Party on the "Negro question":

If the workers' aristocracy is the basis of opportunism, one of the sources of adaptation to capitalist society, then the most oppressed and discriminated are the most dynamic milieu of the working class. We must say to the conscious elements of the Negroes that they are convoked by the historic development to become a vanguard of the working class. What serves as the brake on the higher strata? It is the privileges, the comforts that hinder them from becoming revolutionaries. It does not exist for the Negroes. What can transform a stratum, make more capable of courage and sacrifice. It is concentrated in the Negroes.

PERMANENT REVOLUTION

The relation between the placing of black workers at the heart of the proletarian struggle, and the struggle for the unachieved rights of equality and freedom for blacks, flows from the nature of capitalism in its epoch of decay.

This relation is summed up in the theory of the Permanent Revolution, first elaborated by Leon Trotsky to explain why the fulfillment of democratic struggle in Tsarist Russia required a socialist, not merely a bourgeois-democratic, revolution. The theory of the Permanent Revolution, as a theory of the relation between democratic rights and the socialist struggle, must be at the heart of any revolutionary theory today.

Capitalism, which placed bourgeois-democratic rights on the agenda of history and awakened the masses to struggle for them, never fulfilled these rights. Although capitalism appealed to the masses in its battle against feudalism, it soon began to fear these same masses as much as, or more than, the old feudal powers. For capitalism brought into being a new class, the proletariat, which began to challenge the capitalists' rule of society.

By the middle of the nineteenth century the emerging capitalist ruling classes, even when they had not completely shaken off the rule of the landlords and monarchs, were restricting or giving up their struggle against these old powers in their fear of stirring the proletariat against themselves.

Thus in Russia, as Trotsky was the first to understand and predict, the proletariat had to conquer power and seize the industry and land in order to complete the struggle against the Tsar and the landlords—which the capitalists not only did not carry out, but resisted. But this conception of Permanent Revolution did not only apply to Russia.

OBSTACLES TO EQUALITY

In the United States as well, soon after the Civil War, the struggle by radical capitalist forces—the Radical Republicans—to complete the conquest of bourgeois-democratic rights came up against twin obstacles.

One was the fact that, while the capitalist economy was expanding in giant strides, it was still not able to industrialize the whole South and remake it in the image of the Northeast. It preferred

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PERMANENT REVOLUTION

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to make peace with the southern rulers, pin them under its wing, and keep the South as a backward agricultural area—with blacks in the most backward position of all, denied even the land because this would undermine the southern bourgeoisie.

The second obstacle, of gradually increasing importance, was the need to prevent and head off the growing interracial struggle by black and white plebians against their rulers, and to offer whites a sop in the form of race privileges. No later than the end of the last century, capitalism was no longer able to carry through on its bourgeois-democratic promises.

CAPITALISM'S STRATEGY

Today, in the advanced stage of its decay, capitalism is even less able to do so. More and more it must increase the divisions among every section of the masses, playing of white against black, hurling nation against nation in imperialist war, etc.

One of the most glaring examples is the present controversy over busing. The black masses care deeply about education. It is one of the few means of moving upward in a racist society. With the economy stagnating, social expenditures being cut, and the schools decaying more and more, the democratic demand for educational opportunities must be expressed as a demand for more and better education—for a giant expansion of the school system paid for by taxes on the capitalists, and coupled with demands for rebuilding the cities, combatting unemployment and inflation, etc. It is this approach which we will discuss later.

But liberal leaders, black and white—and most sharply the trade union leaders, including the teacher union leaders, who fear above all a real struggle against the capitalists—are unable to map out such a strategy. Instead they offer a dead-end fight: the fight to spread black and white children more evenly through the rotting schools. White as well as black children shall be bitten by rats!

We stand for the right of all children to attend the schools of their choice. The liberals' strategy can only foster the most bitter, and usually racist responses from whites, who see their children bused back into slums to attend school. Revolutionaries must be prepared to physically defend black students from racial harassment and abuse at the same time that we warn both black and white workers that each racial explosion plays into the liberals' strategy. Each confrontation helps the liberals lead the black masses into a position where they see the white masses, rather than the capitalist class and its political lackeys, as their main enemies.

FORETASTE OF FUTURE

The figures cited at the beginning of this article are only the mildest foretaste of what the future has in store. As whites and blacks are thrown out of work—blacks far more than whites—the demagogues of both races will try to set them at each others' throats. Unemployed vs. employed, taxpayers vs. welfare recipients, scabs vs. unions—that is their hope. Fascist groups will arise, directed against blacks and against the trade unions. The open march of Nazis through the streets of Cleveland last winter, the slaughter of the SLA by police in Los Angeles, are foretastes of the fascist violence and massacres of blacks in the future—if these forces are not stopped.

In no country has the decay of capitalism proceeded very far without giving rise at least to military dictatorship, and in the extreme to fascism—the defense of capitalism through the complete stamping out of all democratic rights, the wiping out of all workers' organizations, the suppression or extermination of minorities.

For blacks in the United States, the decay of bourgeois democracy means at best an apartheid-type solution. At worst, the "unthinkable" possibility which became reality for European Jews—extermination—is waiting for American blacks in the death agony of bourgeois society. The only bar at present to these possibilities is the centrality of

blacks in capitalist production, and a major depression, throwing millions out of work, would attack precisely this precarious security.

The decay of capitalism, the collapse of country after country from bourgeois democracy into dictatorship, the inflamed international rivalries reviving the threat of World War III, make socialist revolution a necessity for the very survival of the international proletariat and the world's peasant masses, who are already today facing the specter of famine and pestilence. For none is this necessity more sharp than for the most-oppressed slaves of American capitalism, the blacks.

It is they who are at the bottom, they who are today denied democratic rights, as tomorrow the entire proletariat will be crushed down and denied democratic rights. It is black workers, most of all, who can find their democratic rights only in the revolutionary rule of the exploited and oppressed—that is, through socialist revolution.

This is the perspective of the Permanent Revolution: the equality, national liberation, and democracy which capitalism more and more denies are found through the proletarian conquest of power. And for this reason, the proletarians of the conquered nations and oppressed races will be in the forefront of the battle for socialism.

TRANSITIONAL PROGRAM

The Transitional Program is the programmatic expression of the theory of the Permanent Revolution, demonstrating the relationship between democratic rights and the socialist struggle through a series of concrete demands and slogans. The measures called for in the Transitional Program represent many of the policies of a future workers' state.

Trotsky's program elaborated the fundamental strategy of the Bolshevik Revolution in terms which corresponded to the subsequent advancement of capitalism's decay. In capitalism's death agony the struggle for democratic freedoms reaches beyond the domain of the backward countries and oppressed peoples historically denied bourgeois "equality."

Capitalism will deny the entire international working class its rights as a means to prolong its own life. The constant threat of war, depression, and fascism—forms which capitalism assumes to reduce all workers to slave-like conditions—demonstrates most clearly the inseparability of the struggle for equality and freedom from the working class's struggle for self-emancipation.

As capitalism unmasks itself, grabbing back from the working class even the pittance it once could afford to concede, workers are impelled into struggle to defend themselves. The Transitional Program is a program for working class defense on every front.

SLIDING SCALE

In response to the collapse of the capitalist economy, bringing ever increasing inflation and mounting unemployment, the program calls for the **sliding scale of wages and the sliding scale of hours**; that is, demanding that wages rise automatically to cover inflation, while the work week is shortened with no loss in pay to provide work for all. The program calls further for the training and retraining of all workers for useful work at capitalist expense; for the opening up of the corporations' books to reveal their finances to all.

Finally, a **large-scale program of public works and the rebuilding of the cities at capitalist expense** to take up the slack of unemployment and provide immediate measures against social decay.

To guard against the inevitable attacks on workers and minorities, first by the "democratic" bourgeois state and increasingly by armed bands of fascist vigilantes, the Transitional Program calls for arming all workers' struggles through the formation of **workers' defense guards and a workers' militia**. And to carry out these measures the proletarian program demands the **nationalization of industry and the banks and workers' control of industry** to place the economy under the control of the proletariat.

These defensive measures express the needs of all workers, but it is obvious that they benefit most those who are most oppressed by the lack of jobs, explosion of prices, growth of right-wing forces, and the total disintegration of the inner cities which

marks the crisis of American imperialism—black proletarians and their families.

The black masses, who have always been denied capitalist "equality" and were thrown only scraps when capitalism prospered, suffer first and most deeply during capitalism's death agony. With no privileges to divide them from other workers, and reason for only hatred and contempt for the bourgeoisie, black workers will be in the forefront of the struggle to defend their class.

SELF-DETERMINATION

In keeping with the recognition that the black masses are the prime victims of U.S. capitalism's attack, the program of transitional demands is supplemented by the democratic slogan of the **right of blacks to self-determination**.

Blacks are not today a nation; as Trotsky put it in 1933, "Nations grow out of the racial material under definite conditions." The development of American capitalism has led away from this direction as it has incorporated blacks more and more into the national capitalist economy. But as we have seen, the future holds the possibility of the seething cauldron of racism boiling over into an apartheid-type totalitarian control of the black minority or the attempt at total extermination.

