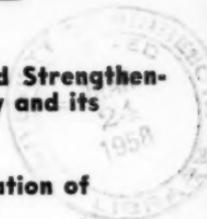


# political affairs

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**New Century Publishers • 832 Broadway, New York 3**

Re-entered as second class matter January 4, 1945, at the Post Office at New York, N. Y., under the Act of March 3, 1879. POLITICAL AFFAIRS is published monthly by New Century Publishers, Inc., at 832 Broadway, New York 3, N. Y., to whom subscriptions, payments and correspondence should be sent. Subscription rate: \$4.00 a year; \$2.00 for six months; foreign and Canada, \$4.75 a year. Single copies 35 cents.

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*A Theoretical and Political Magazine of Scientific Socialism*

Editor: HERBERT APTHEKER

**On Uniting and Strengthening the Party  
and Its Mass Base\***

By National Committee, CPUSA

SINCE THE 16th national convention, the Party has been subjected to numerous attacks, difficulties and desertions. It has weathered these, and remains very much alive and active. And during this period it has made constructive contributions in certain fields of mass work.

Nonetheless, the Party finds itself on the whole still in the critical state into which it has been plunged for some time—a situation for which the entire National Committee bears a collective responsibility. For the most part, the Party has been unsuccessful in breaking out of its isolation. Basic ideological differences continue to exist within the Party, and the Party leadership itself is sharply divided, and therefore largely immobilized. Paradoxically, this state

of affairs prevails at a time when developments at home and abroad have created a more favorable situation for advancing the struggles for peace and social progress.

To fulfill our Party's responsibility to our people and country in this year of challenge, to unite and strengthen the Party and to extend its political influence and mass ties, the National Committee considers that the following things should be done:

1. First and foremost, it is essential to insure that our Party participate ever more effectively in the vital struggles of today, that it make the many political, ideological and organizational contributions of which it is fully capable. High among these are:

To help advance the fight for jobs and security in the face of the acute problem of unemployment, which has

\* This Resolution was submitted by Eugene Dennis, to the meeting of the National Committee, held Feb. 14-16. It was approved by a vote of: *in favor*: 32; *opposed*: 20; *abstaining*: 3.

grown to the proportions of a national emergency.

To help extend the movement for summit negotiations of the Big Powers, for the outlawing of nuclear weapons, for disarmament and for the expansion of East-West trade.

To help reinforce the Negro-labor alliance and the rising Negro people's movement for the right to vote, for jobs and housing, and for full integration into American life.

To help advance labor's unity and its struggles to defend its standards, its organizations and its rights against the offensive of the corporations and the growing menace of "right-to-work" laws, and of governmental regulation and licensing of unions.

To help defeat the new assaults on civil liberties, manifested in a fresh wave of Congressional committee witch-hunts, in the outlawing of organizations like the NAACP in southern states, and in the launching anew of Smith Act membership and Taft-Hartley trials.

To help unfold the broadest coalition policy and movement, as well as to develop our own independent position, in the 1958 Congressional and state elections—a focal point of national struggle embracing all major issues.

In these important campaigns and struggles the Communist Party, notwithstanding its smallness and the unevenness of its strength and work in different areas, has a big and vital contribution to make, as recent events and experience clearly affirm. The Party has much to offer in helping to spark mass activity, in clarifying issues and perspectives, in

mobilizing the Left and progressive forces, in influencing the direction of popular movements, in promoting unity of action of Negro and white, farmer and worker, and in helping to build broad, democratic mass movements for economic welfare, democratic liberties and peace. In so doing, the Party will meet its political responsibilities in the present situation and will move towards overcoming its isolation and resolving many of the ideological differences in its ranks.

2. To make our best contribution in the present and coming struggles, we need to establish far greater clarity on the main political line and orientation of the 16th national convention of the Party, and to imbue our work with the perspective it has projected.

The 16th national convention established a generally sound orientation on the main questions confronting us. Among these are the crucial fight for peaceful coexistence; the building of an anti-monopoly coalition; the exceptional role of the Negro liberation movement and of the national task of democratizing the South; the fight for labor unity and independent political action by labor and its allies; the indispensable role of the Communist Party; the establishment of broad united front relations on the most vital mass issues with other democratic elements and organizations, including with diverse pro-socialist groupings;

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the promotion of proletarian internationalism; the vital importance of the fight against sectarianism and dogmatism, as well as the urgent necessity of combatting Right-opportunism and revisionism; and the charting of a peaceful, constitutional American road to socialism.

3. Particularly noteworthy is the stress of the national convention that "our chief task is to strengthen, rebuild and consolidate the Communist Party and overcome its isolation." And the convention clearly defined the essential features of the Party, reaffirming that it must be a working-class party based on the principles of scientific socialism, of Marxism-Leninism, applying and developing these in accord with the traditions and class struggle in our country.

The convention emphasized the indispensable vanguard role of a Marxist working class party of socialism, and the necessity of striving as such to win mass influence and leadership for our Party. It declared that the Party, guided by the principles of Marxism-Leninism, is motivated by both the highest patriotism toward our own country and the great concept of proletarian internationalism.

It defined the Party as a party of action—not a debating society—in which the minority must be subordinated to the majority once a decision is taken. At the same time, it took steps to combat bureaucracy,

reinforcing inner-Party democracy to assure the fullest contribution of all members in the making and execution of policy, while prohibiting all factions and anti-Party groupings and practices.

The convention also underscored the fact that the Party is not a temporary organization nor a holding operation, supposedly serving as a stepping stone to some nebulous-defined successor. *The Party is here to stay.* Without it, the fight for social progress will be limited and the victory of socialism is inconceivable.

The mass party of socialism for which we strive must also be a party of this type—a working class vanguard party guided by the science of Marxism-Leninism. It must not be confused with other types of political parties of a united front character, or with an idea of a so-called united socialist party in which adherents of Marxism-Leninism would be only one among a number of other ideological currents. Nor should it be confused with the urgent need of promoting united front relations and cooperation between Communists and other pro-socialist elements.

These fundamental concepts of the role of our Marxist Party are crucial to its consolidation and growth now and in the future. Our Party cannot be built successfully and its mass work and united front relationships effectively developed unless our Party is a vanguard working-class organization uniting

theory and practice, and bound by a common Marxist-Leninist ideology. Neither will our Party be strengthened and its mass work enhanced if it is guided by doctrinaire concepts and is dogmatic in outlook and divorced from the life and activities of the American working class.

4. In estimating the twin evils of Left-sectarianism and Right opportunism, the convention correctly declared that our errors of the past period were chiefly of a Left-sectarian character. It pointed out that sectarianism and dogmatism have been a historic weakness of our movement, against which a decisive struggle must be waged—a struggle that will necessarily be a protracted one. But the convention also pointed out that *both* Left-sectarianism and Right-opportunism have objective roots in the capitalist society in which we live, and that *both* must be fought at all times, with emphasis on that which at a given moment constitutes the greater danger.

Events since the Convention have sharply underscored this. On the one hand, the danger of Left-sectarianism and dogmatism has grown, including a resurgence of a ultra-Left viewpoint and grouping which constitutes a formidable obstacle to our work and a serious menace to the unity and political line of the Party. On the other hand, there has developed an increasingly dangerous Right-opportunist and revisionist viewpoint, exemplified most strikingly by the

anti-Marxist views and actions of a Gates.

While vigorously opposing and consistently striving to overcome sectarianism and doctrinarism, we must also relentlessly combat the ideas and positions of revisionism. Without a decisive repudiation and defeat of the revisionist trend in our ranks, we cannot carry on a systematic and effective struggle against Left-sectarianism and dogmatism which have plagued us for decades and with which we are at present so deeply afflicted, and we cannot build our Party as a Marxist organization and surmount our isolation. It is in this sense, and in the spirit of our convention and its injunction to work to end our isolation that, in the words of the convention Resolution, "the struggle must be conducted on both fronts, with the main emphasis against that which threatens the Marxist line of our Party at the given moment." This will, of course, vary from one situation to another. Moreover, this struggle should be waged so as to help overcome the historic weakness of the American Marxist movement—its sectarianism and doctrinarism.

5. The establishment of clarity and agreement on the above points will go far toward uniting and strengthening the Party; in fact, it is a prerequisite for doing so.

But the National Committee also recognizes that there are other issues which presently serve as sources of

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differences and division within the Party. One has been the controversy in the national leadership over the recently issued Declaration of the twelve Communist and Workers Parties of the socialist countries.

This is a document of far-reaching, historic importance. Together with the 64 Party Manifesto on Peace, it serves to unite all peace forces in a successful struggle to avert war and promote peaceful co-existence. It reinforces the unity both of the socialist countries and of the international working-class and Marxist movements. It is a major Marxist-Leninist contribution to the fight for world peace, democracy, national freedom and socialism. Communists, socialists and progressives everywhere should study it and learn from it, Americans no less than others.

The National Committee rejects the erroneous and harmful views of those who regard the Declaration as a "reversal" or a "retreat" from the position of the 20th Congress of the CPSU, or of those who seek to deprecate it by damning it with faint praise. We reject equally the sectarian view of those who look upon the Declaration and its conclusions concerning universally valid Marxist-Leninist principles as a dogma and a substitute for our own independent theoretical and political work.

The National Committee directs the National Executive Committee to prepare a definitive statement on

the Declaration, to issue outlines and otherwise do everything possible to stimulate its widest study and discussion, both within the Party and outside its ranks.

There are also a number of other political and ideological questions over which differences now exist within our Party, some of which require further examination and discussion. These should not be permitted to divide us in our work today. Certainly many of these differences can be resolved in the course of preparation of the Party's basic program, a draft of which the N. C. proposes should be completed by the end of 1958.

Finally, a most serious threat to Party unity is the destructive effect of factionalism. To defend and reinforce unity, it is necessary at all costs to eradicate all factional activities and groupings in our ranks.

6. To help end the present impasse and virtual paralysis within the national leadership of the Party, it is necessary to strengthen this leadership in a number of ways.

This is not a matter merely of organizational changes, and, least of all, will the answer be found in general purges, as some propose. What is needed, rather, is the reorganization of the national center to provide a team which will resolutely and effectively carry out the main political line of the 16th convention as it is interpreted and developed by the National Committee.

The operative national political leadership should be a tested and capable leadership which will fight for the Party, its theory and principles. Moreover, it should be a representative leadership, but, above all, one with a decisive majority reflecting the majority views of the National Committee and the Party membership. And it should be constituted as a leading body meeting at least on a weekly basis and responsible to the National Committee yet capable of acting authoritatively on all questions between meetings of the N. C.

For us—American Marxists who fight for peace, democracy and socialism—the Party is our most precious possession. This is why we American Communists, like Communists everywhere, treasure our Party, and will make every effort and sacrifice to preserve and build it.

Our Party has suffered severe blows during the past years. The forces of monopolist reaction have dedicated themselves to nothing short of its utter destruction. But they have not succeeded in this, nor will they ever succeed, notwithstanding those in our ranks who become disoriented and desert or betray the Party. For our Party grows out of the class struggle and the needs and socialist aspirations of the American working class; hence there will al-

ways be devoted working-class adherents of Marxism who will, under the most difficult of circumstances, keep it alive and flourishing.

Despite all attacks against it, the Party has made and continues to make many sterling contributions to the struggles of the American people, and has won the support of many thousands among the workers, the Negro people, and all the oppressed in our country. Those who deprecate the Party and cry that it is discredited or finished surrender to imperialist pressures and do a disservice both to the Party and the American working class. If the Party makes the contribution of which it is capable in the days ahead, it will win the respect and support of growing numbers of America's working people, and will increase in size and influence.

We call on all Party members to defend the Party, and to fight for its Marxist-Leninist program, theory and principles. We call on all Party members and organizations to strive to develop the maximum political and organizing initiatives and participation in the momentous mass struggles of today, to meet the great challenge of 1958. By so doing, we will strengthen the Party and its mass ties and influence. And we shall help shape the course of events in the interests of our class and our country.

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# On the Resignation of John Gates\*

By National Committee, CPUSA

THE RESIGNATION of John Gates from the Communist Party and his subsequent actions are a matter of serious concern to the Party. While these developments should not be permitted to become an issue which diverts us from our mass work or from the fight against sectarianism and dogmatism in our ranks, it would be a grave error not to examine into their meaning and draw the necessary lessons from them.

True to form, Gates' resignation became the occasion for a flurry of television and newspaper publicity, including a series of articles in the *New York Post*. The newspapers seized upon the resignation as a fresh opportunity to attack the Party, its peace policy, and the socialist lands. To these purposes, of which Gates obviously was not unaware, he lent himself in his interviews and his articles.

Here he reveals himself not only for what he is now, but for what he has been for some time. He now admits that he concealed his real views from the Party—that when he spoke

at the 16th National Convention of his confidence in the future of the Party and its program, he did not speak his true feelings. And soon thereafter, he says, he lost *all* faith in the Party's future. But, he continues, though he decided he could not achieve his real aims inside the Party, he kept this to himself and remained in the Party under false pretenses, working toward a future outside its ranks. In the face of his disbelief, he nevertheless continued as a national secretary of the Party and as editor-in-chief of the *Daily Worker*.

Further, having resigned, Gates makes fully clear the liberal-reformist nature of his political views, which he had previously partially concealed.

He rejects the fact of American imperialism as the source of the war danger today. Nowhere in his articles does the word "imperialism" even appear.

He stands for a policy of reformism and with it a repudiation of the principles of Marxism-Leninism, which he reduces to nothing more than a "theory of change."

He is against a Marxist-Leninist

\* This Resolution, submitted by Jack Stachel, was approved by the February meeting of the National Committee, in favor: 36; opposed: 12; abstaining: 7.

party such as the Communist Party, for whose existence he sees no need. At best, he is for some sort of loose, catch-all party, consisting of an agglomeration of the most diverse ideological currents, including non-Marxist and anti-Marxist views.

He stands—he declares—for an “American” socialism, and for a radical movement whose “Americanism cannot be questioned.” What he advocates in fact, however, is abandonment of the concept of proletarian internationalism and disassociation from the world Communist and working-class movements and their ideas.

Gates, who now speaks so freely of democracy, himself repeatedly defied the will of the majority in the Party. On a number of occasions, he refused to subordinate himself to majority will and threatened to resign in order to get his way even though in the minority, taking advantage of the sincere concern of others for the unity and welfare of the Party.

The immediate occasion for his resignation was just such a refusal to accept the decision of the majority. But this was only the immediate excuse. The basic reason for his leaving was the incompatibility of his political and theoretical views with membership in the Party. For his is an ideology which leads to denial of the need for a Marxist-Leninist working-class party. Therefore, when he found he could not transform the

Party into his own image, he left it, as others have similarly done before him.

And having left, he now predicts its imminent death. More, he is prepared to help hasten its demise, and lends himself to the purposes of its avowed enemies.

The ideas of Gates, which he now so freely expresses in the pages of the bourgeois press, are by no means peculiar to him. They are but the most extreme expression of a revisionist ideology which has gained currency among some within the Party's ranks. They are a product of the pressure of bourgeois ideology within the working-class and its organizations, including the Party, and an expression of accommodation to this ideology.