In this case the best defense of the black minority would still be the socialist revolution. But the proletarian vanguard must still be ready to stand with blacks in their right to take the last desperate measure of self-defense—separation—if they so choose, explaining at the same time that it is only the dictatorship of the proletariat which can offer the possibility of blacks' creating their own state.

The Transitional Program proves concretely that the only real defense against capitalism, the only possible realization of democracy, lies in the revolutionary overthrow of this outmoded system and the institution of the dictatorship of the proletariat. Its system of demands and slogans, all necessary to fight capitalism's onslaught and defend the working class, compose in their entirety part of the program of the dictatorship of the proletariat, policies which the workers' state will employ in the construction of socialism.

The call for the **workers' government** is the pivotal demand of the Transitional Program. In the United States, where there is no large workers' party, we call for a **labor party** to fight for a workers' government, and for a **Congress of Labor and the Oppressed** to launch such a party. These demands are most timely today, when the nation's first appointed President sits in office.

Again, while such a congress is an urgent necessity for the entire proletariat, it is most of all urgent for black workers, who are misrepresented both by white liberals and by black reformist politicians; whose minimal needs are daily being denied by the capitalist state; whose minimal democratic rights are daily threatened by the capitalist police and army; and for whom the future holds no improvement unless they can find a revolutionary answer.

REVOLUTIONARY PARTY

This program, the only program which offers a solution to the deepening exploitation and oppression of blacks, must be carried to the masses of black and white workers. To do so, and to lead them in struggling for these demands, it is necessary to build a revolutionary Leninist-Trotskyist party, an American section of a reconstructed Fourth International. This central task of the Revolutionary Socialist League is the center of the struggle for black survival.

The most bitter and determined enemies of capitalism among the black workers, including many who are now misled by fraudulent centrist organizations leeching off their revolutionary hopes, will form a major part of the fighting backbone of such a party. Central to the perspective of such a party is the perspective of the Permanent Revolution—the fulfillment of the struggle for democratic rights in the struggle for the proletarian dictatorship.

In this way the programmatic call of Trotsky, that "we must say to the conscious elements of the Negroes that they are convoked by the historic development to become a vanguard of the working class," will be fulfilled.

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ON THE BRINK OF DEPRESSION

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York Stock Exchange told Congress that the U.S. faced a \$650 billion capital shortage over the coming twelve years. But he too concluded that there was absolutely no chance of depression.

This is nonsense. By any realistic accounting, the international economy is in its most serious crisis since the Great Depression. The energy crisis and the food shortages are, contrary to Ford and Kissinger, not the roots of the economic tailspin. As we shall see, they are only the most vivid forms that it is taking.

INTERNATIONAL DOWNTURN

For the first time in decades, the downturn is not confined to one particular country or region. It is international. As inevitably happens, it is being felt most severely in the initial stages in the weakest areas—the underdeveloped countries, southern Europe, and Britain and Italy. But it is striking home to the strongest powers as well.

Already, the economies of all the advanced industrial countries are "going down in phase" in a world-wide recession. This is underlined in Japan, which until recently had a 10 per cent growth rate. Now production is falling, bankruptcies are up over 30 per cent from 1973, and inflation is out of hand (consumer prices are up 24 per cent over last year; wholesale prices have leaped 35 per cent). The Japanese stock market has dropped 20 per cent in

capitalist world. It is compounded by the energy crisis, which has resulted in a net outflow of \$40 billion from the industrial powers and has accelerated inflation. The western economies, already starved for capital, can ill afford this loss.

Today, the outlook is bleak. But we have been stumbling into this situation for years, and now that it has arrived no capitalist government and no bourgeois economist has a solution. They can neither stop inflation nor prevent recession from worsening. The fact is that the post-war prosperity is completely through, and that the only possibilities for the capitalist economy are a continued gradual downward slide into depression conditions, or a sudden collapse. Only socialist revolution can avert economic catastrophe.

Why is this? What underlies the universal downturn? Why can't the bourgeoisie produce another upturn, like the one in 1972-1973? To answer these questions, we must first briefly examine the post-war boom. All the contradictions of the current conjuncture are rooted in the very methods that the capitalists used to stabilize the system following World War II.

The Great Depression of the 1930's was the deepest and most vicious in capitalism's brutal history. In the epoch of imperialist decay, unimpeded "market forces" are no longer sufficient to concentrate and centralize capital sufficiently to pull the world out of a slump.

In the past, centralization had been accomplished through weaker firms going bankrupt, mergers of the large firms, and driving down the wages of the proletariat. The upshot was depreciation of overvalued capital, liquidation of fictitious capital, and

War II was a short-term solution. Millions of unemployed were absorbed into the armed forces. Idle plants were started up to produce war-related goods. War production on guaranteed-profit contracts stimulated the economy and resulted in a huge increase in the depressed national product.

Not only were profits guaranteed, but both the AFL and the CIO agreed to a no-strike pledge, leaving workers defenseless in the face of soaring inflation. Real wages fell steadily as the trade unions were locked into the notorious "Little Steel" formula.

In short, there was a partial rationalization of capital accomplished by placing a large share of production under the control of the state. The huge increase in deficits provided temporary relief, but their fictitious nature was already generating sharp inflation into the economy.

And what would happen at war's end? How could severe unemployment be prevented when millions of GI's returned to the labor force? How could the bourgeoisie continue to wring extreme sacrifices from the working class when the patriotic atmosphere was gone?

Moreover, could the greatly increased government spending that provided a floor for production and employment through guaranteed profit contracts be maintained? This spending was based on huge budget deficits. In effect, the government guaranteed profits to the biggest corporations by printing up more money.

But for the profits to be real and not simply pieces of increasingly devalued paper, they ultimately had to have a base in an increased production of surplus value. Though arms production is a production of surplus value, arms do not re-enter the productive process and therefore their value does not contribute to the further production of surplus value.

The existence of the huge budget deficits during World War II and the high rate of inflation was proof in itself that production had not increased to a point capable of covering the illusory values churned out by the government. Either production of surplus value would be increased, or real profits could only be accrued through expropriating value from a sector of the capitalists or from the workers by forcing down their living standards still further.

Although bourgeois economists were pessimistic about the prospects of avoiding a return to the conditions of the thirties, recovery did come. Concentration and centralization was accomplished at a sufficient level to allow for a period of relative stability.

DEFEAT OF PROLETARIAT

How was this done? First of all, the defeat of the international proletariat gave international capitalism, led by the U.S., virtually a free hand in the reorganization of the post-war world. The war had served many of the functions classically performed by depression. On a world scale, capital was concentrated and it was centralized into fewer hands as a result of war-time expropriations and the division of the spoils by the victors.

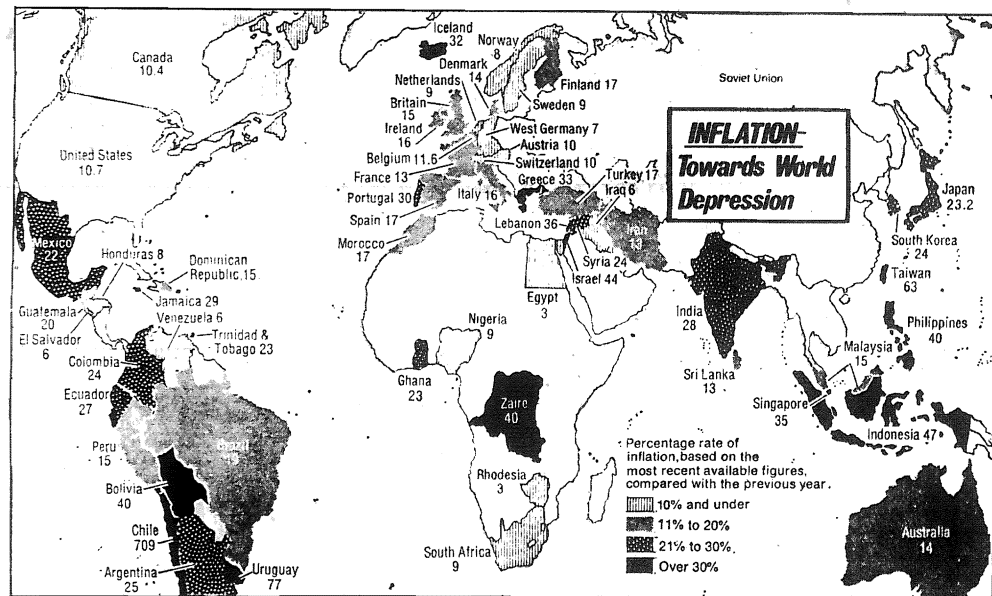
The war elevated the role of the state in all capitalist nations to a far more vital position in production than it had previously held. And finally, one sector of international capitalism in the West, the American bourgeoisie, was able to dictate terms to the rest of western capitalism. It utilized the low cost of labor and the opportunities for investment in Europe to greatly expand its share of surplus value.

This laid the basis for the U.S. to take the lead in the introduction of new techniques of production on a broader scale, thereby increasing the productivity of labor and making possible an increase of real production. First, the U.S. had to get devastated Europe back on its feet. This it did through a series of aid programs, most importantly the Marshall Plan. U.S. holdings in Europe were strengthened in this way, and the preconditions were set for the massive spurt of U.S. investment abroad that really took off in 1958.

How did the U.S. finance the reconstruction of Europe? How did it maintain economic stability until European industry was re-established?

Domestically, the state maintained a high rate of government deficit spending, especially supporting the arms industry. Arms and related industry

Cont'd. next page



the last three months.

The European economies are in sharp decline as well. Britain cannot pull out of its long-standing economic slump. Despite attempts to stimulate the economy by borrowing \$5 billion on the Euro-markets in the first half of 1974, the British stock index has fallen to its lowest level in sixteen years. Bankruptcies in Britain are up sharply as well, including the giant Court Line and the British-Israel Bank. And Chancellor of the Exchequer Dennis Healy now admits that there is little prospect of reducing inflation from the present 15 per cent-plus rate in the foreseeable future.

Meanwhile, recession has hit West Germany. The Germans have been able to hold inflation down to 7-8 per cent through a series of strict controls, but the result has been to send the economy into a downturn. Within the past two months four West German banks have collapsed, and several others have sustained huge losses in foreign currency speculation.

And the U.S., of course, is in the grips of combined inflation and recession. Gross National Product has fallen for two successive quarters, unemployment will rise sharply under the most optimistic predictions, and the economy is plagued by severe shortages that are getting worse.

The story is the same throughout the advanced

increasing capital in the hands of corporations by reducing the number of firms. Together, these restored opportunities for profitable investment by raising the rate of exploitation and increasing the rate of profit.

But the crash of 1929 followed a new pattern. Despite driving down wages, despite vast unemployment and widespread bankruptcy, capitalism showed no signs of recovery. This is fundamentally because capitalist production was on so vast a scale that adequate centralization required either the nationalization of many of the most important industries, or all nations submitting to the domination of one or two powers which would centralize capital to their own dictates.

Therefore, the Keynesian pump-priming, deficit-spending measures introduced in the pre-World War II period had little impact on the economy. In and of themselves they could not accomplish the sweeping centralization necessary. They were token measures designed to leave industry in private hands while artificially inducing demand through government spending. But government deficits do not create value; in Marx's words, the national debt is "a purely fictitious capital." The fundamental problem remained the need to increase real production, which required more than tokens.

The command economy imposed during World

relieved unemployment by employing a work force roughly equal in number to the mass of unemployed in the thirties. While European industry was being built up, investment domestically lagged, beginning a long process of deterioration of the productive apparatus. At the same time, the private sector was marked by a vast increase in credit to finance investment that did go on, most notably in auto and housing construction.

Credit, like deficit spending, is a lien on future production. If the values represented by credit are to be real and not fictitious, production must be increased. When this does not happen at a sufficient rate, the threat of bankruptcies and a chain-reaction collapse builds as the danger of corporations defaulting on their loans mounts.

So over time, the U.S. had to increase production to sustain stability. State fiscal policy and credit expansion were only temporary solutions. And since domestic industry was left in a stagnant state, the increase in real production had to come from abroad. The U.S. used its position of dominance to rebuild European industry, and the reconstruction of this industry in turn provided the real basis for maintaining economic stability.

BRETTON WOODS

But how did the U.S. benefit from an expansion of the productive forces abroad? First of all, American investments in manufacturing in Europe were redeemed. Then they were expanded—by 1960 U.S. foreign investment accounted for 60 per cent of the world total. Moreover, the monetary agreement concluded in 1944 at Bretton Woods, New Hampshire, gave the U.S. unique means of capitalizing on the wealth produced in other nations.

The Bretton Woods agreement was central to sustained recovery. It put the dollar on a par with gold, making it into a privileged 'reserve currency.' No other currency enjoyed this status. But since the dollar is only a piece of paper cranked out on printing machines by the U.S. government, this provided tremendous advantages. It enabled the U.S. to export its budgetary deficits abroad in return for real production in Europe and Japan.

The advantages of this should be apparent. First, the U.S. was able to contain inflation by exporting currency. The European economies, growing rapidly relative to the U.S., could sustain this influx since their real production was enlarging. Secondly, the privileged arrangements allowed for a reallocation of the world's wealth, with the U.S. appropriating a disproportionate share.

Thus the stability in the U.S. was based largely on the increased role of the state in the economy and on booty from a huge international empire which subsidized U.S. industry and obscured the decay in the U.S. economy itself.

EURODOLLARS

So long as European growth rates remained high, the build-up of U.S. paper currency ("Eurodollars") was sustained without inflation having a devastating impact. But as European industry developed, the rate of growth slowed. This is because as the scale of the technical factors of production (machines, etc.) increases, the rate of profit tends to fall. And as growth slowed, the Eurodollars began to take their inflationary toll.

As Europe recovered, the proletariat there regained its combativity. So that by the mid-sixties, increased inflation in West Germany was met by a tremendous strike upsurge. And in France, DeGaulle's attempt to break the yoke of American domination by increasing gold reserves met with a sharp response when it took the form of an austerity program against the working class. The response to DeGaulle's attacks was one of the principal factors behind the tremendous workers' upsurge in May-June 1968.

And by 1971, the situation neared crisis proportions. Well over \$50 billion in Eurodollars was floating around Europe. The declining rate of profit led to an increase in all varieties of speculation as the multinational corporations, institutional banks, and individual speculators sought to increase their returns by shuttling from one currency to another. The monetary system was rocked by three panics in the first seven months of 1971.

The contradictory basis of the post-war boom was coming to the surface. The reconstruction of

European industry has led to a decline in the rate of profit. The European workers could no longer tolerate the strain of U.S.-exported inflation as the economies slowed down. But the European recovery was the main factor behind the paper boom in the U.S. which maintained the domestic American market. And the European economies remained dependent on American consumption for the bulk of their exports.

VICIOUS CIRCLE

This was a vicious circle. The declining European economies could not tolerate U.S.-exported inflation, but especially as their growth rates lagged they became all the more competitive for markets in the U.S. The U.S., in its turn, depended upon healthy European economies to sustain its paper boom, but its rotting industrial plant could not tolerate intense European competition. The final irony is that the U.S. had cut back investment domestically to take advantage of higher profitability abroad, and now found that it had difficulty competing with the nations that it had rebuilt.

This was the backdrop to Nixon's New Economic Policy of August, 1971. The U.S. agreed to devalue the dollar and to end its special privileged status as

Foreign Investments of leading Capital Exporting Countries

	1914	1930	1960
	per cent of total		
United Kingdom	50.3	43.8	24.5
France	22.2	8.4	4.7
Germany	17.3	2.6	1.1
Netherlands	3.1	5.5	4.2
Sweden	.3	1.3	.9
United States	6.3	35.3	59.1
Canada	.5	3.1	5.5
Total	100	100	100

Annual Rate of Growth of Total Output

	1950-60	1956-61
Denmark	3.3	5.0
France	4.4	4.2
Germany	7.6	5.9
Italy	5.9	6.7
United States	3.2	2.3

U.S. economic hegemony was one of the keys to post-war boom [see top table]. Foreign investments and Bretton Woods made faster-growing European economies [see bottom table] support U.S. capitalism.

reserve currency. This knocked a pin out of the U.S. international empire and limited the ability of the U.S. to export inflation. But Nixon demanded huge trade concessions for U.S. industry in return. John Connally's globe-trotting trips in the fall of 1971 enforced this exchange: the European and Japanese capitalists were forced to give privileged trading rights to U.S. firms, and to accept tariff barriers to the U.S. domestic market.

The Connally trips were followed by a series of international trade conferences to the same end: extracting privileges for U.S. domestic industry. The post-war "harmony" based on U.S. hegemony was finished and a transition to old-style open imperialist rivalry and conflict began. The U.S. used the dollar devaluation and the abrogation of the Bretton Woods agreement as the basis for getting a head start in the vicious "beggar-thy-neighbor" trade wars that loomed ahead.

WAGE CONTROLS

But additionally, Nixon needed a club to keep inflation rates from soaring, since the export of inflation was not as viable as in the past. This is why, simultaneous with the dollar devaluation, he instituted Phase I of wage-price controls, the freeze on wages and a 90-day ban on strikes.

With the end of the boom, the need to contain the inflationary pressures that had built up over decades, and to offset the fall in the profit rate, the bourgeoisie turned on the proletariat. The controls

were able to contain inflation artificially for a limited time. Prices and profits were never really controlled, but prices were kept down below the levels they would have risen to on their own. This was in part due to the slashing of real wages, and in part to a recovery of domestic production based on the trade concessions wrested from the Europeans and Japanese.

Let's examine this more closely. The 1972-1973 upswing was made possible by cutting real wages, by a tremendous increase in credit and public debt, by rapidly exhausting natural resources without care for replacement, and by a tremendous increase of U.S. exports based on trade concessions. It was thus a desperate effort to bring about recovery by aping the measures introduced at the end of World War II. Only it broke down within two years, since the bases of post-war stability have eroded.