There is no place in the Party for a Gates or his ideology. The departure of such individuals will not injure but will strengthen the Party.

The answer to his resignation must be a determination to reveal and defeat all alien ideology in our ranks, whether of a revisionist or a Left-sectarian character.

Really to repudiate Gates and to demonstrate one's devotion and love for the Party requires both the rejection of opportunist-revisionist influence *and* the most relentless battle against sectarianism and dogmatism.

In the present situation, our Party faces both tremendous responsibilities and vast opportunities. In the strug-

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gles for jobs and security, for peace, for labor's rights, for full equality for the Negro people and for the defense of democratic liberties, our Party is vitally needed.

The National Committee therefore calls upon the Party membership to respond to the desertion of Gates by redoubling its efforts to

give effect to the injunction of the Main Political Resolution of the 16th Convention, which declares: "This convention goes on record to affirm the continuation of the Communist Party of the United States. Our task is to strengthen, rebuild and consolidate the Communist Party and overcome its isolation."

#### STILL THE "FREE WORLD"

*Kasserine, Tunisia:* The war in Algeria has spilled over into Tunisia again, this time in the form of human wreckage. Seventeen hundred refugees have crossed the border in the last week in the wake of what is called a "ratissage" by French troops in the region of Bekkaria.

A ratissage (literally, a raking) is an operation against a community suspected of complicity in the Algerian revolt. To be effective a ratissage must be brutal. This one was, according to the accounts of the refugees.

—*The New York Times*, March 5, 1958.

# The Economic Situation Today\*

By Hyman Lumer

FOLLOWING THE DECLINE of 1953-54, the American economy entered a new boom period. The boom continued into 1957, and for the year as a whole the national product rose to a record level.

However, early in the year symptoms of economic stagnation began to appear. Industrial production lagged from the very beginning, manufacturers' unfilled orders for durable goods fell off, and the prices of basic raw materials started to drop. Then overtime began to disappear and the length of the average work week to shrink. By spring it became evident that the boom had reached its peak and was coming to an end.

In midyear, the stock market went into a sharp decline, and in the fall a general economic downtrend set in. Capital investment began to fall off. Production dropped and unemployment rose, both at accelerating rates. By the end of the year the economy was plainly in a pronounced slump, and since then matters have continued steadily to worsen.

We present here a detailed review of these developments, together with some initial analyses and proposals for a program of action.

\* This article formed a Report made to the February meeting of the National Committee; it was unanimously approved.

## TRENDS IN THE ECONOMY

*Industrial Production:* From a peak of 147 in December, 1956, the Federal Reserve Board index of industrial production dropped to 133 in January, 1958. This is a decline of 9.5% in about a year, approaching in magnitude those of the previous postwar slumps (10.5% in 1948-49 and 10.2% in 1953-54).

The decline has been concentrated in the durable goods industries, chiefly producer durables, with the output of non-durable goods falling much more gradually. From January, 1957 to January, 1958, steel production fell 39% and auto production nearly 24%. In the machine tool industry, a major barometer of business activity, orders decreased from \$924 million in 1956 to \$525 million in 1957.

During this period, a considerable amount of overcapacity has appeared. For industry as a whole, production has dropped from 92% of capacity in late 1955 to about 73% in January, 1958. Steel production is now down to 55% of capacity and auto production to less than 60%.

*Employment:* In January of this year the number of unemployed, according to official figures, jumped to 4½ million. Current estimates place it at over

5 million. This is about 6.7% of the civilian labor force, compared to previous peaks of 7.6% in February, 1950 and 5.8% in February, 1954. As of late February, insured unemployment stood at nearly 3 million, about 7.1% of those covered by unemployment compensation. There has also been a sharp rise in part-time employment, and a substantial drop in the length of the average work week.

In many areas, the rise in unemployment has been especially pronounced. In its report for January, 1958, the Bureau of Employment Security designated 45 major industrial areas, nearly one-third of the 149 covered by its surveys, as areas of substantial unemployment (6% or more of the labor force out of work). This compares with 24 in November, 1957 and 19 in January, 1957.

Layoffs have been heaviest in the durable goods industries. In steel, according to union estimates, there were 125,000 idle in December, 1957 and another 200,000 working part time. In the electrical industry, IUE president James B. Carey estimates, 125,000 or roughly 10% of the production workers were jobless in January. In Detroit, thanks to auto layoffs and run-away plants, there were 190,000 unemployed as of mid-January, or 13% of the work force. For all of Michigan, the total was 320,000.

Once again, the Negro workers have been "last hired and first fired." According to Labor Department figures, in December, 1957 unemployment among white male workers averaged 4.8%, among non-white males 10%. Today, at the most conservative estimate, at least one in eight Negro workers is out of a job.

*Income:* In 1957, the gross national product totaled \$434 billion, 5% above 1956. However, since four-fifths of the increase was due to higher prices, the rise in physical terms was only 1%. Within 1957, the GNP rose to a peak of \$440 billion in the third quarter, then dropped to \$432.6 billion in the fourth. The trend in personal income is similar.

Wage earners' income dropped appreciably during the past year. Between January, 1957 and January, 1958, weekly take-home pay in manufacturing fell by 1.5%, and real take-home pay by 4.5%. This is a distinct reversal of the trend of the past few years.

As this is written, profit figures for the fourth quarter of 1957 are not yet available. All indications are, however, that they will show a decided drop. It is also clear that the biggest drops will be shown by the profits of the smaller corporations, many of whom have reduced or skipped dividend payments in December and January. It is interesting to note, however, that total cash dividends paid in January, 1958, were the same as in the preceding year.

*Prices.* The decline in production and income has so far not been reflected in price trends. The BLS Consumer Price Index, which has been rising almost without interruption since March, 1956, reached 121.6 in November and December, 1957, then jumped to an all-time high of 122.3 in January, 1958.

It is widely anticipated that prices will continue to rise in the months immediately ahead. In the steel industry, for example, further price increases are projected for July, in the words of

one top steel official, "even if we are operating below 50% of capacity."

*Business Failures:* The number of business failures has grown from 10,469 in 1955 to 13,700 in 1957—the highest level in eighteen years. The rate (failures per 10,000 ventures) was higher in 1957 than in any year since 1941, and the dollar value rose from \$494 million in 1955 to \$700 million in 1957.

*Farmers:* The farm situation in 1957 shows a continuation of the agricultural crisis of the past several years. From 1951 to 1956, farm prices and income steadily declined. The parity ratio (the ratio of prices received to prices paid) fell from over 100 to 82.

In 1956 the decline was arrested, but there has been no significant upturn since. Farm operators' net income fell from \$12.1 billion in 1956 to an estimated \$11.9 billion in 1957. A rise in farm prices in 1957 was offset by rises in prices paid by farmers, and the parity ratio remained at 82.

Total farm output has not declined, despite drastic cuts in acreage and a continued exodus of the farm population. Measures to reduce surplus output have therefore not been effective. Hence, as the economic downtrend continues and the demand for farm products dwindles, the agricultural decline bids fair to become an acute crisis, a process which the Eisenhower Administration's efforts to cut price supports can only hasten.

*Foreign Trade:* Since 1954, exports have been rising at the rate of about 12% a year. The rise was supported very largely by a boom in the European countries and Canada, entailing an industrial expansion which created a continuing high level of demand for

steel products, machinery and other equipment.

In the first half of 1957 there was an added upsurge in exports, due to a number of special circumstances. These included: 1) a heavy European demand for oil, coal and other commodities following the Suez Canal blockade and the destruction of the Middle East pipelines, 2) an increased demand for grain and other farm commodities created by a relatively poor European harvest, and 3) the extensive dumping abroad by the United States of cotton and certain other surplus farm products.

In the second half of 1957, however, these special circumstances receded. At the same time, the boom began to taper off. Consequently, exports began to decline. And in the absence of the special stimuli of last year or any visible alternative sources of stimulation, forecasts for 1958 are unanimous in predicting a further substantial drop.

\* \* \*

The bare statistics presented in the foregoing pages suffice to show that the economy is unquestionably in a serious recession, already equal in severity to the previous postwar slumps and beginning to surpass them. They tell nothing, however, of the human privation and misery which make up the flesh-and-blood substance of such recessions, of which the statistics are, so to speak, only the skeleton.

They tell nothing of the reappearance of breadlines in cities like Memphis, Tennessee and Lorain, Ohio, of the plight of tens of thousands of Detroit workers who have used up their unemployment insurance benefits, and who are threatened with losing their

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homes and possessions. Nor do they show, in particular, the especially acute suffering in the Negro communities, where unemployment always hits first and hardest, where far greater numbers are thrown on the tender mercies of relief agencies, where unconscionable rent-gouging continues in bad times as in good, and whose inhabitants are the special prey of finance companies and loan sharks.

This is the real meaning of the developments of the past several months, and of the still more serious ones which threaten. In these terms, unemployment has already reached the status of a national emergency.

#### NATURE OF THE DECLINE

During the postwar period, the American economy has experienced three upsurges. The first, stimulated by an accumulation of deferred demand from the war years, both for capital and consumer goods, ended in the 1948-49 slump. The second, marked by the huge expansion of military expenditures during the Korean war, ended with the downturn of 1953-54.

The most recent, coinciding with a boom in the Western European countries, differed significantly in character from the first two. Of this upsurge, both here and in Europe, the *U.N. World Economic Survey*, 1956 (p. 141) says:

... in broad perspective it may be looked upon as the first peacetime expansion dominated neither by the pent-up demand of the immediate post-war period nor by the pressure of activities during the Korean boom.

features of a typical peacetime boom, though accompanied by a continued high level of military expenditures as well. It was set off by a boom in housing construction, which rose 14% in 1954 and 20% in 1955, and by the big expansion in auto production in 1955.

It was stimulated, among other things, by a new burst of expansion of consumer credit, whose volume rose 23% in 1955 and another 16% in the two succeeding years. The biggest jump was in auto installment credit, which rose 37% in 1955 alone. Today, installment debt amounts to more than 11% of total disposable income, compared to 4% in 1929. Monthly payments take up 13% of disposable income, as against 6% in 1929.

Added stimuli to the boom were provided by a \$5-billion tax cut on large private and corporate incomes in 1954, and by an extension of rapid tax write-offs from war-connected industries to virtually all industries.

Under the impact of all this, there took place in 1955-57 a record boom in capital investment in new plant and equipment. The 1958 *Economic Report of the President* states:

The increase in business outlays on plant and equipment from the first quarter of 1955 to the third quarter of 1957 was of boom proportions, amounting to almost 50 percent. . . . New business was placed with producers of capital goods at such a pace that, even with production at capacity limits, backlogs of unfilled orders became extremely large.

The feverish pace of expansion during the boom, as well as the precipitous nature of the decline which followed, is well illustrated by the steel industry. The *New York Times* (January 6, 1958) writes:

In this country, it bore many of the

Just two years ago the industry was reactivating a century-old blast furnace and hundreds of ancient cokeovens in desperation to meet the ravenous call for its metal.

Accompanying the investment boom were a considerable credit inflation, a big upsurge in stock market prices and other features reminiscent of the boom of the twenties, plus a new wave of rising prices.

But before long, as is inevitable in every capitalist boom, the expansion of productive capacity outstripped the growth in consumer markets. Concerning this, the AFL-CIO's *Economic Trends and Outlook* wrote:

The capital goods boom, from the second quarter of 1955 to the end of 1956, was accompanied by a weakening of many consumer activities, particularly in hard-goods markets and residential construction. Business outlays for new plant and equipment rose more than 34 per cent in those 21 months. In contrast, consumer spending for all types of goods and services increased less than 9 percent, while spending for consumer hard-goods alone slipped almost 1 percent and expenditures for home building dropped over 10 percent.

With the consequent accumulation of excess capacity, the investment boom came to an end. In 1957, capital investment began to level off and toward the end to decline. Recent surveys indicate a possible drop of as high as 20%.

Accompanying this drop is a growing reduction of inventories. The boom had been marked by rapid inventory accumulation, but in October, 1957, the process was reversed. Since then, inventories have been shrinking at a rate of nearly \$3 billion a year.

Here, as is generally recognized, lies the basic cause of the economic de-

cline. Thus, a group of six economists testifying recently before the Congressional Joint Committee on the Economic Report agreed that "the main cause of the recession—declining investment in plant and equipment—would probably continue to act as a depressing force throughout 1958."

Other factors in the decline were the drop in exports and a temporary slackening in military orders in mid-1957.

A special feature is the sharp drop in the stock market in the latter part of 1957, the biggest in many years. From a peak of 521 in July, the Dow-Jones average of industrial stocks fell 17.4% by the end of the year. This contrasts sharply with the previous recessions, in which the stock market fell relatively little.

#### HOW FAR WILL IT GO?

Once again, it has become fashionable to draw parallels with 1929. A typical comment is that of financial writer J. A. Livingston (*Cleveland Plain Dealer*, December 29, 1957): "Nineteen fifty-seven could go down in American history as the year that re-established Karl Marx as a great economic prophet. It resembles 1929."

And there are indeed resemblances. In both years, the first nine months saw the attainment of record levels in national product, employment and spending. In both years, this was followed by a swift downturn (although, to be sure, nothing resembling the 1929 stock market crash occurred in 1957). Both years witnessed the climax of a boom marked by extensive credit inflation and rising interest rates, by rising stock prices and similar features.

But there are also great differences,

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not least among them the far greater economic role of the state today, as well as the existence of a far more powerful labor movement. These factors have given rise to widespread assertions that another 1929, or anything remotely like it, is impossible today.

This confidence is based, for one thing, on the existence of the so-called "economic stabilizers" developed since the thirties, such as unemployment compensation, social security pensions, farm price supports, insured bank deposits, controls on stock market speculation and others. But most of all, it rests on the huge volume of government spending. Writes Mr. Livingston: "Government spending . . . is the Big Change. One out of every four jobs depends on federal and state and local governments. That's the prop, the support, the difference between 1957 and 1929. It will cushion any readjustment ahead, unless I completely misjudge and misvalue the two eras."

Government intervention is undoubtedly a potent factor in the economy. But it is not a panacea for depressions. This is a complex question which requires much more study. Here we shall only call attention to two points.

First, the "economic stabilizers" cannot prevent the recurrence of a major crisis. True, they render impossible a repetition of some of the worst features of the 1929 crash. But they do not remove the source of economic crisis; moreover, they are grossly inadequate even to deal with its effects.

Unemployment compensation, for example, may alleviate for a time the lot of the unemployed worker, but it will not prevent the overproduction which leads to unemployment. And

when this is sufficiently prolonged for the worker to have used up his benefits, he is little better off than the jobless worker in the early thirties.

Furthermore, present-day unemployment insurance benefits are entirely insufficient to meet even the minimum needs of the unemployed worker. In August, 1957, the national average of weekly payments was less than \$28 a week. In few cases do payments exceed \$35 a week, and in no case does the duration exceed thirty weeks. In addition, 22% of all workers are still excluded.

Second, government spending on a scale large enough to affect the situation materially has always boiled down in practice to spending for military purposes. Today this makes up about two-thirds of the federal budget. And current proposals for increased government outlays center on higher budgets for arms, chiefly guided missiles. Of this, we shall have more to say later. Suffice it for the moment to reiterate that growing militarization of the economy offers no real answer to the threat of crisis, unless one wishes to regard nuclear war as a "cure."

The occurrence of another crisis of the magnitude of 1929 is therefore by no means impossible. Whether or not it is in the cards today is determined not by bland assurances that capitalism has found a cure for crises, but by the concrete circumstances and the operation within these of the boom-bust character of capitalist production.

As to the present downturn, opinion is widespread that it will go considerably further before it comes to an end. In the face of this, the Eisenhower Administration continues to exude a rosy optimism.

In his *Annual Economic Report*, issued in January, Eisenhower stated: "As we look ahead in 1958, there are grounds for expecting that the decline in business activity need not be prolonged and that economic growth can be resumed without extended interruption." Indeed, the *Report* regards an upturn by midyear as virtually automatic, provided only that capital and labor do not rock the boat by raising wages or prices. In a more recent statement (February 12, 1958), Eisenhower said: "I am convinced that we are not facing a prolonged downswing in activity. Every indication is that March will commence to see the start of a pickup in job opportunities."

There are few, however, whether in business, labor or academic circles, who share this optimism. This is true particularly among the professional economists. Of the six economists who appeared recently before the Congressional Joint Committee, five disagreed with the Eisenhower estimate. One of them, Jewell J. Rasmussen of the University of Utah, asserted that "the possibility of a recession of the more serious type appears to be much greater now than in 1949 or 1953-54."

The Democrats also take a much more pessimistic view of the situation than does the Eisenhower Administration. True, this is motivated largely by partisan political considerations, but it also reflects a more realistic appraisal of the facts, stimulated by the Democrats' greater sensitivity to working-class votes. Organized labor regards the present situation as fraught with serious danger unless something is done, and accuses Eisenhower of false optimism and deception.

There are a number of cogent reasons

for considering the current slump as being more serious than the previous ones. Among them are the following:

1. One major postwar stimulus to capital investment no longer exists. Deferred demand for housing and certain consumer durables, which persisted for a long time after the war, has now just about vanished. The Federal Reserve Bank of Philadelphia, in its January letter, suggests that in this respect 1957 marked the end of the postwar era—that the wartime voids have now been filled.

- In 1949, auto production was unaffected by the slump and kept increasing, and the 1954 downturn was followed by an unprecedented boom in this field. No such prospects are visible today. Only housing construction, where some shortages still persist, shows any prospects of a new rise in the near future.

The most striking feature of today's economy is a large and growing general overcapacity, leading to a virtually universal cutting back of investment.

2. Further expansion of consumer credit is subject to definite limiting factors. One is the high level of the present debt. In many families, installment payments consume 20% or more of the family income, a large part of it in financing charges. Such families are not in a position to add much more to what they now owe. In addition, thanks to short work weeks and layoffs, disposable income is shrinking. This, together with the accompanying uncertainty of employment, further restricts the assumption of new debt. There are, of course, some possible reservoirs of new credit not yet fully

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tapped, such as the revolving credit now growing in popularity in department stores. But the general anticipation is that the growth in consumer debt, which has already slowed down considerably, will fall off even more in the foreseeable future.

3. The European boom, which continued through the 1953-54 slump in this country and helped, among other things, to sustain the volume of American exports, is now at an end. Because of this, as well as the disappearance of the special circumstances of last year, there are no visible prospects of an upturn in foreign trade.

4. In 1950-53, the massive increase in military outlays contributed heavily to the boom. The increases now projected, which are much smaller, are far from adequate to offset the fall in capital investment. Victor Perlo, writing in the *National Guardian* (February 3, 1958), points out that the proposed increase in major procurement for the first half of 1958 amounts to \$1 billion a month, whereas new orders for durable goods have been falling since early 1957 at a rate of \$2 billion a month.

To be sure, it might be possible, through greatly expanded arms expenditures, to give the economy another shot in the arm sufficient temporarily to offset the present rate of decline. But it would have to be a far greater expansion than is now contemplated.

Aside from this, there is nothing in the picture which promises a reversal of the present downward trend in the near future. The economy today stands at the threshold of a major depression, which appears more imminent now than at any time since the

end of the war. We are plainly in for something distinctly worse in character than 1948-49 or 1953-54.

How much worse, we can at this moment only guess at. We can take little comfort, however, from assurances that it is unlikely to be another 1929. Even a depression of considerably smaller proportions will cause tremendous hardship and suffering; in fact, the present levels of employment are already a source of acute distress in many parts of the country. And even if matters were to get no worse, the continued recurrences of such recessions every few years is in itself serious cause for alarm.

The current economic situation demonstrates anew the basic instability of the American economy. It bears out the position taken in the Main Political Resolution of the 16th National Convention of the Party, which states:

... Despite the prolonged prosperity and despite the significant new features which have emerged in the American economy, the basic contradictions inherent in capitalist production are not abating but are becoming sharper. The fundamental factors making for economic crisis continue to operate today, no less than in the twenties—in particular, the basic factor which Marx described as "the tendency of capitalist production to develop the productive forces as if only the absolute power of consumption of the entire society would be their limit," while the actual purchasing power of the masses remains relatively restricted and lags increasingly behind.

#### EFFECTS OF HIGHER ARMS BUDGETS

In view of the widespread emphasis being given to increased military outlays as an anti-depression measure, it is necessary to deal with this question at some length.

After the Korean war, military spending dropped considerably. By 1956, direct arms expenditures were down to less than \$40 billion a year. During the Eisenhower Administration, both Defense Secretary C. E. Wilson and Treasury Secretary G. M. Humphrey followed a policy of restricting such expenditures in order to maintain a balanced budget and keep the national debt below its legal limit. Toward this end, a policy of added reduction was adopted in 1957, calling for a cut to \$38 billion.

This goal was never fully achieved, partly because of the counteracting effect of inflation, but mostly because of the intervention in the fall of 1957 of two new developments—the advent of Sputnik and the growing economic slump. With these, demands arose on all sides for a stepping up of arms production, especially of guided missiles, and the previous policy was reversed.

Pursuit of the balanced budget, the stock in trade of the Eisenhower Administration, was abandoned. In the name of national security, proposals for deficit spending and raising the federal debt limit were put forward. In his television speech of November 13, 1957, Eisenhower stated: "Our people will not sacrifice security to worship a balanced budget."

These fluctuations in policy are most sharply reflected in the variation in major procurement orders placed by the Defense Department. After a big cut in the third quarter of 1957, these shot up again in the fourth. And for the first half of 1958, they are due to rise 81% above the last half of 1957.

Total "national security" expenditures, which include also outlays for

atomic weapons, stockpiling and foreign military aid, have been rising steadily since the beginning of 1956, and are scheduled to go higher in the coming year. In fiscal 1956 they totalled \$42.5 billion; in the proposed budget for 1959, the sum of \$47.6 billion is allocated.

\* \* \*

In the face of the growing economic decline, big business and its political spokesmen base their hopes increasingly on higher military expenditures as the one reliable antidote. Says *New York Times* writer Edwin L. Dale, Jr. (January 26, 1958): "The key to confidence for the future, as the president's advisers see it, is in the sector of defense orders. . . ."

In fact, pressure is mounting for much larger arms increases than those now planned. The Gaither Report, according to newspaper accounts, calls for an immediate increase of \$8 billion a year, plus an outlay of \$5 billion a year for 4-5 years to build shelters against radioactive fallout. A recent report by the Rockefeller Fund calls for a jump of \$3 billion a year for the next six years. The National Planning Association proposes a rise of \$10 billion by 1960. The Congressional Joint Committee on Defense Production urges a maximum stepping up of armaments production on the argument that the fullest preparation must be made *prior* to the first attack, since nuclear war allows of no plans for post-M Day buildups. And so on.

With the further development of crisis symptoms, the pressure for more arms spending will grow, and with it the promotion of war hysteria to justify such spending. The hysterical

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reaction of Wall Street to Sputnik and the shrill demands for "crash programs" to overtake the Soviet Union at all costs, are alarming testimony to this.

So, too, is the proposed federal budget for the coming fiscal year—a record peacetime budget of \$74 billion, 65% of it for "protection." Coupled with its record allocations for military expenditures are proposals for severe cuts in social welfare outlays. The *AFL-CIO News* (January 18, 1958) writes: "President Eisenhower's 1959 budget message coupled proposals for the largest peacetime total and defense spending in history with a legislative program that embodies a frontal attack on federal welfare activities."

The message proposes drastic cuts in federal spending for schools, hospitals, public works, conservation and power projects, public assistance, farm aid and other such purposes. It calls for transferring much of the federal responsibility for such expenditures to the states. All this is advocated in the name of "sacrifice."

The projected increases in armaments will undoubtedly stimulate capital investment in missile production and related areas. And they will undoubtedly provide additional jobs. Hence they enjoy the support of many working people.

But arms budgets offer no real answer. In return for such benefits as they may confer, they exact a severe price. The arms must be paid for, in added inflation, in high taxes, and in the sacrifices of social welfare. Even more serious, they carry the threat of new assaults on democratic liberties, and above all the increased menace of

atomic war. Nor does such spending provide added jobs which would not be provided by spending the same sums for socially useful purposes.\* Of this, the British Marxist Emile Burns says: "The armaments drive is not an economic technique . . . to maintain employment: it is a technique of aggression, to further the interests of monopoly capital. It is not an absolute addition to employment, but a *diversion* of employment from serving the needs of the people to destructive, or in any case wasteful, ends, so far as the people are concerned." (*Marxism Today*, October, 1957.)

Aside from all this, the proposed program of missile production, which accounts for most of the increase in outlays, offers relatively little promise of jobs to unemployed workers. It does not involve mass-production techniques demanding the employment of large numbers; rather, it is an experimental type of production requiring only relatively small numbers of skilled workers. Nor does it use large quantities of materials; hence it offers comparatively little stimulus to employment in other industries.

Moreover, the increased spending on missiles will go largely to companies other than the traditional airplane builders. The laid-off aircraft workers in Long Island or California are therefore not likely to be re-employed as a result of it. The growing rate of obsolescence and shifts to new types of arms is rendering employment in arms production increasingly unstable, and is contributing to the spread of distressed areas.

\* Readers will find this point treated at length in my book, *War Economy and Crisis* (International Publishers, N. Y., 1954), Chapter 2.

Finally, it should be noted that the economic decline has been developing despite the fact that arms orders have already been rising since last fall, and despite the fact that total "national security" expenditures have been growing for the past two years. Today, a number of observers, notably Arthur F. Burns, former head of the Council of Economic Advisers, are convinced that the decline can be arrested only by "massive" government intervention. To the monopolies, this means chiefly massive increase in government orders for arms, and whatever it takes politically to justify them. For this is, to them, the most acceptable form of government spending on such a gigantic scale, since it is not only the most profitable, but also provides an assured market which in no way conflicts with the exploitation of consumer markets.

To protect the people from the ravages of depression, money will of course have to be spent by the federal government. But it must be spent for socially useful purposes, benefitting the masses of the people. The monopoly program of reliance on war economy must be vigorously fought at every turn. The demand must be "butter, not guns."

#### ANTI-DEPRESSION PROGRAMS

*The Eisenhower Administration:* The Administration's program for coping with the slump is essentially that of big business. It stems from the contention of the National Association of Manufacturers and other big business spokesmen that the recession is due to inflation engendered primarily by rising wages.

Aside from repeated assurances that all is well, the program centers on two main points. The first, on which we have already commented, is increased military expenditures at the expense of social welfare—a "guns, not butter" program. The second is the manipulation of the money supply and interest rates.

The economic policy of the Administration has been based from the start on the notion that the economic cycle can be controlled by regulating the supply of money and credit. Thus, the Federal Reserve Board, with Administration blessings, sought to meet the problem of inflation during the boom by restricting the availability of credit. The chief method was raising the rediscount rate, or the interest charged by Federal Reserve Banks to commercial banks on funds borrowed by them for lending out, which in turn forced other interest rates up. From 1.5% in August, 1955, the rediscount rate was raised to a peak of 3.5% in August, 1957.

This "tight money" policy did not succeed in limiting borrowing by the big corporations, but it did greatly restrict credit for small businessmen, farmers, home buyers and others, and forced them to pay high rates of interest which went to swell the profits of the banks.

In November, 1957, with the signs of depression mounting, the FRB cut the rediscount rate to 3%. In January, 1958 it was again cut to 2.75%. This, it was hoped, would through lower interest rates stimulate flagging investment, inventory accumulation, state and municipal public works projects, home building and the demand for credit generally. Recently the FRB

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took the added step of reducing required reserves by 0.5%.

Interest rates have indeed been declining in recent months. But the trend in business loans continues downward. Just as high interest rates did not discourage the big corporations from borrowing in a boom period, so low interest rates will not of themselves encourage them to borrow in a slump, when expectation of profits has shrunk. Says Clarence Eichelberger, vice president of the First National Bank of Chicago: "People borrow money when they need money—they don't borrow because money's cheap. The prime rate reduction hasn't influenced borrowing at all." In short, cheap credit is no panacea for falling investment.

In January, the FRB also reduced the required margin on stock purchases from 70% to 50%. The aim was to make stock buying easier, leading to rising prices and thus creating a psychology encouraging investment and the floating of new stock issues. In reality, however, this measure is apt to have little effect other than to encourage speculation and make more profits for stockbrokers.

Other than these measures, of advantage mainly to big business, the Eisenhower Administration has done little or nothing. In the way of housing and public works, little is projected beyond carrying out some parts of the programs already voted by Congress prior to the slump. The proposed budget, moreover, calls for *reducing* these expenditures, not increasing them.

For the most part, the Administration apparently hopes to end the decline by "restoring confidence" through rosy predictions. "There is nothing wrong with the nation's economy,"

says Vice-President Nixon, "that a good dose of confidence won't cure."

Such a "program," needless to say, is scarcely worthy of the name.

*The Democratic Party:* The Democrats have launched an all-out attack on the Eisenhower policies, and are preparing to make this the number one issue in the November elections. The Democratic Advisory Council has severely attacked the Economic Report, charging the Administration with responsibility for the recession and declaring that it has no program to meet it. Full employment can easily be achieved, says the Council, if government spending is fearlessly enlarged to meet the present demands for defense, welfare, housing, education and other purposes. It calls for complete abandonment of the "tight money" policy, and for giving serious consideration to a tax cut in the near future.

In the Senate, leading Democrats have come forward with demands for the launching of a huge public works program and with other legislative proposals. Senator John F. Kennedy (D-Mass.) has introduced a bill setting federal minimum standards for unemployment compensation. These would establish minimum benefits equal to 50% of weekly earnings and maximum benefits of at least two-thirds of the average weekly wage, a duration of 39 weeks and greatly expanded coverage. There is also growing pressure for a tax cut.

These proposals provide the foundation of a program around which labor and its allies can rally during the current session of Congress and in the November elections.