In the first place, the European workers at the end of the war were a source of cheap labor. Next, the devastated European industry allowed the rebuilding of plants on a more modern scale, introducing more efficient methods of production and increasing productivity. Finally, the growth of Europe resulting from these factors subsidized U.S. capitalism through the mechanisms of U.S. imperialism.

But Europe is no longer a source of cheap labor; indeed, West German workers have surpassed the wage level of the U.S. work force. The falling rate of profit and the increase in the class struggle meant that the growth of European industries brought on a slowdown in the rate of expansion in Europe.

In short, the past sources of growth have been exhausted. The credit expansion, wage-cutting, and plundering of resources of 1972-1973 could only create a largely artificial boom. All the problems of monetary crisis and liquidity were exacerbated; wage-gouging only increased the combativity of the proletariat. Indeed, in re-evaluating the past two years most economists agree that the boom in profits was grossly exaggerated through phony accounting techniques and failing to discount depreciation of capital.

CAPITAL SHORTAGES

One final factor, perhaps the most important, underlines the severity of the present conjuncture. That is the crippling capital shortages that plague the international economy and are bringing on a breakdown of the world's financial markets.

The capital shortages are the result of the tendency of the rate of profit to fall. As the rate of profit falls, relatively less surplus-value is produced compared to what is needed to introduce new machinery. Meanwhile, as the scope of industry increases, larger sums are needed to introduce new elements of constant capital. At a certain point, capitals must be centralized and constant capital depreciated to be able to meet investment needs; this function is classically performed by depression.

Today, we are at that point where vast centralization and depreciation must take place for capital to be able to introduce new machinery at an adequate rate. As a result, there are capital shortages relative to the existing structure.

The shortages have been exacerbated by the methods used to sustain the post-war boom. The tremendous outlays on military production and other forms of waste siphoned capital away from productive areas, making the cost of future overhaul cumulative. In other words, the investment needs today are multiplied by the failure to invest adequately in the past.

FICTITIOUS CAPITAL

Finally, the tremendous growth of fictitious capital in the form of government deficits, credit not realized in future production, and interest-bearing capital (stocks, bonds, etc.) whose nominal value far surpasses real production have greatly worsened the situation. These fictitious capitals are all claims on surplus value, but their sum surpasses the production of real surplus value.

As the rate of profit falls, capital is increasingly siphoned out of the productive sphere and thrown into what appear to be more lucrative speculative areas, making the capital shortages worse. And the capitalists make no distinction between real and fictitious capital; hence they value constant capital by adding in the fictitious claims. As a result, their

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investment needs are greatly multiplied, as they must cover all the illusory claims on production (to fail to do so means repudiating debts and bankruptcy). In Marx's words:

With the development of interest-bearing capital and the credit system, all capital seems to double itself, and sometimes treble itself, by the various modes in which the same capital, or perhaps even the same claim on a debt, appears in different forms in different hands. The greater portion of this "money-capital" is purely fictitious. (Capital, Vol. 3, p. 470)

Production of real surplus-value can no longer adequately cover all the claims. The result is increasing bankruptcy, plunging stock markets, a breakdown of the financial markets, and in general the severe capital shortages. The danger of chain-reaction collapse looms.

Today, the capital shortages have struck home in the form of crippling commodity shortages in oil, chemicals, food, fertilizers, paper, and metals. The energy industry, for example, needs \$1 trillion to introduce new techniques in the next decade alone—a sum greater than private capital investment in all domestic industry in the past decade.

The problem is mirrored from sector to sector. Savings and loan associations, starved for assets, cannot provide funds for mortgages, resulting in depression conditions in the construction industry. The world food crisis that has brought starvation to Africa and Southern Asia stems from lack of capital to invest in modernizing agricultural implements.

THE PRESENT CRISIS

Let us examine the severity of the present crisis in more detail so that we can see what lies ahead.

A recently completed study by the New York Stock Exchange predicts that U.S. industry must raise \$4.7 trillion of investment capital between now and 1985. This is 160 per cent above the figure for the preceding 12 years.

They will never generate the capital. Remember, the preceding 12 years were 1962-1974, a period of at least partial stability. How will they find the capital today, when the world economy is declining?

Even the New York Stock Exchange study expects a shortfall of \$650 BILLION. This is optimistic. *Business Week* sadly observes: "Even that (the predicted shortfall) does not take into account the results of the deterioration in the capital markets."

And fundamentally, the only way the situation can be reversed is by increasing real production, so that greater output and hence more capital will be generated. But in order to increase production, capital is needed. On a capitalist basis, how can the vicious circle be broken?

DEPRESSION

There is only one way. There must be a rationalization of capital on a world scale, a concentration and centralization, and an attempt to increase the rate of profit by a massive assault on workers' living standards. Just as World War II created a vast pool of cheap labor, destroyed capital, and established a new centralization based on the domination of U.S. capital, so this task must be accomplished again today. In the process, the overextension of credit and debt must be wiped out and capital devalued.

And this adds up to depression. All the old crap that encrusted upon the economic structure in the post-war period must be eliminated. The more farsighted elements in the ruling class now realize this. To cite *Business Week*, which until this summer was extremely optimistic about the future:

Unless this deterioration (of the capital markets) is checked, it is going to produce a series of consequences that even the most pessimistic forecaster would not have dreamed of five years ago. The individual investor will become a rare—if not an extinct—species. The securities industry will contract to a handful of firms. The public markets will be open only to the largest corporations, and the largest corporations with the healthiest balance sheets at that. All other companies will be obliged to depend increasingly on the banking system. The banks themselves, in many instances, will be hard put to raise equity capital for their own use: those that can't—just like other businesses—will be forced to merge, retrench, or disappear. Economic power will increasingly be concentrated, as it is in Europe and Japan, in a decreasing number of big banks. And if the securities industry's distribution system is so

enfeebled that it can no longer raise capital efficiently even for major corporations, the big banks may again become... the major underwriters of corporate securities. From the collapse of 1929, the wheel will have come full circle.

Now we can see the current picture in sharp relief. First of all, look at the energy crisis. We have already noted the huge capital needs of the oil industry in the coming decade. This, combined with the drive of the Arab bourgeoisie to increase its power and profits, was the basis of a bloc between the Arabs and the U.S. oil interests to force through the steep increases in the prices of oil and natural gas that are racking the world economy.

It points to the heightened economic nationalism as well as the competition between different sectors of the capitalist class to stay afloat as the economy goes down. It was the first major fissure in the solid domination the U.S. had imposed on the world economy in the post-war period, but it was just a reflection of the breakdown of stability in general.

The world food crisis, as we have already noted, has similar roots in the crippling capital shortages. Likewise, the housing sector's depression stems from a shortage of bank capital. The auto industry is in a depressed state from a combination of the effects of the energy crisis and a general drying up of consumer spending (down \$11.2 billion in the U.S. from last year).

The auto and construction industries paced the post-war boom. Their breakdown is indicative of the general breakdown under way.

The main supports for the U.S. economy currently are durable goods and machine tool orders, which are high because the capitalists are seeking to overcome the shortage problem by introducing new machinery. The problem, again, is that they lack the capital to back this up. Thus, the predicted 14 per cent increase in capital spending this year has turned out in real life to amount to barely 5 per cent. And the breakdown of the capital markets will destroy even this, as contraction proceeds.

DOWNHILL

The prospects are all downhill. Capital shortages mean an increasing slowdown in production—bankruptcies, increasing unemployment, etc. At the same time, the mountain of fictitious capital represented by credit and debt mean continued inflation, and the more production drops the greater the rate of inflation.

There is a slim possibility that the capitalists can walk a tight-rope down for a period of time, with unemployment and inflation rising, bankruptcies increasing, but no major collapse. This will require a high degree of coordination, with the U.S. keeping the situation at home from breaking down completely by wresting greater and greater concessions from the rest of the world, and successfully attacking the working class. Over time, country after country will falter—first Italy and Britain, later France and West Germany—until eventually trade breaks down and collapse takes place.

Or, more likely, the current conjuncture can break apart, as the mass of problems besetting the bourgeoisie brings down the house of cards. One thing, though, is certain. Without a rationalization of a scope that only a depression can bring, there can be no recovery on a capitalist basis. We have already seen that the measures implemented in 1972-1973 were a last gasp that only worsened the present situation.

TURMOIL OF KEYNESIANS

The downhill road is reflected in the crisis of bourgeois economics. The Keynesians are now in a state of turmoil. John Kenneth Galbraith, John Duesenberg, and others are now demanding a tight money policy and a general attempt to slow inflation by dampening the economy. The problem is that the present inflation is in large part rooted in commodity shortages, which their policies only make worse by further slowing production. Secondly, tight money worsens the threat of chain-reaction bankruptcies through debt default as companies cannot find loan money.

Other Keynesians (Walter Heller, Otto Eckstein) argue that because inflation is fueled by shortages, fiscal restraint policies will not slow inflation, but will only increase unemployment and risk depres-

sion. This is true, but their alternative is equally lacking. They call for tax cuts, easy credit, and increased state spending to promote economic growth. But this will just introduce more worthless paper money into the economy, multiply the inflation rate, without solving the intense capital shortages based in stagnating production of surplus value that are behind the crisis.