At the same time, however, the Democrats continue to attack the Ad-

ministration for not spending more money on armaments. The present and proposed military increases are criticized as being entirely too small. Thus, Senator Paul H. Douglas (D-Ill.) charges that the Administration has projected nothing more than a "one-shot increase," sufficient only to recoup the "Humphrey-Wilson economies." Essentially, the Democratic position is one of "guns and butter"—of increased spending for arms and welfare. In opposition to the Eisenhower position, it calls for resumption of large-scale deficit financing. But like the Administration, the Democrats place major reliance on military expenditures as an anti-depression measure.

*The Labor Movement:* The leadership of organized labor generally supports the views of the Democratic Party, and is highly critical of the Eisenhower Administration. But labor also has its own views and program.

The basic cause of the present economic trend, writes the *AFL-CIO News*, (February 1, 1958) is a "lack of balance between the growing ability to produce, and the lagging ability to consume, an imbalance that has been growing for two years." Correspondingly, the labor program takes as its point of departure the need for increasing mass purchasing power as a stimulus to the economy, primarily through higher wages.

The AFL-CIO Convention strongly rejected the proposal of Richard Gray, head of the Building Trades Department, for a one-year moratorium on wage boosts. The resolution on collective bargaining goals states:

The general economic climate has been deteriorating as we enter 1958 and a decline

in business activity is often reflected in tighter bargaining conditions. But the very fact of an economic slackening makes it doubly imperative that unions gain sizable wage increases to bolster consumer buying power and thereby provide a needed stimulating force for an upturn in the economy.

In addition, the labor movement has advanced a comprehensive program which includes a greatly expanded public works program; federal aid to education and school construction; a housing program entailing construction of 200,000 low-cost housing units a year; increased unemployment compensation and social security benefits; a minimum wage of \$1.25 an hour, with expanded coverage; easier credit for small business, farmers and home buyers; federal aid to distressed areas; raising of income tax exemptions from \$600 to \$700; and protection against monopoly prices.

With reference to the unemployed workers, the AFL-CIO Executive Council has called upon local Community Service Committees to help develop immediate programs to guarantee that no unemployed union member or his family will go without food, clothing, shelter and medical care.

In general, labor has become seriously alarmed at the growing flood of joblessness, and has begun to get into motion. The AFL-CIO has called a national emergency conference to be held in Washington on March 11-13. Walter Reuther has urged President Eisenhower to call a national conference of representatives of labor, industry and government. James B. Carey has urged a similar meeting for the electrical industry. State labor bodies have already held mass conferences on unemployment in Illinois, New Jersey and

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elsewhere. Other state and local conferences are being planned.

All the above proposals and actions merit the widest support and encouragement. There is one basic feature of the labor program, however, which must be rejected, namely the demand for increased spending on armaments.

This demand is motivated by the position of the top labor leadership on foreign policy, as well as by economic considerations. On both grounds, the Eisenhower policies have been severely criticized.

Basically the labor program, like that of the Democratic Party, is one of "guns and butter." Its underlying thesis, which follows the thinking of such economists as Leon Keyserling, is that if everyone is put to work and the nation's productive capacity is fully utilized, the national product will be increased sufficiently to pay for a considerable expansion of both military spending and social welfare outlays with no economic hardship. And the key to this lies in raising mass purchasing power. (For an elaboration of this thesis, see *Labor's Economic Review*, February, 1958.)

We cannot here attempt a full discussion of these ideas. We must limit ourselves to calling attention to what has already been said concerning the consequences of growing military budgets, and to point out that workers cannot support increased arms spending without being pressed to sacrifice other things for it.

Thus, Walter Reuther has offered "defense needs" as excuse for deferring the demand for the shorter work week. Labor's enemies go much further, and seek to make "defense needs" a pretext for abandoning the

forty-hour week. Furthermore, as past experience amply demonstrates, it is futile simultaneously to seek higher arms budgets and cuts in taxes.

Increased government spending is needed today, but it must go for public works, health, schools, pensions and other social needs, not for instruments of war. In its own interests, labor must, in contrast to its present policy, fight for *reduction* of arms expenditures and the diversion of these funds to useful peace-time purposes.

### A PROGRAM FOR JOBS AND SECURITY

The growth of unemployment and other symptoms of depression call for a struggle for jobs and economic security based on a militant program of action, designed to combat the disastrous effects of the slump on the American working people. Such a program should include the following points:

1. *Wages and Working Conditions.* The winning of substantial wage increases is of fundamental importance. The AFL-CIO policy should receive the fullest support and a determined fight should be waged everywhere to assure its fulfillment. At the same time, the fight against speedup and deterioration of working conditions—practices intensified by employers in periods of economic downturn—must be greatly stepped up.

2. *The Shorter Work Week.* In the face of growing joblessness, the need for a shorter work week with no cut in pay becomes all the more urgent. It must be kept in the forefront as a major demand, and all attempts to sidetrack it must be opposed.

3. *Minimum Wage and Pensions.* The federal minimum wage should be raised to \$1.50 an hour, and coverage extended to the many workers now excluded. Social security pensions should be increased to at least \$200 a month.

4. *Tax Reduction.* Individual income tax exemptions should be raised to \$2,000 for heads of families and \$1,000 for each dependent. Taxes on incomes in the top brackets should be increased and all loopholes should be plugged. Sales, excise and other taxes bearing most heavily on the lowest income groups should be reduced or abolished.

5. *Equality in Employment.* In periods of rising unemployment, it is the Negro, Puerto Rican and Mexican workers who are first to be laid off. Moreover, in such periods they are subjected to greatly intensified discrimination in employment. Hence the struggle against job discrimination must be brought to the fore and considerably sharpened on all fronts.

6. *Unemployment Compensation.* The present grossly inadequate benefits must be drastically increased. A federal law is needed covering every working person and providing benefits equal to at least two-thirds of previous earnings for as long as the unemployment lasts.

7. *Relief.* Even at the miserable levels which now prevail, local governments are totally unprepared for the huge relief burdens which have begun to develop. More than one city has already had a relief crisis. Immediate emergency action is required to provide sharp increases in federal and state contributions, with the calling of special sessions of state legislatures where necessary. Standards of relief must be

greatly improved, and distribution of surplus foods must be simplified and expanded.

8. *Credit and Debt Relief.* Steps must be taken to ease credit for farmers, small businessmen, home buyers and working people generally. For those who have suffered loss of jobs and income, federal legislation is needed to provide refinancing of mortgage and other debt on long terms and at low interest rates, with a moratorium on debt payments during periods of unemployment.

9. *Organization of the Unemployed.* As joblessness grows and becomes more chronic, it becomes increasingly necessary for unions in each locality to take steps to bring the unemployed workers together in organized forms for the purpose of fighting for welfare and jobs, side by side with those still working. In the case of unorganized workers, special approaches to the problem of organizing the unemployed may be necessary.

10. *Public Works.* To provide jobs, immediate action is needed to launch vastly expanded federal, state and local public works programs for building schools, hospitals and other public buildings, for construction of one million low-cost housing units a year, and for new conservation, flood control and power projects throughout the country.

11. *Farmers.* The most immediate need is a reversal of the Eisenhower policy of cutting parity payments, which are being reduced to 60 per cent of parity. Payments should be raised to a full 100 per cent of parity. Cheap credit for farmers should be made available from government sources. Steps should be taken to ease the lot

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of farm laborers, especially migratory workers, and to provide them with the benefits now available to other workers.

12. *Anti-Labor Legislation.* In its determination to saddle the workers with the burden of the economic slump, big business has greatly stepped up its anti-labor offensive. Intense campaigns to pass "right-to-work" laws are being waged in many states, and the use of the Taft-Hartley Act against labor is being increased through conspiracy trials and other devices. A determined struggle is required to defeat all "right-to-work" and other anti-labor legislation, and for the repeal of the Taft-Hartley Act.

13. *Monopoly Prices.* Action must be taken to curb monopoly price-fixing, including regulation of monopoly prices by government agencies and, where necessary to assure the provision of goods at reasonable prices, nationalization of enterprises.

14. *Peace and Trade.* Summit talks for peace and disarmament must be stimulated, with a reopening of the channels of East-West trade, which would greatly increase American exports and provide hundreds of thousands of added jobs. Today it can no longer be denied that the socialist countries offer important markets for American exports. Eisenhower himself recently stated: "The Soviet capacity to export is matched by its capacity and willingness to import."

15. *Arms. vs. Welfare.* Arms expenditures should be drastically reduced, and the money spent instead for purposes benefitting the American people. Idle arms factories should be converted to peacetime production, and

provisions made to provide retraining, relocation, severance pay and other benefits for workers displaced by these changes.

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In the fight for such a program, the main target is American big business—the giant monopolies which dominate the economy and which ceaselessly strive to augment their profits at the expense of all other sections of the people. This is a program which calls for joint struggle of the working class with small business, the small farmers, the Negro people and all others who are compelled to defend themselves against the exploitation and oppression of the monopolies. The fight for jobs and security today is thus part of the developing movement toward the building of an anti-monopoly coalition in this country.

But while unemployment mounts here and the American people prepare to fight it, the latest economic reports from the Soviet Union speak of 1957 as another year free of unemployment. And while production here was declining, Soviet production rose in 1957 by another 10 per cent.

Herein lies the contrast between a socialist and a capitalist economy—between an economy free of depressions, with ever-rising production, employment and living standards, and an economy which is continually beset by epidemics of falling production and growing joblessness and privation. The program presented above will not, of course, prevent such epidemics; it can do no more than help protect the working people from their consequences. Only a socialist America will end the scourge of unemployment and depression forever.

# The Face of Unemployment: Buffalo

By Kay T. Horne

*Five million American workers are totally unemployed. We plan to bring our readers descriptions, analyses and proposals concerning this momentous question in the months ahead. Below is published the first in this series—from that great industrial complex in and around Buffalo, New York. Readers are urged to send us their own experiences, observations or ideas.—Editor.*

The Niagara Frontier industrial center extends from Lackawanna up through Buffalo and Tonawanda to Niagara Falls, some 20 miles along the Lake Erie Front and the banks of the Niagara River. Every summer the shores are lined with dead fish, poisoned by the filth that exudes from the factories. Dominating the scene is the Bethlehem plant, third biggest steel-making unit in the world, with ore coming from Canada, Venezuela, and points in between. Republic Steel, Ford, Chevrolet, du Pont, General Mills, Portland Cement and many others (we pride ourselves on our diversified industry) add their quota to the poisons flowing lakeward. Today, flowing landward from the factory doors, a more deadly poison is invading the community—unemployment.

In the 30's each man, each family, bore its own burden, and was slowly squeezed into a general pattern of shame, degeneration and hopelessness. One wife packed a sandwich and pushed her husband out the door every morning at 6:30. "Your job is to find a job," she said, "don't come home till 4:30." But when the sandwiches gave out and the home was threatened, they too became a part of the faceless suffering. All skills were alike, for their agents were idle, and the internationalism of silence superceded the many tongues and accents of native and foreign-born. Then it was the Left, and especially the Communist Party, that fanned a spark of life and hope, that whipped defeat into action and won at least some unemployment insurance, and thereby the tacit admission that it was not the unemployed who were responsible for the situation.

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Today, while the main problem remains the same, there is a difference. Here on the Niagara Frontier, the huge plants are all absentee-owned. If "the work force is reduced" it is just a change in book-keeping as far as they are concerned. But sensing the growing resentment of the workers, the companies'

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publicity experts have come up with a series of articles purporting to show what "good neighbors" these companies really are. Bethlehem, it was pointed out, lets tours go through its plants, thus sharing its know-how; it gives some scholarships too, and every year employees are encouraged to give to the "Good Fellows Toy Fund" instead of sending Christmas cards to each other. And General Mills is *truly* civic-minded. It enhances appreciation of the home which "shapes the moral and spiritual nature of Americans and America" by giving prizes for Betty Crocker recipes, and it has a General Mills Employees Humanity Fund. This fund, which is given to hospitals, is built up "through the accumulation of weekly and monthly payroll deduction"

This type of "neighborliness" is no help to the unemployed who are further disillusioned by the runaways of Ford and du Pont. These great capitalists only a short time ago were calling the workers partners, offering to let them share the profits—by buying shares. And now they disappear, and leave their "partners" without as much as a job. The Ford Assembly plant which employed 1,600, will close on Valentine's day. A new plant in Lorain, Ohio, is due to open in a couple of months, and the Buffalo workers may transfer there if they wish. How they will be received by the workers in Lorain is a question, as already headlines are reported in that town. Du Pont rayon left two years ago. Du Pont Film is still in the stage of denying it will move. The plants are obsolete. Automation is rising, and unemployment is growing.

Steel production is down to 52 per cent. Mr. Sweeney, State Labor Department representative in Buffalo, estimated that 31,000, 5.8 per cent of the labor force were out. By February 6, the actual count showed 52,869 unemployed in the area. As the population is approximately 1,000,000 it means that roughly one family in 5 has lost a bread winner. But that seems an odd expression. We earn our bread, we don't win it. A man may win a million in a business deal, or make a million in a stock turnover. Bread is earned, and earned hard, and the price is constantly going up.

Canadian bread is being sold here now: It is 17 cents for a 24-oz. loaf, against 16 cents for a 16-oz. loaf in the chain stores. Luckily for the unemployed there is no law against it. But milk is another story. There have been six milk price rises in the last two years. Milk now sells for 28 cents a quart, and in Buffalo there is an extra 3-cent charge for delivery of the first quart, and somewhat less for the rest. Many families are now feeding their kids on dried skim milk which a few years ago was fed only to chickens and pigs. But a number have started to buy their milk in Canada. A Canadian quart is 40 ounces, as against 32 in ours, and it sells for only 22 cents (which would mean 17½ cents for our quart). But the U.S. milk barons, who have pushed up the price to where they now get a 116 per cent spread between farmer and consumer, could not tolerate such activities. A 31-year-old law was dug up and quart by quart the milk was confiscated from one dingy jalopy after another as they crossed the Peace Bridge back from Canada into the "land of the free."

It's tough to be unemployed. Every day the lines at the insurance office—and the waiting—grow longer. Already they have spread into the building across the street. And now it is planned to open two extra offices. More space is palpably necessary, and the people will be saved the extra gas or carfare. But even more important (from the employers' point of view) it will prevent the congregation of such large numbers of unemployed with the spread of their discouraging stories *and* their growing militancy.

A ghastly rumor went around that high-paying jobs were open removing the bodies from a cemetery to make way for the Niagara Power project. Five hundred men applied. It was a hoax. Joseph Urbaniak worked 40 years for Ford. He went into the plant six days after his 18th birthday. Two years ago he figured it was safe to buy his own home. Today he has two long-service watches, one engraved with the signature of Henry Ford, and a final letter telling him his job is moving to Ohio. What is a man of 59 to do? There is practically no group that has not been hurt by the insidious poison of unemployment. Even the blind are affected. Lack of orders for the kind of work they can do was given as the reason for laying off thirteen persons at the Buffalo Association for the Blind.

But it is in the welfare department that the most poisonous aspects of unemployment show up. At the end of last year about eight applications a day were made for surplus food. Now at least 35 a day are received. Butter and luncheon meat are no longer in surplus. Dry milk, cheese, flour and cornmeal are all that is available. 25,000 people in the area are on welfare. The order has gone out that all physically able must be put to work. But where are the jobs? Are they to take the jobs of the regular Parks Department workers? It is laughable. The order is forgotten. But the officials are determined to cut the welfare costs.