The Keynesians are breaking apart because they are absolutely incapable of explaining the current economic crisis, where both unemployment and inflation are well above the "acceptable" levels. This is because today, government deficit spending just injects more debt into an already bloated credit structure, accelerating inflation.

The Keynesian deficit spending methods of the whole post-war period have accelerated the acute capital shortages, as we have seen. Together, the overextension of debt and the growing bankruptcies and the shortage of capital to expand production have meant a slowdown in production, an increase in unemployment while inflation skyrockets.

So the Keynesians are in utter disarray. Meanwhile, an older school of economists with a much different message is returning to vogue—the "Austrian" school. The "Austrians" blame the current crisis on the profligate monetary policies and state intervention advocated by the Keynesians. They call for a return to laissez-faire capitalism, the gold standard, and believe that a depression will be necessary to purge the system of the effects of the post-war boom.

Professor Walter Grinder of Rutgers, a leading Austrian, says: "It's not that we look favorably upon depressions or recessions. It's just that they are necessary after a bout of antisocial overinvestment in capital, engendered by expansionary monetary policy." And, he adds, "It is only through this painful medicine that the economy can be cured."

Laissez-faire capitalism is an impossibility in the epoch of imperialist decay. The state must intervene forcefully in the economy to protect the interests of the monopolists internationally from the wrath of the working class. As well, without the state production of World War II and its immediate aftermath, the world would have lapsed back into depression conditions. As we saw earlier, the inability to pull out of the depression of the thirties through traditional market mechanisms is the clearest illustration that laissez-faire's days are long past.

But the increasing popularity of the Austrians underlines a general realization that Keynesian measures no longer work. As well, these advocates of depression demonstrate that the bourgeoisie knows that the myth of eternal capitalist stabilization is gone forever.

The Austrians are especially important given the dispositions of Alan Greenspan, chairman of the President's Council of Economic Advisers. Says Greenspan: "I wouldn't call myself an Austrian economist, since I'm suspicious of all economic labels, but there is a lot that I agree with in Austrianism."

So, while Greenspan won't go to the extreme of advocating depression, he follows policies that are sure to hasten a crash. Greenspan is pushing tight money, cutting government spending, increasing unemployment, and cutting real wages. And, as we have seen, many erstwhile Keynesians are following Greenspan down this path. At the end of the road waits depression.

BREAK THE CHAINS!

The working class must gird itself for the struggle to come. Greenspan's "old-time religion" economics and Ford and Kissinger's drum-rolls point the path to depression and nuclear war. The bourgeoisie will, if necessary, destroy the entire fabric of civilization in a desperate attempt to retain their class rule.

But their system and their rule stand as the only obstacles to humanity. The material basis has been laid for the working class to take power in its own name. On a capitalist basis, what will follow is depression, chaos, famine, and war. And all this can be prevented—it must be prevented—by the proletariat abolishing the capitalist system that is strangling the world. The answer is socialist revolution.

Political Committee Statement on The Torch

We are making a series of changes in **The Torch**. Longer, more analytical articles are replacing the shorter ones of the past. Instead of publishing bi-weekly, we are returning to a monthly schedule.

Why are we doing this? The reasons are political ones, touching on our very reason for existing as a tendency and for publishing a paper.

The key task for us today is reconstructing the Fourth International. The world proletariat has never been in greater need of an international, revolutionary Marxist party.

Throughout the world, capitalism finds itself faced with crisis. The ruling classes are everywhere resorting to more repressive measures against the workers in order to shore up their own positions.

In response to the sharpening of capitalism's contradictions and the bourgeoisie's stepped-up attacks, the proletarian masses are attempting to fight back. Growing numbers of workers are coming to recognize the face of their class enemy. Growing numbers sense how urgent it is for the proletariat to organize itself on a class-conscious basis.

VANGUARD IN DISARRAY

Our class's main problem is the terrible state of its vanguard. The increasingly combative working-class masses do not have strong, unified, Marxist leadership to direct their struggles. Instead, the class's vanguard is in total disarray. Throughout the world, the would-be revolutionary workers are divided against each other, split up into warring tendencies, mis-led by the broadest spectrum of neo-Menshevik currents—who cloak themselves in the banner of Bolshevism.

This situation is intolerable. The international working class cannot hope to defend itself, much less improve its condition, unless the vanguard workers and intellectuals unite around a Marxist program within a unified, democratic-centralist, international party.

How can the reconstruction of a genuinely revolutionary International take place? It certainly cannot occur through an a-political amalgamation

of all the self-proclaimed Marxist groupings. Simple addition is not the answer.

It is first necessary to lay out the principled political basis for a truly Leninist unification of forces. And this requires the greatest clarification of the differences which presently divide tendencies from one another.

The fake-Marxist, neo-Menshevik trends who currently confuse and divide the vanguard must be clearly exposed before the most advanced workers for what they really are. These trends range from the Stalinist "official" Communist Parties and their erratic Maoist offspring through the various Pablotte tendencies—who use the authority of Leon Trotsky to cover their capitulation to capitalism (especially where capitalism rules on the basis of state property and through the mechanism of Stalinist parties).

Only if this exposure is successfully accomplished can these poisonous trends be isolated from their honest supporters and defeated. Only in this way can the Fourth International be rebuilt.

LENIN AND "ISKRA"

Almost 75 years ago, in similar circumstances, Lenin excellently defined the correct way to approach the task of advancing Marxist unity. In the **Declaration of the Editorial Board of Iskra** (1900), he wrote:

... unity cannot be decreed, it cannot be brought about by a decision, say, of a meeting of representatives; it must be worked for. In the first place, it is necessary to work for solid ideological unity. ... Before we can unite, and in order that we may unite, we must first of all draw firm and definite lines of demarcation. Otherwise, our unity will be purely fictitious, it will conceal the prevailing confusion and hinder its radical elimination. (Lenin, *Collected Works*, Vol. 4, p. 354)

The task which **The Torch** sets for itself in the next period is to fight for the reconstruction of the Fourth International and its U.S. section. We will follow Lenin's method.

Like **Iskra**, **The Torch** will orient to the proletariat's vanguard elements, in an effort to win

them over to the revolutionary Marxist program of the Revolutionary Socialist League. We will discuss in depth the most important questions facing the working-class movement today. We will counterpose the Marxist answers to these questions to the bourgeois-influenced programs of the neo-Mensheviks. "Before we can unite, and in order that we may unite, we must first of all draw firm and definite lines of demarcation."

In this way, we will help revolutionary-minded workers and intellectuals to re-group themselves and to lay the programmatic and organizational foundations for a reconstructed Fourth International.

TECHNICAL CHANGES

This orientation requires some changes in **The Torch** as its readers have come to know it during its first year of publication. To discuss key questions in the depth required, it is necessary to carry fewer but longer articles per issue than was normal previously.

To raise the political level of the newspaper, the League's leadership—its Central Committee and especially its Political Committee—will take on a much greater proportional share of the writing.

Finally, to meet our necessarily high standards of quality, we have decided to resume monthly (rather than bi-weekly) publication. It is now clear to us that bi-weekly publication, despite its obvious advantages, is still incompatible with meeting the standards of quality which we must set for ourselves. A bi-weekly schedule also restricts our ability to increase the length of each issue, something which is most necessary to satisfactorily develop the ideas presented in these pages.

Our organizational and technical advances depend upon political advances. We expect **The Torch** to raise the theoretical understanding of the League's membership and to win new elements to our banner—the best, most clear-sighted of today's would-be revolutionaries. Successes like these will make possible a more frequent publication schedule for **The Torch** in the future.

L.A. United Defense Meeting

by James Patrick

In response to the Communist Party-inspired attack on the Los Angeles Socialist Collective in August (see **The Torch** No. 14), a group of labor and left groups met on August 31 to discuss the problem of violence on the left. Among those attending the first meeting were members or supporters of the Spartacist League (SL), International Socialists (IS), Socialist Collective (SC), October League (OL), New American Movement (NAM), Internationalist Tendency of the Socialist Workers Party (IT), and the Revolutionary Socialist League (RSL), as well as several independent leftists.

At the first meeting, a statement was agreed upon which denounced the use of violence by one left tendency against another. The principle of "An injury to one is an injury to all" was upheld as the only one which could ensure the working class's right to hold free, open, and democratic discussion of the issues facing it.

Although the various groups agreed on paper to back up the principle of workers' democracy (not only in words but "in the streets"), nevertheless no way was put forward to ensure that real defense would be ready when any group needed it.

As a result, the RSL argued for a permanent United Defense Committee. Only such a commitment to the serious defense of workers' democracy

will be able to check the increasing violence of the capitalist state and its police against the entire left. Only such a commitment will deter the Communist Party and the Stalinist sects such as the October League and the Revolutionary Union from the use of violence against their political opponents.

In addition, the RSL argued that such an on-going committee would stand as an example to the entire working class of the kind of united action which the working class needs to defend itself from the bosses' attacks.

The most vigorous opponents of the United Defense effort were speakers from the OL. Declaring her opposition to the very notion of workers' democracy—the idea that the working class has the right to choose its own leadership—OL leader Sue Klonsky affirmed that some groups (i.e., Trotskyists) "deserve to get their toes stepped on." She added that the OL planned to do its share of the stepping, and then walked out.

Most of the other opponents of the RSL's proposal, especially supporters of the IT, agreed "in principle" that defense was a "good idea," but argued that such an effort would be "premature" or "provocative." We responded by pointing out that it is the duty of revolutionaries to lead, to take the first steps, even when it's unpopular or when our forces aren't as large as we'd like.

In a straw vote taken at the end of the meeting, the RSL's proposal won the support of a large majority of those present. But when the proposal was voted on officially at a second meeting held on September 13, members of both the SL and the IS "changed their minds" and voted against it, thus ensuring the proposal's defeat.

Neither group tried to explain their change of position. The IS representatives did not speak at all. The SL speaker stated that she was opposed to any permanent body, but she gave no reason why and made no reference to the fact that two weeks earlier the

SL had supported the idea.

In addition, the Socialist Collective, which had also supported the RSL's proposal on August 31, did not even bother to attend the second meeting. Thus the SC once again demonstrated its unwillingness to engage in joint work with other organizations, and its refusal to take the need for united defense seriously in spite of the attacks which have been made upon them.

The RSL concluded by reiterating its desire to establish practical relations for common defense against thuggery with any groups or individuals who wanted to do so. We affirmed our commitment to the united front—unity in action, freedom of political criticism—as the only way to unite the working class movement around concrete issues while at the same time ensuring a forum for the most open political debate. Thus, through struggle, the working class can best choose its own leadership. We are confident that through such struggle the RSL's program for the workers' movement will be proven correct.

Presumably, groups like the IS or the SL have no such confidence in their own programs.

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MINERS

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"We've got gun

MINERS

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Power's gangs of gunthugs and the suppression of elementary democratic rights (such as the right to a jury trial) used in Harlan will come to every union in the country.

COURAGE

The militancy, courage and self-sacrifice of the Kentucky miners proved more than a match for the capitalist violence. The use of armed workers' defense guards to meet the capitalist goon attacks, spreading the strike to bring the full power of the miners to bear—these were the keys to victory in Harlan.

At a time when much of the labor movement is in retreat, the Harlan miners showed the way forward. Only one element was missing: a leadership that could live up to the militancy of the miners. Despite the miners' evident belief in it, the Miller leadership of the UMW was the weakest factor in the Harlan struggle.

The Brookside mine, which had long been unionized, was de-unionized in 1965 after the defeat of a long and bitter strike. In 1970, Eastover Mining Co., a subsidiary of Duke Power Co., bought the Brookside mine and brought in a company union. After the UMW won an NLRB election and the company refused to sign the standard contract, a strike began in July, 1973.

The company used every tactic possible to break the strike—ignoring the NLRB, the law and everything else to smash the union. Eastover hired gangs of "security guards" and armed them to terrorize the picket lines. Mickey Messer, the president of the Brookside local, had 100 bullets sprayed into his home. Scabs were brought in, and injunctions and the state police were hurled against the pickets.

"SOUTHERN HOSPITALITY"

Southern hospitality, mine-owner style, appeared as fired strikers were evicted from company housing. The Southern Labor Union (Eastover's company union) tried to bribe two of the local leaders to lead a back-to-work movement. As the strike continued, the company and government grew more vicious. When it appeared that a jury was going to free arrested pickets, Judge Byrd Hogg, a former coal operator, dismissed the jury and convicted the pickets himself.

The company set up a machine gun nest at the mine face. Several pickets were shot, and one miner, Lawrence Jones, was murdered by a foreman. With the arrogance of a feudal lord and the desperation of a dying capitalism, Duke Power decreed that nothing was too foul or brutal to try to smash the union.

The miners' solidarity and refusal to be intimidated by employers' violence defeated these tactics. When the courts limited the number of union pickets, the miners' wives stepped into the front lines, took over the picketing, armed themselves with clubs, and stopped the scabs—until Judge Hogg jailed them. When the company dispersed the pickets with a machine gun, the workers blocked the road a mile from the mine and defended the pickets with pistols and shotguns.

"We've got guns," one miner said.

"We keep them to protect ourselves with. We'll use them when the time comes to use them. It won't be a one-sided battle." Faced by organized and armed pickets, the scabs did not try to enter the mine. The armed pickets kept Brookside shut tight and were the key to victory.

For the bulk of the strike, the Miller leadership refused to build sympathy strikes or even shut down the rest of Eastover's mines. While giving large strike benefits and carrying out a campaign to get investors to sell Duke Power stock, Miller sought to keep the strike limited to Brookside.

One year after the strike began, the UMW finally called the Highsplint mine out on strike, and a little later the Arjay mine. In August, Miller called out the entire union for a week to support the Brookside strike and to prepare for the November contract expiration. Within two weeks, Duke Power settled. Combined with the armed pickets, the general strike to support Brookside was more than Duke or the government, which pressured Duke to settle, could handle.

If Tony Boyle, the completely corrupt president of the UMW before Miller, had stayed in office, Brookside would never have been organized. Miller was able to gain the presidency of the UMW by capitalizing on the growing militancy of the union's ranks. In order to keep his base of support he had to make some concessions to the continuing pressure of the ranks. Only for this reason did the UMW spend \$1.5 million and call out the entire union to win the Harlan strike.

CRITICAL SUPPORT

The events since Miller's election show the correctness of the tactic of critical support for Miller then urged by the supporters of the Revolutionary Socialist League. The militancy of the ranks, thanks to the absence of a genuine revolutionary leadership, was then focused behind Miller, whom the miners falsely saw as a militant leader.

To gain the limited openings for the class struggle which the election of the reformer would bring, to end the gangster regime in the UMW, and most of all to test Miller's false promises in action, it was necessary for revolutionaries to advise the miners to place Miller in office, while predicting that Miller would not be able to provide a leadership adequate to the needs and the anger of the miners.

This prediction is now being tested and proved. Miller was forced, belatedly, to come to the aid of the Harlan strike, both because he needs a victory now to prepare for November, and because the largest mine operators and the government prefer today to control the mine workers through a reformist union rather than trying to destroy the UMW.

But Miller will prove incapable of leading the UMW in an all-out struggle against the big mine operators, and of linking such a struggle to the struggle of the whole working class. Because of this, he must also lose the fight against scab coal. To see this, it is necessary to look backward at the history of the UMW's fights.

LESSONS OF THE PAST

This history shows two alternatives facing the miners and their leaders. If miners are to gain a decent life, with

short working hours and safe working conditions, it is necessary for coal mining to be nationalized under the control of a workers' government. Private capital is simply not enough to carry out the technological revolution necessary to convert death-trap mining to safe mining. Even more, private ownership, and even nationalization under a capitalist government, has as its purpose: the extraction of maximum value out of the miners' labor for minimum cost. This means unsafe mines, longer hours, falling wages. Whatever the miners have been able to gain in past years has for this reason proved temporary.

Nationalization and the fight for a workers' government require a revolutionary leadership. The alternative, reformist strategy is to collaborate with the largest mine operators against the smaller ones, and by helping the capitalist industry to centralize and concentrate its operations, make temporary gains out of the temporarily increased capitalist profits. This has been the historic course of the UMW leadership and is the course of Miller today.

JOHN L. LEWIS

In the 1920's, John L. Lewis began his leadership of the UMW. The UMW then faced an all-out assault of the owners. All the tactics of Brookside, but ten times as vicious, gave bloody Harlan and Mingo counties their name. Tens of thousands were evicted from company housing, tent cities shot up and bombed, wages cut, the ten-hour day brought in. In a decade, the UMW went from 500,000 members down to 75,000.

In the first part of the 20's, Lewis considered the alternative of a fight to nationalize the mines. Soon, however, he turned to the second alternative, collaborating with the owners to restore prosperity to the industry. This was to be his policy for the rest of his career.

Lewis's strategy was to limit production, help the largest companies dominate the market, and win some concessions from their enlarged profits. Until the industry had increased its profits, the workers would just have to suffer wage-cuts and no safety protection. Lewis's answer to the miners' problems became: "Shut down 4,000 coal mines, force 200,000 miners into other industries, and the coal problem will settle itself."

From 1934 until shortly after World War II, Lewis's strategy appeared to work. Capitalism was recovering from the depression and the coal industry boomed. By refusing to accept the no-strike pledge during the war, the miners won the highest pay of any industrial workers. They led the labor movement in benefits. Over 90 per cent of the industry was organized, and it appeared that the UMW was totally secured.

The appearance was not the reality. After the war, the bottom fell out of the coal market. Caught between the growth of oil and natural gas and the strength of the UMW, the coal industry declined sharply—from 630 million tons in 1946 to 410 million tons in 1958.

Again the choice was posed to Lewis. Expropriate the capitalists or collaborate with them to save the industry. Never mind that saving the industry meant tremendous unemployment, crushing union democracy, a gruesome list of mine disasters and

cutting benefits to the bone—this remained Lewis's policy.

Lewis did save the industry, but not very much for the miners. To compete with oil, the coal industry had to mechanize. Even the largest mines were in no shape to do this. Lewis came to their rescue with a policy of encouraging mechanization, forcing the smaller mines out of business and holding down production costs.