They are sponsoring a bill in Albany to make a 2-year residence necessary before starving people can receive welfare aid. Even Albany rejected this. The inhumanity of such proposals increases the distrust and contempt which the average worker feels for our officials. Albany in turn sent out a directive from the State Board of Social Welfare calling for an increase in welfare food, clothing and housing allowances totaling \$1 (one dollar) a month. Erie County Commissioner Paul F. Burke protested that it was impossible, particularly the 15c allowance for medicine. Yet this same Burke favors raising those County salaries that are above \$6,000 a year (including his own) instead of only raising the lower paid workers as suggested.

The situation worsens constantly. One hundred workers have been added to the staff of the unemployment insurance department. But the lines daily grow longer and the overcrowding is so insupportable that the Commissioner has demanded the installation of a new ventilation system! At least the unemployed will get free air!

Meanwhile their snow-wet clothes steam, their boots slosh and slip on the filthy floor and the one newspaper that is passed from hand to hand contains such items as "The American Society for the Prevention of Cruelty to Animals opened its \$275,000 hostelry Wednesday at Idlewild Airport, with accommoda-

tions for anything from a dog to a bag of cobras" . . . and an account of a \$2,500 volume of Don Quixote bought by Helena Rubinstein of the beauty preparations. Printed on the tanned skins of 100 sheep (if only we had the meat!) and one page of pure beaten gold, the most precious part of the book is its original Dali illustrations in his new ink-blot technique. This consists of dropping ink from a hollowed rhinoceros horn and squirting color out of a 17th century jeweled water pistol before spreading the blots around with a brush and pen. . . . How long must we be ruled by insanity and greed?

And yet things are by no means the same as they were "last time." The system of private profit is in question, for under Socialism there is no unemployment. And the profiteers, sensing this, try to snuggle up to their "partners" and set things right. The first to hear about Ford's runaway was the Union. Was Ford afraid of some general action—strike, boycott, slow down in other Ford plants? Anyway Ford and the UAW are discussing "terms" of the stoppage and transfer. So far no agreement has been reached on severance pay, payment of moving costs, settlement of pension rights, etc. The "partners" are conferring. Similarly Republic Steel deigned to notify the Union a week ahead of time when it expected to lay off the last quota of 200 workers. Undoubtedly the men appreciated this delicate forethought, and naturally the Union was flattered at being taken into the confidence of the great steel producer and given the opportunity to do something about it. James L. Kane, president of the Buffalo Federation of Labor, even sent telegrams to Governor Harriman and Mayor Sedita urging them to set up immediately "full employment committees." And Joseph P. Molony of the Steelworkers went to Albany himself to urge the prompt passage of an increase in unemployment compensation without any gimmicks attached. Neither of them mobilized any workers to help press the demands, nor did the Liberal Party, which demanded an \$800,000,000 bond issue to finance "productive enterprise" and school construction.

Perhaps though, the workers will mobilize themselves with maybe a nudge or two from the Left. Already the even more difficult position of the Negro people is realized. From officialdom this has been met with an irresponsible crackdown by the new police commissioner, which has resulted in a number of outrageous incidents including the shooting of a 15-year-old boy. But from the workers has come a heartening drawing together. Three steel locals and the big Westinghouse local have joined the local NAACP as contributing members, with the promise to work with the Negro people for full equality. The long teaching of the Left and their own experiences are drawing the white and Negro workers together.

Small and independent business has been hit almost as hard as the workers. In one local 2-block shopping area five out of the nine small stores have been closed. But in spite of this there is a move among the workers toward independent self-employment. Independent taxi-drivers are on the increase and have been challenging the monopoly of the taxi stands by the big companies. The President of the Company which held the stands around the Statler Hotel was

at the famous Apalachin gangland meeting, and independents with a virtuous sense of fighting corruption as well as unfair monopoly have practically driven his cabs out—at least temporarily. One independent who made \$3 the day before made \$12 operating out of the Statler stand. Again in one little area newspaper ads offering to do house decorating and repairing have jumped from 2 to 15. But no one can make a living. The people are trying every possible avenue. Their courage and initiative are as strong, as American, as independent as ever. But this is quite evidently not the way out.

More defense spending! That will do the trick, say the business men, politicians and cold-war practitioners. But here in Buffalo where Bell has one of the biggest missile plants in the country and already has secured huge missile orders, it is quite evident that such work employs comparatively few people, and those mainly skilled technicians. One of the gripes of the unemployed is that they are not allowed to take day-time courses to prepare for a more skilled job. This is considered by the bureaucracy as making them "unavailable for work," and their "benefits" are promptly discontinued. Night courses which are twice a week for two hours, cannot compare with the day courses which are five times a week for three hours. Sputnik has made us realize the inadequacy of our education, yet we refuse to let the unemployed study. One more example of capitalism's insane drive to commit suicide.

Yes, things are quite a bit different "this time," but not yet different enough. The Unions which are taking hold of the situation, keep a recognized official in the unemployment office to help people with their claims. This was initiated by the UAW some years ago, and has now been adopted by the Greater Buffalo Industrial Council. The steel workers program, one of the most comprehensive, calls for immediate boosting of unemployment insurance, disability and compensation benefits, for special benefits for dependents, for elimination of the "waiting period" (it's often a month or more before people get their first check) and inclusion in the program of *all* workers, no matter the size of the shop or the type of work.

The Communist Party in Buffalo, besides endorsing the Union's program and calling for extended public works and trade with all countries, calls for a moratorium on mortgage and car payments for the unemployed, free milk stations for the children of the unemployed, permission for the unemployed to study during the day, and a boost in welfare allotments which the welfare commissioner is refusing.

This time it is recognized that lack of work is not the fault of the unemployed. Whose fault it is—or if it is indeed someone's fault—is for most people still a moot question. The responsibility for the resultant loss and damage is being placed upon the government which is called upon to provide some partial remedies. It remains for the Communist Party and the Left generally to prove to the people that the fault lies with Big Business and its control of government, and to call for the only possible complete remedy—socialism.

# The "Welfare State" Theory

By James S. Allen

IN AN ARTICLE in last month's *Political Affairs* ("Key Problems of Party Program"), Alexander Bittelman proposed to make his Welfare State theory of the "American road to socialism" the heart of a new Party program. He had previously presented his theory in a series of twelve articles in the *Daily Worker* (Oct. 1-16, 1957), which also delved into many questions concerning the Party crisis and the inner-Party struggle. These articles were subjected to a critique by William Z. Foster in *Political Affairs* (Dec. 1957 and Jan. 1958). It might have proved of some value if in his latest article Comrade Bittelman had answered Comrade Foster's basic criticism, instead of accusing him of ignoring the "urgent task" of preparing a Party program. The fact of the matter is that Foster did discuss Bittelman's own programmatic proposals, as well as many other questions of substance that must of necessity be settled in the process of drawing up a program. If, as Bittelman seems to believe, he has developed something new and significant in the realm of Marxist theory, then he should welcome a critical evaluation of his ideas. If, as a result of serious evaluation, his theory of the Welfare State is characterized by Foster as a "long leap to the Right," he cannot substitute for a reasoned rebuttal

charges of dogmatism and doctrinaireism against his critic.

In this article, I propose to re-examine Bittelman's central programmatic thesis as restated in his latest essay.

## NATIONAL PECULIARITIES

A serious question arises at the very outset. According to Bittelman, the key theoretical problem and the starting point of the Party program concerns "the nature of the national peculiarities and characteristics of American capitalism." No one can deny that this is an important problem, especially since either insufficient or one-sided attention to the concrete American conditions has often been the source of many Party weaknesses. But to start from "national peculiarities" as the key to the socialist perspective for this country would put us on the wrong road. The road to socialism in this country does not rest on what may be exceptional in American conditions or the American temperament, but on what is typical and characteristic about present-day capitalism—monopoly and imperialism—as it has developed and as it operates today in this country, within a new relation of world forces brought about by the rise and growth of a world socialist sector and the further decline of imperialism.

Bittelman is quite correct in insisting that the historic inevitability of socialism must be shown in relation to the concrete working of capitalism in the United States, and not only as a generally valid principle. But he places this task in distorted perspective by posing "national peculiarities" as the key problem.

We should start from the *dominant* characteristics, rather than those which may be unique to this country. Most significant here is the very high development of monopoly capitalism in general. This is "exceptional" in the sense that the very magnitude of production and the bigness of the corporations are not even approached in other capitalist countries, but the basic laws of operation of capitalism are the same. Because of our specific history and the very magnitude of our economy, we also have a more extensive sector of medium and small enterprise than may be typical of other countries. True, this has left an imprint on our class alignments and political struggles, has helped sustain a strong anti-monopoly tradition with a specific middle-class content, and has influenced the labor movement not always beneficially. But the fact is that monopoly supercedes small-scale capitalism and dominates the economy, here as well as in other advanced capitalist countries.

Bittelman's mistake is to emphasize the national peculiarities which were created in the process of capitalist development in this country, rather than the development itself. The current struggles for economic security, democracy and peace are a result of basic underlying processes and not an outcome of American national characteris-

tics, although these condition and flavor the mode and the spirit of struggle. The transition to socialism will take place as a result of these same underlying processes which produce the current struggles, except both the processes and the struggles will be at a higher level, and will bear the earmarks of an American experience under the particular circumstances of the times.

In sum, our national peculiarities can never add up to a unique American road to socialism in the sense that what may be American about it will overshadow in basic significance what is common to all roads to socialism. To look for an American road to socialism in this sense is a wild-goose chase. Once we recognize this, we are in a better position to see our national characteristics in true perspective. Either to minimize them or to exaggerate them may spell isolation and defeat. That is to say, we cannot chart the road only on generally valid principles, but using these as a guide, and elaborating them in the process, we must *create* the road to socialism under American conditions, for it does not stretch ready-made before us.

It is also true that certain characteristics may play a more important role than others, under certain conditions. Given the proper *political* circumstances, for example, the extraordinarily high level of monopoly concentration in a few peak monopoly groups may make the transition to socialism comparatively simple in the economic sense, since nationalization by a labor-led people's anti-monopoly government of these tremendous holdings alone would create a huge and dominant socialist sector, without for the moment

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disturbing private capitalist ownership in the rest of the economy. And under such circumstances, socialism may have much more to offer small and medium enterprise in terms of gradual and painless transformation than monopoly capitalism with its threat of sudden extinction for the small entrepreneur.

There may also be certain peculiarities of our history which have a most significant bearing upon the composition and programs of the anti-monopoly alliance, through all its phases. Many can be mentioned having to do with the popular democratic temper, the long-term tradition of anti-monopoly, the fierceness of our class battles. But outstanding in this respect is the particularly critical role of the struggle for Negro freedom throughout our history, and the development after the Civil War which resulted, together with the circumstances of our present world position, in projecting the struggle for Negro freedom into the very center of national politics. The situation has been created over an historic period in which the Negro people, in their battle for full citizenship and for the democratic transformation of the South, appear as the most important ally of labor in the anti-monopoly struggle. This still has to be fully appreciated and probed by the Party.

The choice of national peculiarities as the starting point of program is also an entirely arbitrary procedure. This is shown by Bittelman himself. In his earlier articles in the *Daily Worker*, he placed as "decisive and central," and also as a product of our national peculiarities, the emergence of the trade unions into "actual leadership of the working class in the eco-

nomic, political and, in part, ideological fields," and he linked this phenomenon with the Welfare State idea. It seems to me that in his critique, Foster has shown this to be a far-fetched conclusion, remote from the actual reality of the trade-union movement today and also a serious distortion both of the role of trade unions and the historic vanguard role of a Communist Party. Does Bittelman now think that he was mistaken? We do not know, for in his new article he ignores this question, which he had previously considered so "decisive and central." Instead as we shall soon see, he chooses to emphasize something else as the "starting point" and as the "key" of the Party program.

#### MONOPOLY VS. COMPETITION

Bittelman now argues that what promotes and stimulates the "modern strivings of the American people towards a Welfare State" is the "fundamental contradiction between the monopolies and the general capitalist environment of free competition and commodity production." Bittelman understands that this is not peculiar to the United States since, as he says, it "is the attribute of monopoly capitalism and imperialism in all capitalist countries." It is not the contradiction itself, Bittelman holds, but the "extraordinary role" it came to play in the United States that accounts for something very special in the American development.

To be sure, the contradiction between monopoly and free competition, from which monopoly developed, is very fundamental to the imperialist era, and plays an important role not only within this country but also in the relations

of U.S. monopoly to the rest of the capitalist world. It is also true, as Bittelman says, that Lenin considered this contradiction "the essence of imperialism." "It is this," he said, "that is making for the final crash." And he went on to explain: "Imperialism complicates and accentuates the contradictions of capitalism, it 'entangles' monopoly with free competition, but it cannot abolish exchange, the market, competition, crises, etc." (*Selected Works*, Vol. VI, p. 110.) This is what needs to be understood in the first place about the contradiction cited by Bittelman, which in its actual operation renders anything like a real Welfare State, a state primarily concerned with assuring the welfare of the people, an impossibility and an illusion under capitalism. But more of this later.

The extraordinary role in this country of the monopoly-competition antagonism, Bittelman ascribes to the unique conditions of the origin and development of capitalism in the United States, having in mind its expansion over a vast and virgin continent. His point that capitalist relations were constantly being reproduced in new parts of the country even as monopoly was developing, is true enough, although, in my opinion, he fails to differentiate between the earlier and later stages. But, more basically, what is wrong with his picture? He sees a simultaneous development: on the one side, free competition expanded over the length and breadth of the land; on the other side, monopoly grew intensively through the concentration and centralization of capital. This continuous double development extends into the present period, reproducing simultane-

ously "new capitalist relations as well as new monopoly groupings," presumably without any qualitative change in the relation between the two. What is lacking here is the main thing. "The main thing in this process," wrote Lenin in his *Imperialism*, "is the substitution of capitalist monopolies for capitalist free competition." Then Lenin goes on to say: "At the same time, monopoly, which has grown out of free competition, does not abolish the latter, but exists *over it and alongside of it*, and thereby gives rise to a number of very acute, intense antagonisms, friction and conflicts" (p. 88—my emphasis—J.A.).

In the forty years since this was written, these elementary processes and antagonisms have proceeded apace, with many effects upon the economy, which need to be studied further. But what is outstanding is the decay of free competition as monopoly constantly extended its sway over the economy and the state. Small-scale or medium capitalism (whether in business, industry or agriculture) generally tended to renew itself during periods of prosperity, when hopes were rekindled for a return to the good old days of free competition, and tended to die out during periods of crises, although it is to be noted that during the recent postwar period the small farmers have disappeared by the millions and the rate of business deaths was very high. But the permanent tendency since the turn of the century is for the competitive position of smaller-scale capitalism to become constantly worse as monopoly control permeated all phases of the economy. This primary development—the extending and deepening of monopoly control and the

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decay of free competition—continued through periods of prosperity or crisis, of peace or of war, of liberal or of conservative governments. The tendency of this development is toward greater monopolization of the economy and toward an ever higher level of state monopoly capitalism. Of course, this takes place only at the price of sharpening all the contradictions of the economy, as well as the antagonism between monopoly and the middle strata, which are still quite extensive in this country. But to place the thing like Bittelman does, overlooking the dominant trend toward ever more monopoly and the constant decline of free competition, misses the main point, and even tends to sustain the old illusion of the liberal trust-busting school that we can return to the pre-monopoly stage of capitalism.