To implement this policy, Lewis forced the operators to form one national organization. "They have sectional group leaders, each one thoroughly lacking confidence in the other, and it is impossible for the Mine Workers to find any stable agency on the side of the bituminous operators with whom we can discuss a national program, however conducive it would be to the welfare of the industry. . . ." So spoke Lewis, and the Bituminous Coal Operators Association formed.

To make his dream of driving 200,000 miners out of the industry come true, Lewis became "the best salesman for the machine industry in the country." As he put it, "The United Mine Workers not only co-operates with the operators or this—we invented the policy." Lewis's dream did come true as the workforce shrank from 416,000 in 1950 to 130,000 in 1964 with mechanization quadrupling in a similar period.

Lewis kept his promise to keep production costs down. While miners' wages rose, they did so much more slowly than those of other industrial workers. More importantly, Lewis kept retirement fund payments at the 1952 level until his death (they did not go up until 1971); as a result, pensions were cut and death and disability payments stopped altogether.

A vital part of Lewis's policy was keeping the entire industry organized. If all mines worked on a union scale, so Lewis thought, competition could be controlled to the advantage of both the industry and the union. As a result, Lewis struggled hard to eliminate non-union coal—through NLRB elections, organizing the small mines by dynamite and terror, legislation, and even buying non-union mines to force them to unionize. All these methods failed. The falling profit rates of the coal industry kept up a constant pressure to substitute scab labor for union labor.

SCAB MINES

Especially after the recession of 1958, scab mines sprang up. As the scab mines grew, they pushed union coal out of the market. Under this pressure, and with the example of non-union mines before them, the larger operators began to bust the union. This was the situation in which the UMW was driven from Brookside in 1965.

Despite Lewis's dynamite and money, he could not stamp out non-union coal. The mechanization he pioneered created massive unemployment in Appalachia. These unemployed miners were forced by Lewis's policies to work in small mines. When an organizing election was held, the operator would threaten to shut down the mine and lay the men off. The UMW had no way to protect these jobs, and the men voted "no."

The inevitable fruit of Lewis's collaborationist policy was to create scab mines, no matter how militant he was in trying to eliminate them. The

Cont'd. next page

CLASS STRUGGLE IN THE SOUTH

Part Two: From Slavery to Jim Crow

BY DAVID FRANKLIN

Despite what some bleary-eyed liberal historians might say, the Civil War was not fought for the "freedom of man," "human dignity," etc., admirable as these ideas are. Rather, the source of the conflict lay essentially in the class conflict between the industrial bourgeoisie of the North, and the Southern slave-holding aristocracy.

The slave owners, presiding over a decaying social system, needed the expansion of slavery into the western territories of the United States. The bourgeoisie desired these domains (as well as the South itself) for its own expansion. The freeing of the slaves was a necessary product of the smashing of the slavocracy, but the bourgeoisie was prepared to support black rights in general only insofar as they coincided with its own "rights"; if black rights got in the way, they would be junked.

RECONSTRUCTION

With the defeat of the Confederacy, the Republican Reconstruction governments were erected in the South. These governments helped to protect and codify the political and economic rights gained by blacks (e.g., freedom from chattel slavery, right to vote). The bourgeoisie's support for these rights, and for the completion of the democratic revolution generally in the South ("40 acres and a mule"), reached an apex in 1868, when the Radical Republicans held control of the U.S.

Congress.

However, even prior to 1865, conflicts between the demand for full bourgeois democracy and the needs of the bourgeoisie were beginning to emerge. Governor Andrews of Massachusetts, for example, invested \$30,000 in a Mississippi plantation, even before the war was over. Following the war, millions of acres of public lands were donated to the giant railroad interests, and the southern land-speculation of northern capital intensified. This was hardly compatible with the basic democratic demand of the freed blacks—the distribution of the land.

Furthermore, even in their heyday, most of the Radical Republicans were opposed to the implementation of land reform. As a disillusioned Radical Republican commented: "It is the Northern capitalist as well as the Southern planter that the poor freedman has to contend with now. . . ."

With few exceptions, the demand for land was not met, and blacks were forced into an economic state between a genuine farming class and slavery—sharecroppers and tenants. Joining them were a great number of poor white plebians.

DEMOCRATIC REVOLUTION

The conflict between the democratic revolution and the bourgeoisie went beyond capital's economic plans for the South. The problem was also political, and national in scope. In the midwest, farmers were moving into revolt against big capital, involving such issues as high railroad rates. Granger Societies had been organized in 1867 and were beginning to show political strength.

More importantly, the working class was beginning to move. During the civil war, most of the organized labor movement had followed the lead of the bourgeoisie against the slavocracy. But following the war, the situation had changed. The National Labor Union, a nationwide organization of trade unions, was formed in 1866. The level of real wages, having been depressed during the war, steadily rose following the conflict, in large part due to a working-class offensive alongside a collapse of wartime price inflation.

All this was indicative of the fact that the class antagonisms typical of capitalism were pressing

their own stamp on American society and posed a mortal threat to capital.

REDEMPTION

To defend its interests against this threat, capital decided to transform the South into a conservative political bulwark.

For these purposes, the Reconstruction governments simply would not fill the bill. Make no mistake about it: they were pro-capitalist regimes. Their generous land-grants to railroad interests testify to this loyalty. But their social appeal was to the blacks—who were propertyless and volatile—a potentially radical stratum who could not be counted on for unflinching support to capitalism. Conversely, Reconstruction hampered northern capital's natural ally in the South.

This ally was the southern bourgeoisie, the class which more than the slaves had been "emancipated" by the Civil War from the economic restrictions imposed on them by the slave system and which acted as an agent for the now-entering northern capital—as well as in its own behalf.

The political representatives of the southern bourgeoisie were known as the Redeemers, residing in the "Redemption" wing of the Southern Democratic Party. But the Redeemers demanded a price for their support to Wall Street. Such nonsense as protection of black rights (increasingly ineffective as the "protection" was), the obnoxious presence of federal troops, and the like would have to go. For that matter, even many Reconstructionists, the "carpetbag" Republicans who travelled South for reasons other than spreading the spirit of freedom (namely, money) desired the end of Reconstruction. One such carpetbagger reported that he "did not meet any Atlanta prominent business Republican who desired Republican control in the state. . . ."

So a bargain was struck. And the formal codification of this bargain was the Compromise of 1877. In this compromise, the Redeemers gave the close, disputed national presidential election of 1876 over to the Republican candidate, Rutherford Hayes. In return, the last Reconstruction governments in the southern states were withdrawn in

Continued from p. 11

result is that today 150 million tons of scab coal is mined each year by 35,000 to 50,000 non-union members.

Miller represents no break with Lewis's basic class collaborationist attitude. While he may very well be a sincere militant, Miller is just as committed to preserving the coal industry under capitalist rule. Vice-President Mike Trbovich, shortly after he and Miller were elected, told the miners that they must learn to mine coal in the interests of the public and mineowners.

Trbovich's statement has been backed up by Miller's attitude towards wildcat strikes. Agreeing that wildcats unreasonably disrupt production, Miller launched a campaign to end them, including the strike of 26,000 miners against gas rationing. Miller has even entered into a joint study with management on the causes and cures for wildcats. Miller's explicit opposition to the right to strike over grievances is another example of his concern for the operators.

Miller's strategy, like Lewis's, remains one of gaining increased benefits for the miners by reviving the ailing capitalist mine industry. Because of this he must betray the trust the miners have placed in him. The industry cannot be revived under capitalist control, it can at most be propped up, injected with stimulants, bailed out temporarily—all at the workers' expense.

Today the coal industry faces an

artificial prosperity brought on by the turn back to coal from oil. Tomorrow the backwardness of production methods will reassert itself in the form of falling profit rates, which even the largest corporations lack the capital to overcome through a technological revolution.

The result must be to squeeze profits out of the workers' hides. In coal this has a very literal meaning—it means first of all unsafe working conditions. Longer hours, skimping on safety regulations, driving for more and more production for a minimum input of new capital means thousands of new names on the mine workers' death list.

Miller has this clear class collaborationist stance today—when the conditions are absolutely the best that capitalism can provide. Coal is booming; prices and production are rising due to the energy crisis. The bulk of the industry is controlled by some of the largest corporations in America, including oil, steel and utilities. The big companies may be in a mood to give some concessions in order to avoid a major battle which would paralyze the other industries which are their major concern, especially as this would tend to drive their smaller competitors out of the industry.

Even in these favorable conditions, Miller's strategy is quite conservative. The tardiness in calling out Highsplit and Arjay to support Brookside is just one example. All told, the UMW in June was trying to organize only 2,634

miners in 22 mines. This conservative strategy is meeting only mixed success—the UMW is losing many NLRB elections in Harlan, throughout the east and in the west. The legacy of distrust towards the UMW, created by Lewis's terror campaign and his system of sweetheart contracts and inflamed operator's propaganda is a big reason for the UMW's losing elections.