From his one-sided approach to the role of national peculiarities and his erroneous analysis of the contradiction between monopoly and competition, it is not surprising that Bittelman should come to some rather astonishing conclusions. He finds, for example, that "the chief and basic contradiction between the capitalist class and the working class, has found and continues to find its sharpest expression in the contradiction between the monopolies and the mass of the people." If I understand him correctly, for the logic of this sentence escapes me, the class struggle between the workers and the capitalists has been subordinated to the antagonism between the monopolies and the people in general. If this is true, it would be necessary to revise all the basic concepts of Marxism-Leninism, and also to give up as obsolete the idea of a labor-

led anti-monopoly coalition. For if the Leninist analysis of monopoly and imperialism means anything, it means that the central class struggle now proceeds on a much larger scale, between great masses of workers in the huge enterprises and the monopolists at the peak, and that this struggle has far-reaching consequences precisely because of the high level of economic centralization. Far from being subordinated to the antagonisms between monopoly and the people in general, which is a sort of classless concept, the class struggle between the workers and the monopolists takes the center of the stage. It is the focal point around which all other sectors of the people in opposition to monopoly (the Negro people, farmers, professionals, medium and small business) tend to array themselves. It is this that creates the basis for an anti-monopoly coalition, with labor as the leading force. This truth may have been obscured for some during the extended period in which the class struggle has proceeded in the main through negotiated agreements between the big corporations and the labor unions rather than through strikes. Certainly, to recognize this truth Bittelman should not need the evidence of open class battles such as may reappear on a wide scale as the employers try to use the current economic slump "to put labor in its place."

#### THE WELFARE STATE

The crowning outcome of Bittelman's analysis is his theory of the Welfare State as the American road to socialism. According to him, this follows from those very national peculiarities which led to the extraordinary role

of the monopoly-competition antagonism: "These same national peculiarities are creating the objective conditions for a Welfare State, an anti-monopoly form of democracy as a stage of social progress, and for a peaceful and constitutional transition from the Welfare State to the Socialist State in a revolutionary change from capitalism to socialism."

As was to be expected, having begun with "national peculiarities" Bittelman has come up with a very peculiar conclusion. The idea of the Welfare State is not in itself new, since it has had currency for at least a century among liberal economists and reformers of all kinds. The general idea (dating back at least to Sismondi, a middle-class socialist whose major work on political economy appeared in 1819) is that the state, standing above classes and above society, should assume the responsibility for equalizing income and distribution. In the monopoly era, under the modern conditions of large and well-organized labor unions and pressures from other popular forces opposed to monopoly, the capitalist state has had to assume various welfare functions in order to maintain the system. Every government of the advanced capitalist countries has had to adopt progressive taxation, labor legislation and social security systems, which were in effect concessions forced upon monopoly by the people.

Reactionary forces have always resisted such welfare measures and progressive forces, including the Communists, have always fought for them. But it is these welfare functions of the monopoly state, such as were developed in this country by the New

Deal during the Great Crisis, that have given rise to the term Welfare State as it is commonly used today. Various defenders of capitalism have turned the necessity of making concessions to labor and the people into a virtue by claiming that capitalism has developed into a welfare society, contrary to the predictions of Marx, instead of remaining a society based on class exploitation intrinsically incapable of assuring full employment, the social good, world peace and other aspirations of the people. With the rise of the Keynesian theories the welfare function of government also came to include various measures which are supposed to avert economic crises by state support to demand while keeping production in private hands. It is the use of the idea of a Welfare State as a social and political program by reformers and Social-Democrats, in opposition to the Marxist analysis and prediction, that assumes particular importance in this period of competition between the two systems. For example, now it is proposed to "internationalize" the Welfare State, in order to prove Marx and Lenin wrong on a world scale. With this in mind, the leading liberal economist, Gunnar Myrdal, urges: "The concept of the welfare state, to which we are now giving reality in all advanced countries, would have to be widened and changed into a concept of a 'welfare world.'" (*An International Economy*, Harper, N. Y., 1956, p. 324.)

Obviously, Bittelman ignores this generally accepted understanding of the Welfare State and redefines it to suit his own purposes. He insists that the Welfare State is still to come, and he predicts that it will be "an

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anti-monopoly form of democracy" corresponding to "a stage of social progress" which is to be followed by socialism. If Bittelman makes new definitions then we have every right to demand greater clarity from him. Does he mean that between present-day capitalism in the United States and socialism there will be another stage of society embodied in the Welfare State, or does he mean that the struggle for socialism will go through a number of stages? Clearly, there is a basic difference between the two. In the manner of historical materialism, we have been accustomed to think of historic stages in terms of definite social formations corresponding to the mode of production and relation of classes peculiar to each—such as feudalism, capitalism, socialism. It is also obvious that revolutionary changes from one form of society to another do not occur spontaneously, but are preceded over a more or less lengthy period by various stages of preparation of the class forces and class alliances that will usher in the change. Which does Bittelman mean?

He is not too clear about this, but one cannot help gathering the impression that he projects an intermediate historic stage between capitalism and socialism. He speaks of "the historic task of establishing the Welfare State." He sees this as involving basic changes: "the American working class must accomplish a major historic task of radical economic and political changes" corresponding to the Welfare State. This must be accomplished "before" (his emphasis) the socialist transformation, which he calls "the next stage of social progress."

What will be the content, the eco-

nomie and social formation, of this intermediate stage? He says its principal tasks are the curbing of monopoly in the economy and government and the establishment of "an anti-monopoly form of democracy, within the confines of the capitalist mode of production and the existing bourgeois state system." This new stage, and this is what he appears to mean, is still capitalism, but in another form, a sort of anti-monopoly or non-monopoly capitalism. To me, this seems no more than another version of the old middle-class Utopian dream of a return to competitive capitalism.

Bittelman should make things clear: Either he means an intermediate stage of society, in which case he must define it as a form of capitalism such as we have not seen anywhere except in the past. Or he means a higher stage in the level of the anti-monopoly struggle, a stage corresponding to the winning of state power from the monopolists and their hangers-on by the workers and their anti-monopoly allies. Such a government, to stay in power, cannot rest with merely "curbing the monopolies" (which can be done to a certain extent even under present conditions) or by siding with free competition against monopoly (which is the professed aim of many legislative actions and measures today). It must immediately take steps to nationalize the monopoly enterprises, to break their economic power and thus remove the base for their political power. But in doing so, such a people's government would practically overnight create a vast socialist sector of the economy as a base for the transition of the country as a whole to socialism.

In effect, this is the programmatic concept that has been projected by the Party for some time in terms of an anti-monopoly coalition, led by labor. True, this concept needs further programmatic elaboration in many respects. But Bittelman adds nothing to it except confusion and disorientation with his "new" theories about the Welfare State as a "stage of social progress." For the Party to adopt the Welfare State as the goal of the next period, when even Right Social-Democrats recognize how thin this slogan has been worn by the disappointing record of so-called Socialist or labor governments in the past, would make it the laughing stock of all socialist-minded and progressive persons. We certainly should welcome the concept which has gripped the labor movement since the Great Crisis that the State must assume responsibility for the people's welfare. But this does not mean that the Party should incorporate in its program the illusions about the Welfare State which are prevalent. Least of all, should it become the vanguard bearer of such illusions, which is what Bittelman's proposals would lead to.

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Considerations of space do not permit a critical discussion of Bittelman's concept of peaceful coexistence, which he conceives as the world counterpart of the Welfare State. I believe Foster is correct in pointing out that Bittelman sees peaceful coexistence as an intermediate social stage internationally, and as a consequence "the world struggle between the forces of world imperialism and those of Socialism, and also the national class struggle, have been muted almost to the van-

ishing point" (*Political Affairs*, Jan. 1958, p. 50).

In closing, I would like to make a general comment. It seems to me that Bittelman's proposals for the Party program reveal the danger of one-sided emphasis upon the search for "new principles" to take the place of those which are considered "outdated" or "obsolete." I appreciate the fact that the Party confronts many new problems, and that it must learn to work in a new way. But we cannot carry out this task as if the only obstacle is dogmatism.

It has become the fashion in some quarters to cry that the charge of revisionism is being used by the dogmatists to prevent any real probing into new problems. But why is it that the search for "new principles," as is demonstrated again even by so experienced a comrade as Bittelman, so often leads in a revisionist direction? It is not un-Marxist to take a fresh look at basic principles in the light of new experience and problems, and even to modify general principles when justified by experience. On the contrary, this is always necessary for a live Party, able to stand on its own feet. But we so often seem to forget that the history of the Party, or of the century-old Marxist movement in this country, cannot be written exclusively in terms either of dogmatism or of revisionism. True, dogmatism has been a persistent blight. But we have also suffered in the past from wild excursions into Utopias, from fantasies generated by the "American Dream," from a sort of pragmatic and patterned type of thinking that seizes upon an imagined future, conjured up by this or that favorable development here or on the

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world scene, and then tries to build a ladder to it from only pieces of reality. Such was Browder's "Teheran World," and such is Bittelman's "World of Peaceful Transition."

The real problem of our movement is to get off this perennial see-saw, with dogmatism at one end and revisionism at the other, which gets us nowhere except up and down over the same spot. To do this, requires the approach and method of dialectical materialism, which sees life and events in motion, in accordance with recog-

nized laws of social development, and in their contradictory and conflicting aspects, instead of seeing them as the offshoot of some preconceived notion, whether that notion is pieced together from disembodied old principles or erected on the ruins of principles considered obsolete. We still have to make the transition from the see-saw view of the world to the dialectical materialist view if the Party is to play the role it should, in the present and in the future.

### FREE ENTERPRISE

*Washington:* How's business? Not bad, really; lots of dollars changing hands. But not good, either, because the trends are wrong.

Unemployment is going uphill, production downhill. Signs of promised summer recovery are not visible.

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*Columbus, O.:* The young father had no money to buy food for his pregnant wife and child.

He tried to steal food from a market, but couldn't go through with it, even after breaking the store window.

—Associated Press dispatches, March 3, 1958.

# On the Status of the Party

By Dorothy R. Healey

The author of the following article is a well-known Communist leader from southern California, and is a member of the National Committee. She presents in these pages her views of some aspects of problems within the Communist Party; readers are invited to participate in this discussion.—Editor.

The most serious aspects of the continuing crisis within the Communist Party is the growing separation of Communist from his fellow-Communist, the polarizing of opinion in some sections, with growing confusion and bewilderment in others, all leading to the continuing fragmentation of the Party.

Name-calling and abstract definitions (dogmatism vs. revisionism) have become a *substitute* for debate and concrete examination of facts. Lenin and Marx called plenty of "names" but they made political characterization based on substantial documentation. Our debates are replete with the "names" without the documentation. The debaters tend to become wedded to one-sided estimates and frozen positions, and the realities of political life become distorted.

*What is, he sees as in a dream,  
What no longer is, becomes for  
him reality.*

It might be helpful if there was a restatement of Marxist truisms in order to establish what, if any, long-standing problems are being reflected in our current struggle.

It was Marx and Lenin who insisted that the primary role of Communists was to guarantee the union of the labor movement with Marxist theory. This fusion cannot take place, and we cannot play a vanguard role, unless we utilize Marxist analysis to define and analyze each particular period of the class struggle and draw new theoretical conclusions from the realities of the material world. An equally obvious truth is that we cannot test the correctness of that analysis in an ivory tower; the verification or modification of our estimates takes place in the arena of class struggle. Without this approach, we cannot participate in developing the forms of struggle necessary for a given situation, nor relate the current phases of struggle to our goal of socialism.

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The history of working class parties documents the dialectical contradiction always present: how to participate in daily mass struggles while advancing the struggle for socialism. Communist Parties must always deal with two dangers: abandoning the mass character of the Party, or abandoning its final aim—either falling into reformism or sectarianism. When the Party loses its mass character, and cannot speak to nor influence the mass movements, it becomes a sect. When it loses itself in the daily struggles as ends in themselves, it becomes a movement of social reform.

These are generalizations which have had much validity in all countries. An examination of our own history would show our inability at various times to effectively cope with either danger.

In addition to these general factors, our 16th Convention gave these specific reasons for the Party crisis:

The Marxist movement in our country has suffered historically from dogmatic application of Marxist theory to the American scene. The Communist Party inherited these weaknesses. Insufficient development of the independent theoretical work of our Party over the past decades has contributed towards our doctrinaire acceptance and mechanical application of many theoretical propositions.

Our Party has suffered from an oversimplified approach to and an uncritical acceptance of many views of Marxists and Marxist Parties in

other countries.

Bureaucratic methods of leadership, failure to develop inner Party democracy and a frequently intolerant attitude to the people we worked with have been in large measure responsible for our inability to correct mistakes in time, as well as for much of our sectarianism. All these factors are interrelated; each helped to reinforce the other.

It is one year since our 16th Convention. Have we had a leadership that has fulfilled its responsibilities in taking even the first steps in providing a political line that guards against the generalized two dangers mentioned above, and against the concrete errors specified at our Convention? A scrutiny of the last year would indicate that this has not taken place. But we have succeeded in vulgarizing a complex problem with the oversimplified definition of "Right" and "Left" trends.

There are comrades who say that the main danger is revisionism, and then demand: "Let's get down to work—and let the theoretical questions wait." But this approach has frequently been the foundation for reformism; it has been the slogan of the revisionists.

Gene Dennis correctly attacked this approach in 1945 in analyzing the Browder period. He said then: ". . . We were reacting to certain events . . . piecemeal, in an isolated and limited way, and without political visions." In 1945 he empha-

sized that theory must serve as a guide to action.

Our District (Southern California) has attempted to provide leadership on some political fronts of immediate concern to the welfare of the people. The H-bomb campaign, Little Rock and the South in general, the struggle for Negro rights, the 1958 elections and the anti-labor drive in California were among the questions discussed at the District Council, with concrete program proposed to the clubs for action. But we recognized that the main answer to our crisis was not "to get busy"; our crisis did not result from the fact that we were not "busy" enough in previous years; it is, in the first place, an ideological crisis.

Why do I believe that we have vulgarized our problems with the over-simplified definitions of "Right and Left dangers"? An answer to this is provided by the contradiction in Comrade James Jackson's report on the South [published in *Political Affairs* Dec. 1957]. He gave important data on the transition which is taking place there, as well as political emphasis on the need for Negro-labor unity. Lacking from his report is any basic estimate as to the character and ideology of the Negro people's movement, as well as any basic analysis as to what is new in it, namely, the fusion of the traditional cultural expression of the Negro people (traditions and institutions of the Church) with the modified

ideology of Thoreau and Gandhi.

In classic Marxist language, this lack of analysis would be defined as opportunism, yet it comes from a comrade who has identified himself generally with the "Left." It is an example of why Lenin considered opportunism and sectarianism as opposite sides of the same coin.