But the operators also have their trump card—the threat to shut down the mines. Regardless of whether the shut down would be forced by a lack of profits or if it is simply a union-busting tool, as long as the mines stay in the hands of the capitalists, the UMW will lose elections. With the small amounts of capital tied up in these little mines, it is easy enough to shut them down and reopen them later or shift production elsewhere.

This threat is increased by the mushrooming of unorganized strip-mining in the Western states. Strip-mining is far cheaper than shaft mining, with a productivity of labor six to ten times as high as shaft-mining. Strip-mining is especially cheap in the Western fields, where coal lies nearer the surface than in the East. From 1970 to 1972, when 850 shaft mines shut down in the East, coal mining in Montana, Utah and other Western states grew at a yearly rate of 16 per cent. Most of these mines are either unorganized or organized by craft unions. If the West is not organized, the UMW will be crippled

again.

The UMW for 50 years has done battle with a capitalist opponent who has constantly shifted ground, retreated, counter-attacked and taken back what the miners had previously won. This pattern remains the same, as the example of the flight of coal to the West indicates.

The miners also remain in the forefront of the whole class struggle in the United States. In the '30's, when the miners sparked the CIO organizing drives; in the '40's, when they struck against the wartime no-strike pledge; in 1971, when they struck in defiance of Nixon's wage freeze and broke its limits—the miners have shown the example of courage and militancy to the entire working class.

This militancy has never been headed up by a revolutionary leadership. Today it must be. The deterioration of the mining industry knows only two solutions—the continuing attack on the miners' living standards, work standards, health and lives; or the nationalization of the mines under workers' control.

This deterioration, moreover, is only an especially sharp part of the deterioration of capitalism as a whole. This too knows only two solutions—the continuing attack on the entire working class, or the unification of the working class into a revolutionary army to take power in the state. The miners can and must build a leadership equal to the battles ahead.

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ship ahead.favor of the Southern Democrats. (The Redeemers
had actually been given control in most of the
southern states even before this.)The triumph of Redemption was not a complete
counter-revolution, despite the opinions of many
pseudo-Marxists; the old southern aristocracy
never did regain its old ruling status. It still carried
a social weight, but in a new context.For the aristocracy no longer had a program
independent of the bourgeoisie. It was precisely
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prominent in the Redeemer regimes, they were
playing different social roles than before. Basil W.

Civil war emancipated southern bourgeoisie more than slaves. Black workers were forced into the lowest-paying, most degrading jobs.

Duke, for example, was no longer a general in the
Confederate Army, but the chief lobbyist for the
Louisville and Nashville Railroad.To be sure, the aristocracy (or more accurately by
this time, the landed interests) had partial
differences with the industrial Redeemers. Such a
difference was the dispute in 1882 Tennessee over
the question of regulating railroads (the landed
interests supporting regulation). But these were
differences over particular political mechanics, not
the arrangement of southern society in general. In
addition, many ex-aristocrats were able to more
intimately connect with urban capital by becoming
supply merchants to small and landless farmers.
And further, if the landed interests had political
power (measured in such formal terms as control
over votes in lowland rural areas, the "Black Belt"),
it served to enhance bourgeois power in general, by
suppressing dangerous "urban" (working-class)
influences.The basic compatibility between the lords of the
town and the lords of the land was not due to any
abstract, philosophic love between them. The
friendship existed for very practical reasons. Urban
capital and landed interests were more afraid of the
black and white plebians and the working class than
they were of each other.

CAPITALISM'S DECLINE

This last phenomenon was pointed out in the first
article. The 1876 compromise was related to the fact
that capitalism was entering into a transitional
period and headed toward full-scale decline. Due to
the tendency for the rate of profit to fall, capitalism
was decreasingly able to simultaneously raise labor
productivity significantly and to maintain bearable
living standards for its workers.A return to mercantilist forms of plunder was
capitalism's favored solution, including the imperi-
alist rape of the underdeveloped portions of the
world. Workers in these areas were super-exploited,
paid below the general level of the proletariat in the
advanced countries. Raw materials were plundered
and withdrawn to the "mother countries." The
underdeveloped world in general became subordinat-
ed in all its social aspects to the advancedcountries. The local colonial ruling classes were
propped up to keep the masses in line.But this reactionary "solution" to the crisis of
capitalism is not confined, in all its respects, to
areas outside the national boundaries of advanced
capitals. Imperialism has its analogies, parallels,
within the advanced countries themselves, though
they vary in degree depending on concrete
conditions—which country, what area, at what
time, etc. In the case of the post-Civil War U.S.
South, and its relation to "northern" (i.e., U.S.)
capital, these parallels were important enough to
fundamentally shape the nature of Southern
industry and the southern social system in general,
once the political conditions had been favorably
fashioned in the 1870's
and capital began to
flow in during the 80's
and 90's.Ownership of capital
in the South was large-
ly in the hands of the
northern monopolistic
bourgeoisie.The post-war devel-
opment of lumber, rail-
roads, mining iron, and
various minerals, was
primarily financed and
controlled by northern
sources. The only im-
portant southern indus-
tries that were in the
hands of local capital
were tobacco and tex-
tiles, both of which had
pre-war origins, and
textiles came under
northern control in the
1890's. If the number of
southern businessmen
increased, they were
usually agents of
northern firms.Also, the ultimate
sources of capital
investments were a national bourgeoisie that was
rapidly transforming itself into a monopolistic
class. If such names as J.P. Morgan, Mellon,
Rockefeller and Dupont are more closely associated
with American history in general than with
southern history, they nevertheless enhanced their
national (and international) power by their
speculative southern investments (e.g., Morgan in
railroads, iron and steel; the Mellons, Duponts and
Rockefellers in minerals).

SUPER-EXPLOITATION

Southern workers were subjected to super-exploi-
tation and oppression.As we noted in the first article, southern workers
in the manufacturing industries in 1910 averaged
only \$452 annually, compared to \$518 nationally.
Cotton mills in the 1890's paid adult males around
40-50 cents a day, while children normally received
ten to twelve cents. Cigar makers received about 25
cents an hour; the story was approximately the
same for carpenters.Given the importance of the lower-paying
extractive industries in the South, the regional
wage differences became even greater. To this must
be added the extraordinary brutality in the general
field of working conditions—working hours, age of
operatives, safety standards, etc.Production was largely centered in the extractive
and labor-intensive sectors.In 1910, 62 per cent of southern workers were
employed in the extractive industries (including
coal, minerals, etc.), while in 1900 one-third of
southern workers were engaged in lumber produc-
tion alone. In addition, the products of southern
mines, forests, and fields were shipped out of the
region in raw, or crudely processed, form. When
including the other major industries of textiles,
tobacco, and food manufacturing, it becomes clear
that southern industry in general (with exceptions
such as iron) was of a labor-intensive (rather than
capital-intensive) character.

THE POLITICS OF OPPRESSION

The South being a super-oppressed economic
region for farmers and workers, there was (as in the"third world") a correspondingly super-oppressive
political apparatus to maintain these relations. For
blacks, the inception of Redemption meant a blow
to the political rights they had won; the
Reconstruction governments, though in an increas-
ingly ineffective manner, had offered them some
measure of political freedom (e.g. the "black
parliaments" in South Carolina—black majority
representation in the state legislature).Though officially retaining political and civil
rights for some time after Reconstruction, blacks
were stripped of many of these formalities at the
turn of the century. Jim Crow segregation laws were
enacted, and disenfranchisement was accomplished
through various means—poll taxes, "grandfather
clauses," literacy and property qualifications.
Loopholes were at first left for whites, though many
of them were disenfranchised, too.For the landless and poor farmers generally,
Redemption was not exactly benevolent. Formal
approval, in the form of the lien laws, was given to
the usurious methods of merchants who supplied
and bought crops from the farmers. The alliance
between landed interests and urban capital sparked
the Populist rebellions of the 1890's. Based on a
program of agrarian radicalism, the Populists (and
their organizational arm, the People's Party)
achieved electoral victories in this period, but were
incapable of altering the general situation, and were
soon divided and smashed.As for workers, "the law" was not content with
violently breaking up strikes (as in the bloody-
suppressed Gastonia, N.C. strike of 1929). There
was also the convict-lease system, lasting well into
the Twentieth Century, which has been compared to
the forced labor camps in Nazi Germany. Under this
system, convicts were leased out to private firms
and subjected to the most vicious and brutal
conditions, while at the same time being used to
break strikes of free workers, who were fighting
against their own brutal conditions. In the mill
towns, free workers could hardly expect much more
from the law. Here the company directly controlled
almost everything—the stores, the churches...
and the political offices and police.

UNDERDEVELOPMENT

All the characteristics of southern society we
have noted, cannot be divorced from the fact that
the region, for four decades into the Twentieth
Century, was kept predominately rural in nature.
Despite having one-third of the national population,
the region by 1929 produced only 11.7 per cent of
the total national value of manufactured products.
Only one tenth of the American working class was
located here. In this way, the South was like other
"backward" areas of the world. It too experienced a
"development of underdevelopment," and the
reasons for its poverty can also be traced back to the
rottenness of capitalism.Many aspects of southern society, of course, have
changed in the era of the "New South." And it is
these changes, as well as the things that haven't
changed, that will be discussed in the next article.

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