One of the reasons for our inability to develop Marxist critique was our past mis-use of this weapon. When we were critical of labor or Negro leaders in the past, we automatically translated this into oppositionist tactics; our criticism became a program for a one-sided attack on them.

A Marxist critique (e.g., a critical, many-sided analysis) should assist the struggle, not attack it, and is an important expression of our vanguard role.

Comrade Dennis has advanced the theory that in order to prepare a program, it is necessary to first accept (and not even question) the universal validity of specific concepts projected by our comrades in the socialist countries. It may well be that after examination and debate, most Communists will agree on their validity and application to the United States. But how can a comrade carry through the 16th Convention warning against "the over-simplified approach to and uncritical acceptance of views of Marxists in other countries" if he insists on the acceptance of their views,

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A Marxist-Leninist party might well remember Lenin's warning: "Nothing is more foreign to the dialectic method of Marxists' thought than to separate social phenomena from their historic soil and to present these phenomena as abstract formulae having an absolute, general application."

Comrade Dennis might argue: "But I did not say anything about application of the universally valid truths, only their acceptance as general truths" . . . but until and unless one discusses application, it is meaningless to talk about an abstract truth.

Why is application so important? The Twelve Party Statement declares that one or another form of the Dictatorship of the Proletariat is a universally valid truth. Do we Communists apply Marxism-Leninism to the American scene by simply repeating this, or do we have to give considerable attention to the phrase "one or another form"? When, for example, we discuss the capitalist state, we know that bourgeois democracy and fascism are "one or another form" of capitalist rule—but what a whale of a difference it makes to the working class which form it is!

There are theoretical questions of great significance in the 12 Party Statement. As one additional example: "The working class can then defeat the reactionary anti-popular forces, secure a firm majority in Par-

liament, transform parliament from an instrument serving the class interests of the bourgeoisie into an instrument serving the working people. . . ." In other words, it is no longer necessary to regard as a universally valid principle Lenin's conclusions that the working class must "shatter" the instruments of bourgeois rule, the bourgeois state forms.

I would applaud our comrades' willingness to analyze the realities of the material world of today, and advance new theory, even when it disputes previous theoretical propositions. But what kind of Marxism-Leninism is it which calls for automatic endorsement of such a concept, without the most extended theoretical discussion?

Because our past sectarianism led us to distort the application of Marxist criticism, we have great difficulty in searching for a balanced expression of proletarian internationalism, particularly as applied towards the Soviet Union.

Comrade James Allen's report in *Political Affairs* (Dec., 1957) on the international situation suffers from an inability to deal with questions of foreign policy relating to the Soviet Union in anything except the language and approach common to all of us before the 20th Congress and the 16th National Convention. Does it equip us to understand the role of the Soviet Union in the Midwest? Does it help us to understand if there is any difference between

what the Soviet Union does diplomatically (as a Government) and our role and estimates as a Party in the United States? Or, does it continue to do what Duclos criticized us for in 1945, the automatic translating of diplomatic actions into ideological and political programs for the Party?

Many comrades cannot visualize being both pro-Soviet and critical. Every attempt to critically examine the history and present status of the Soviet Union is considered "anti-Soviet." It is true that after the 20th Congress, some believed that if you did not have perfection in the Soviet Union, you could not have socialism. But the opposite is also present, many believe that if you do not think there is perfection in the Soviet Union, you are anti-Soviet *per se*.

The CPSU, in the 20th Congress, said that their policy in 1947 towards Turkey had not been always correct. In 1957, when they removed Molotov, Shepilov and Kaganovich, and later Zhukov, they said that among other reasons for their removal, was the charge that they had followed an "adventurous" foreign policy. Yet there are some comrades who believe either that a Socialist country cannot make mistakes in foreign policy, or that one can say so only after they are self-admitted. (As a matter of fact, even *after* the CPSU admits mistakes, we have comrades who consider it "anti-Soviet" to re-

peat the fact of the mistake, or try to analyze it!)

Distorted, one-sided approaches towards the Soviet Union result in making it appear that debates on the Soviet Union are composed:

(a) Of comrades who would spend their lives criticizing some other country's revolution to the exclusion of solving the task of winning the workers of their own nation to socialist consciousness; or

(b) Of comrades who would spend their lives defending another country's revolution to the exclusion of solving the tasks in their own country.

The "unity" of the extremes is once more displayed; it doesn't make much difference if you slash your left wrist or your right wrist—you can still bleed to death as a result.

The Convention Resolution stated that Right-opportunism is encouraged by dogmatism and sectarianism. Because some national leaders continued to duck the problem posed by the Resolution, the *Daily Worker* on some occasions tended towards a one-sided and provocative approach towards the Soviet Union. This, too, did not prove helpful in trying to establish how to be critical in a partisan manner.

When John Gates left the Party, the *N. Y. Times* reported that he said there was no political democracy in the Soviet Union, but that in the United States we can elect our representatives, have free speech, etc.

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We may be critical of the time-lag between the Socialist economy and its reflection in the Socialist super-structure of the State, the institutions, etc. But that is no reason to replace a Marxian analysis with one that speaks admiringly of the "equal freedom of the rich and the poor to sleep under a bridge," which, to a great extent, is the content of our "free" elections.

G. D. H. Cole, eminent British Marxist, who is very "respectable" and "acceptable," says about the Soviet Union:

Socialism is no guarantee of a perfect society. Common ownership of the means of production . . . can co-exist with grave faults in political and cultural affairs. They are not even guarantees of democracy, though they are *conditions* of its full effectiveness and valuable soil for its growth. . . . The ruling consideration for us . . . is that the Soviet Union is, by virtue of its basic economic and cultural institutions a Socialist country, and therefore necessarily the principal rallying point for the forces of Socialism throughout the world.

The 16th Convention tried to guard against the danger of the sect and the danger of the reformist movement. It developed an initial approach on how to explore the new, without automatically throwing everything "old" out. In a preliminary manner, it tried to utilize Engel's own definition of Marxism as "the exposition of a process of evo-

lution." But because the "habits of the past" are our main adversary, every attempt to examine the realities of the American scene is met with the charge of revisionism.

Why all the sound and fury of Comrade Foster's attack on Alex Bittelman? One does not have to agree with all of Bittelman's conclusions (and I, for one, do not) to appreciate what he is doing.

The 20th Congress stated that as a result of socialism developing into a world system, and with the increased importance of the role played by the neutralist countries, war is no longer inevitable.

Fine. We repeated this as being true. But one cannot state this without attempting to deal with the corollary: if you can put a strait-jacket on imperialism, what happens to its contradictions? What new forms will the uneven development of capitalism take?

Bittelman is the first comrade who advanced a systematic exposition of this question. If, instead of his ferocious attack, Foster and those who agree with him, had tried to tackle this problem, there might have been a diminution of the party crisis rather than its acceleration.

The logic of this kind of attack is clear. First, Gates is identified as the "main danger." Then, anyone who fails to agree that he is the *main* danger, or wants to fight the ideology but not the man, is a conciliatorist, and then graduates to

become a new "main danger consuming the party." Next, anyone who has the effrontery to dare to go beyond what is already "safe" to say on theoretical questions is a revisionist and a new "main danger."

But don't think the attack can be contained within these limits. As more and more comrades leave the Party, the 6th World Congress devotees, who want a return to defining social-democrats as social-fascists, and the sole emphasis again on united front from below, become both stronger and bolder. Now, while "praising" Foster for continuing his attack on revisionism, they attack him for his revisionism in agreeing that Left errors were committed in the last decade!

The tragic farce will play on: ultimately, at the drop of a new thought, the so-called "Left" and "center" forces will find themselves either forced to accept the "line" of these people, or else be in the "prisoner's dock" themselves.

Comrades like Dennis, Thompson, Jackson et al. might well remember Stalin's warning: "There is a logic in events which goes beyond the logic of human intentions."

You may deride the comrades who are leaving the Party as "confused, or weak, or disorientated," etc. But you can ultimately be consumed by your present allies.

Every time another comrade who wants "change" to guarantee the Party as a more meaningful instru-

ment for winning Americans to Socialism, leaves our Party, he is helping to prevent change from taking place. Nothing develops in a vacuum, and to find the new approaches and the new theory, requires both the determination and discipline to "re-make" ourselves as Communists, and a developing of the Party as a collective channel through which this process is developed. There are comrades who would give their lives for the cause of Socialism, but who cannot (say: will not) change their lives in order to guarantee that the Party of Socialism becomes an organization that can influence the American working class.

Those who so sweepingly have proclaimed "the Party cannot change, there is no future for it," distort Marxism as much as the dogmatists. Did anyone seriously believe that the Party could change overnight? Did anyone believe it could change without the most extended struggle "against our main adversary—the habits of the past" (Gramsci)?

Without a perspective of an extended period of ideological struggle (yes, "peaceful co-existence" for the body of each comrade and sharpened debate for the mind) neither we nor the Party can participate with others in finding some answers for the todays and the tomorrows.

I am a part of the national leadership and I do not disclaim responsibility for the present morass.

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I, and others, have been so preoccupied with fending off the offensive of those who would destroy the Convention's estimates and perspectives, without even giving the Party a decent opportunity to apply them, that I failed to participate in helping to advance the initial approaches of the Convention.

It is not enough to shout a warning that the theft of the Convention Resolution is taking place. Sufficient objectivity and disengagement from the furious struggle to "protect" the 16th Convention must include the further exposition of the Convention's line in order to prove in life what and who is right or wrong.

We are paying a bitter penalty for our past failure to involve the membership in discussion on basic line and policy. Clubs were told their job was to carry out policy; the sole emphasis on "bringing down the line" was how to apply it, rarely, to debate it. As a result, there is great confusion when the debates in national bodies are presented.

In the pre-convention period, everyone united in criticizing the leadership for failing to report on past differences in leading committees. Today, many are unhappy at hearing such report. They say: leave the national debates back in New York, and let's discuss only our local problems. But ours is a national party, and one area or another cannot solve its problems by hiding

the nature and content of the status of the national Party.

Further, unless comrades know what positions are taken on particular problems, how can they estimate which comrades should be continued in leadership? How can they tell which comrades make any effort to combat bureaucracy or carry out the decisions of the Convention?

Yes, we agree, it is distracting and confusing and unpleasant to deal with what seem far-away problems. But if we want to check the crisis, we cannot evade the grim duty of facing the content of the present problems.

If subjective and factionalist reactions were laid aside, I do not believe that anyone would seriously claim that in the last year we have won the fight against dogmatism and sectarianism. Nor do I believe that anyone would contend that we have built-in safeguards against Right opportunism. "We cannot secure ourselves in advance against all possibilities of opportunist deviations. Such dangers can be overcome only in the course of the movement itself, utilizing Marxist theory, but only after the dangers in question have taken tangible form." When Lenin wrote "Left-Wing Communism, An Infantile Disorder," he did not cross himself on each page and say: "and I'm against opportunism, too." He tried to guard against opportunism in the method and line he advanced in fighting leftism.

Perhaps the saddest line in Khrushchev's revelations on Stalin was that Stalin thought he acted in the interests of Socialism. I suppose each of us is positive of the "purity" of our intentions, and the fiendishness of the other's intent. But where, is that comrade, or group of comrades, who has been so infallible in the past, that would allow for the continuing arrogance so present today?

Our Party must be able to contain within it people with divergent points of view. To demand doctrinal unity or purity would be to guarantee either its disintegration or its vegetation.

The Party must be a channel through which contending viewpoints can be presented. It should encourage the widest utilization of every form to provide for the clari-

fication of ideas. It should provide for collective examination of the work of Communists in mass activity in order to learn, and in turn, teach how to fuse the daily struggles with socialist ideology.

"If a book be false in its facts, disprove them; if false in its reasoning, refute it. But for God's sake, let us freely hear both sides," says Thomas Jefferson. John Milton put it: "And though all the winds of doctrine were let loose to play upon the earth, so Truth be in the field, we do injuriously, by licensing and prohibiting, so misdoubt her strength. Let her and Falsehood grapple; who ever knew Truth put to the worse, in a free and open encounter." Mao Tse-tung says: "... let a hundred flowers blossom; let all the schools contend. . . ." These too, are universally valid truths!

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# IDEAS IN OUR TIME

BY HERBERT APTHEKER

The single experience within the memory of the present generation which means most to it is the Second World War. Central to that experience was the Anglo-American alliance and its relationship with the Soviet Union; to the degree that this is comprehended one may more clearly understand salient features of the contemporary world.

A distinct contribution in this vital area has just been made by a young assistant professor of history at Hofstra College in Hempstead, New York; I have in mind Trumbull Higgins' *Winston Churchill and the Second Front* (Oxford University Press, N. Y., \$6.00). The author tells us that he views his volume as "a military approach to the career of Churchill" between the years 1940 and 1943 and that he is not attempting a history of the period either from the viewpoint of the Left (by which he means the writings of Ralph Ingersoll and Elliott Roosevelt) nor from that of the Right (meaning Russell Grenfell and Chester Wilmot).

Higgins is concerned mainly with demonstrating the Mediterranean-oriented strategy of Churchill and tracing the ways in which this thwarted the timely implementation of the trans-Channel attack that offered the only way to establish an effective Second Front—which would guarantee the defeat of Hitler Germany. In the course of doing this, Professor Higgins presents important evidence further confirming the Left view; that he does this despite his explicit disavowal of any such intention demonstrates the essential validity of that view.

This book offers additional data nailing the lie of Soviet "assistance" to Hitler prior to 1941. It shows that, on the contrary, the USSR was balking so strongly against the policy and demands of Hitler, that the latter was convinced—wrongly—that the USSR had entered into a secret agreement with Great Britain. Higgins shows, as have other recent works, that Hitler had decided quite definitely by June, 1940 to attack the USSR, that by July tactical plans for the assault were begun, and that by August, 1940 Hitler had entered into secret commitments with Rumania for this assault, and had already begun to arm "poor little Finland" for this same noble purpose.

Documented afresh is the fact that Hitler meant to concentrate his expansionism against the East, that he saw himself as the destroyer of Socialism and that in this policy he expected and obtained the sympathy of the ruling classes of France and Great Britain. Hitler viewed the British Empire, in his own words, uttered in 1940, as one of the "essential cornerstones in the framework of Western Civilization." That Churchill had a similar view in that respect needs no demonstration; that he passionately desired the destruction

of Socialism was reiterated by him; and that he looked with sympathy upon fascism he stated many times.

Professor Higgins makes clear that in the light of this, Churchill's policy of refusing to intervene effectively against Hitler's war upon the Soviet Union is perfectly logical. He demonstrates that nothing but a decision not to so intervene can explain Churchill's repeated refusal to implement explicit promises made to the Americans and the Russians to open up a Second Front in France in 1942 or, in any case, no later than 1943. In this volume those explicit promises, officially made, will be found; and here the reader will learn that Churchill deleted the evidence of this, in his own words, from his book, *The Hinge of Fate*.

On this question, Higgins summarizes his findings, in a manner that is gentle, but nonetheless devastating:

In the light of the evidence available today, it may be concluded that Mr. Churchill's post-war assertion to the effect that his conscience is "clear," since he did "not deceive or mislead Stalin" on this basic issue, is founded upon the hypothesis that notwithstanding repeated American warnings and his own immense experience in war, the Prime Minister had succeeded in deceiving himself so successfully that not until after November 1942 can he be said to have deliberately deceived his Russian ally.

In this volume the reader will find proof that the alleged mighty German fortifications along the West coast of France making an invasion there impossible, were a fraud. He will learn that British production in planes, trucks, tanks, self-propelled guns was greater than Germany's from 1940 through 1942; that the shortage of landing craft was not the cause for the delay in crossing the Channel, but rather that this shortage existed because Churchill did not want to cross the Channel and therefore thwarted the building of such craft. The reader will learn that while British Intelligence kept on insisting that the Germans were manning the West with excellent and numerous troops, the fact is that they were desperately short in quantity throughout 1942 and 1943, and that in quality their troops on the West were always quite poor; because of this Rundstedt later admitted that an Allied landing in France, especially in southern France, in 1943, would have been practically unopposed.

The reader will learn that it is absolutely clear that "in no year between 1941 and 1944 did the German Army have the resources either in manpower or equipment to fight continental warfare on two fronts for any length of time." He will learn that the much vaunted Allied mass aerial bombings of Germany prior to the 1944 landings—which were cited as justifying a delay in those landings—did not significantly weaken Germany at all; that, in fact, despite these bombings, German munitions production tripled from 1942 to 1944.

Here is underscored the fact that from 1941 to mid-1944 the Anglo-American troops intermittently fought from two to eight German divisions, while the

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Russians throughout that period were locked in combat with an average of 180 German divisions. And the Anglo-American decision to invade North Africa rather than France enabled Hitler to send 27 fresh divisions from the West to the Russian front; and the same decision led to the Allies sending to Russia via Murmansk in 1943 less than one-third as much materiel as they had sent in 1942.

Professor Higgins shows that the Mediterranean policy of Churchill did not arise from a desire to "beat the Russians" to the Balkans, as is so often said now. He demonstrates, what is really indisputable, that the military leaders of Britain, France, and the United States (as well as of Germany, of course) fully expected that the Germans would crush Soviet Russia in a matter of a few months at the most. But Professor Higgins, after showing this, drops the matter and does not press on to explain why Churchill persisted in his strategy.

I would suggest that Churchill's strategy flowed from his political commitment in defense of British imperialism and in opposition to socialism, and from his tactical estimate of the situation, that is, the early defeat of the USSR. Should Germany accomplish this defeat with speed, it would leave that rival imperialism dominant in the Balkans and in the Mid-East; hence Churchill's concentration on that area. Such concentration, rather than a real attack upon Germany across France, would leave Hitler undisturbed in his war of extermination against the USSR, and would, at the same time, place British ships and troops in the eastern Mediterranean area and in the Mid-East, ready to insist upon sharing in the carving up of that sub-continent (not excluding the oil of the Caucasus—which had "belonged" to English capital, anyway).

The successful resistance of the Red Army not only astonished both Hitler and Churchill; it also, for somewhat different reasons, distressed both of them. The precise relationship to all this of American policy is not yet clear; and here Professor Higgins' volume, because of its natural concentration upon Churchill, is not particularly helpful. Certainly, the policy of the United States under Roosevelt, in this regard, is at least ambivalent; it needs further prolonged study, and very likely decisive conclusions will have to wait upon the opening of still barred archives.

Professor Higgins makes explicit a conclusion that he surely did not arrive at easily:

For the policy of concealment of Mr. Churchill and the obstinacy of the United States Army with respect to this so-called eccentric approach many Allied soldiers would die unnecessarily and much time and materiel would be expended in the mountains of southern and central Italy.

To the Allied losses are to be added the Italian civilian losses; and the postponement of the war's end for, as the author states, at least one year. Consider the slaughter this meant for the Russian soldiers and civilians, not to speak of resistance forces elsewhere in Europe and the millions in Hitler's concentration camps.

Anyone who seeks an understanding of the dynamics of world politics and diplomacy should study Trumbull Higgins' *Churchill and the Second Front*.

As demonstrated anew in Algeria, once more the French Right shames its nation as it seeks to betray her. Strikingly confirmed is the remark made by Alexander Werth, a most perceptive foreign correspondent:

Counter-revolution is a permanent reality in France, and its outwardly complete, though temporary, triumph as Vichy is much more than a historical curio.

This sentence appears in Mr. Werth's splendid volume, *France, 1940-1955* (Henry Holt, N. Y., \$6.00), an important complement to the Higgins book, both in terms of extending the timescope and in terms of the latter's neglect of France. Werth's volume is a full-bodied and mature work by an author steeped in first-hand knowledge of his subject; it is deepened by prolonged study of its literature and history and ennobled by manifest love for the beauty of France.

Werth's book demonstrates the treason of the Right—how its sympathy for fascism weakened the nation internally and delivered it over to Hitler; how Vichy, intent upon preserving the French Empire, planned to subordinate France to a Nazi-dominated "New Order"; how, with Hitler's defeat, the new trump card of the Right became and remains the "American approach." Again, the Right cynically betrays the national interest, seeks to hold on to as much colonial loot as it can, and acquiesces in making France an instrument of the Cold War policy of the American ruling class.

Werth's documentation of this broad picture is rich and persuasive. The collaborationism of the Church and the civil service and most of the intelligentsia—Gide, Guitry, Bertrand de Jouvenal, Cluadel, Maurois—with the fascists is exposed; memorable is Werth's picture of how the French Chamber voted, 569 to 80, for the destruction of the Republic and the establishment of a fascist regime, with 139 out of the 175 Socialist deputies voting affirmatively, and only the Communist Party as a bloc—already outlawed—standing firm in opposition.

Americans need to be reminded, if they ever knew, that the opposition of the Communists to Vichy in 1940 was a continuation of the Communist support of the French Republic throughout 1939—that, for instance, the Communist Deputies did vote for war credits in September, 1939. That the Communists were in the forefront of the Resistance—in which the Germans murdered 100,000 people—is better known; here, too, however, Werth's book is a timely refresher and reminder.

The desire of the French people for Socialism—in the elections of November, 1946 the Communist Party received five and a half million votes, the Socialist Party, three and a half million, while de Gaulle got five million—was thwarted, Werth shows, by the influence of the United States, and especially by the Marshall Plan device.

New evidence is presented concerning the blatant provocations towards the USSR of American officials, especially General Clay in Germany, and proof is offered showing the corruption of the Socialist Party with American money, and the splitting of the French trade-union movement with the same tool.

In these days when the North Atlantic Treaty Organization is presented as the Bastion of the Free World, it is important to read Werth's detailed account of its creation as an instrument of reaction and provocation. It is important to recall, too, how France's strong resistance to this Organization was finally overcome by the solemn pledge of the responsible Premier that never, never, never, would Germany be permitted to join this organization. Here are the words of Premier Schuman in the Chamber of Deputies, July 25, 1949:

Germany will not be admitted to the Atlantic Pact. The question cannot even arise. There is no peace treaty; Germany has no army, and cannot have one; she has no arms, and she shall have none.

The next time a French soldier salutes the Commanding General of NATO's land forces—General Hans Speidel, formerly Commandant for Hitler of occupied Paris—he might well try simultaneously reciting this little fable from the lips of a Premier of France.

Meanwhile, Americans, whose government bears the major responsibility for this—what shall we say?—embarrassment, would do well to ponder its source, the better to terminate its existence. There is no better single-volume introduction to this than Alexander Werth's study of France.

Embarrassments keep piling up for the present American government and will continue to do so as long as that policy conflicts with the real national interest and with the irrepressible desire for peace among the world's masses. Thus the incredibly arrogant statement made on February 11, by Mr. Dulles—incredibly arrogant even for him—to the effect that the Sukarno government of Indonesia did not suit him and should be changed, affronted public opinion, especially in Asia. This has been followed by the publication in India of copies of telegrams sent by U.S. Ambassador Allison from Indonesia to the State Department (Mr. Allison has just been re-assigned to Czechoslovakia!) detailing plans for the active military and political intercession by the United States in Indonesia—the idea being to give her the "Guatemala treatment."

In this connection an article in the *Wall Street Journal* of January 10, 1958, is relevant. Its author was Joseph E. Evans, and the subject was the search in Washington for "an answer to Russia's political-economic warfare." One of the "answers" was subversion of governments. Let the *Wall Street Journal* speak:

This involves more than the traditional use of intelligence agents; in addition to that, the resources of U.S. diplomacy and political power

are used to affect the course of events in a country threatened by Soviet subversion. *Right now this is being done in Indonesia, with some "hopeful possibilities,"* it is said. In other cases, it might be done through the help of friendly neighboring governments.

There is more:

And if American counter-subversion doesn't work in a given country, what then? Does the U.S. simply let the country go down the Communist drain, or does it perhaps let a friendly neighboring government fabricate a border incident? *The risk of war can never be very far away from this kind of tactic. . . .* Though the goal is the prevention of further erosion of the non-Communist world, *the means is that of interference in the internal affairs of other nations.*

Wall Street's "hopeful possibilities" have matured into the attempted counter-revolutionary coup in Indonesia making headlines in the American press as I write.

Intensified attention is being given to the technique of counter-revolution, as the popular breakaway from colonialism and imperialism gathers momentum, and as the revolution in military technology makes more and more catastrophic any resort to general warfare. Further evidence of this appears in a most extraordinary article, "The Secret Army," published in the October, 1957 issue of the *General Military Review*. The author is Captain D. J. Goodspeed, attached to the Defense Research Board of the Canadian Army, and now assigned to the staff of NATO. The *Review*, published in Paris, in German, French and English, is sponsored by a committee including General Norstad, Supreme Commander of Allied Forces in Europe, and American, French and British Chiefs of Staff, as well as General Speidel.

This article, jumping off from the 1956 events in Hungary, remarks that there are three techniques for overthrowing governments: revolution, civil war, and the *coup d'etat*. The Captain chooses the last as the easiest and most efficient. He then proceeds to discuss in the greatest detail the techniques and problems of organizing successful coups. He sees the preparatory, attack and consolidation phases; he urges deception, corruption, and assassination as necessary features of the first and second phases, and ruthlessness as the essential requirement of the third. He recommends that bases be established outside as well as inside the country to be subverted, and remarks that the help of friendly governments is important.

Penetration of the victim's intelligence apparatus "at as high a level as possible" is important, too; so are "well-financed emigre headquarters." With the first signs of success:

Government supporters must be completely terrorized from the outset. In this the insurgents should be utterly ruthless. . . . All government supporters should be rooted out and disposed of without delay, and it is probably better to err on the side of ferocity in such an operation.

I neglected to mention that the *General Military Review* states that it sees itself "as a public tribune, open to all officers of the armed forces of the West . . . intended to facilitate the dissemination and exchange of ideas in a cultured way, and to raise the debating to the level of scientific research by encouraging discussion, however controversial."

What nobility!

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The degeneracy reflected in these articles stems from the crisis in the system of imperialism which is therefore reduced to a policy of counter-revolution. This, in turn, has the closest relation to the moral crisis so manifest everywhere around us—from pornography to juvenile delinquency to scandalously inadequate education to jim crow to the aplomb with which the President notices five million workers out of jobs, while his plane makes a special trip to Phoenix so that his wife may spend a week in an exclusive beautifying resort operated by Elizabeth Arden, Inc.

An extraordinary and rather pathetic reflection of this decay appeared in a letter to *The New Republic* (February 10, 1958) from Robert E. Fitch, Dean of the Pacific School of Religion in Berkeley. Dean Fitch was commenting upon James Gould Cozzens' best-selling novel, *By Love Possessed*, and declared that reviewers had accurately pointed out the anti-Semitic, anti-Catholic and anti-Negro nature of the book. He wanted to add "that it is radically anti-Protestant." Yet, his point in writing was that he found reading the novel to be "an exhilarating experience" because the assumption of Cozzens was—at any rate—that man was "a rational animal." Recently says the Dean, American literature has been saying:

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That man is a maniac, or a moron, or a bastard, or a bitch; that he is the hopeless victim of impulse and passion; that he is ruled not by reason, but by lust and rapacity; that he is a creature rootless, hopeless, and loveless.

So, here is a Dean of a School of Religion being exhilarated because a book which is anti-Semitic and Negro and Protestant and Catholic, nevertheless somehow still conveys the belief that man is rational!

This brings to mind a recent article, "The Anguish of Nothingness in Modern Philosophy," by a professor of philosophy at the University of Michigan, Robert G. Olson, appearing in the *Antioch Review* (Summer, 1957).

Professor Olson remarks that the American people in particular appear now most "prone to withdraw from the world through alcoholism, mental illness, drug addiction and suicide." He seems to feel that such withdrawal reflects

a naive; that Americans innocently persist in seeking meaning to life and in seeking values meriting dedication. This naive provokes self-condemnation and is a "source of guilt." What is required is that people grow up and understand "there is no remedy." For, "the recognition that there is no remedy is, if not itself a remedy, a means to relief." Humanity we are told, in conclusion, may very well consist exactly in understanding the importance of "the right to be unhappy and to curse one's fate."

Being myself certified, by several Official Investigating Committees, as at least a 100% un-American I confess to a preference for a right propounded by a thoroughly seditious fellow—something about "the pursuit of happiness." My innocence not yet thoroughly washed away, I persist in valuing that right and in believing that it is an achievable goal—individually and socially.

Those who believe likewise, will find sustenance and guidance from the last volume produced by the great American scholar of the struggle for freedom, the late Professor Zachariah Chafee, Jr. Posthumously appearing is his volume, *Three Human Rights in the Constitution of 1787* (University of Kansas Press, Lawrence, \$4.00). Here Professor Chafee excluded from his view the Bill of Rights, and also the right to the writ of habeas corpus, which is, of course, in the original Constitution; of the latter he had written at length in his *How Human Rights Got Into the Constitution* (1952).

The three rights which Professor Chafee considers in this work are freedom of debate in Congress; security against bills of attainder and ex-post facto laws; and freedom of movement.

Professor Chafee's theme is that these rights "were shaped and achieved through centuries of struggle, through the willingness of men to languish in prison and die there, through long thinking and endless tedious work." His final volume, as all his others, is not strong in fundamental socio-economic analysis; it does not present a rounded historical picture of the forces and classes and organizations so that the struggles of which he does write—so often put in individual terms—may be comprehended.

Nevertheless, this volume, as everything Professor Chafee wrote and said, is infused with profound egalitarian and libertarian fervor and filled with important data; within the limits of strictly legal and parliamentary history, of course, Professor Chafee had no superior and very few peers.

In this volume, then, will be found a detailed and precise account of the English Parliamentary background to each of the three rights discussed and much material of consequence on their appearance and development within the New World. The work is especially useful in demonstrating the extreme difficulties, and problems associated with the bourgeois revolution in England, and the blunders and crimes committed in the course of its development.

The forthrightness with which Professor Chafee always spoke out against erosions of democratic freedom again is in this work and presents strong temptations for lengthy quotes. Space permits but one citation—this from Chafee's discussion of constitutional violations committed by Congressional committees:

The committees are increasingly inclined to get the persons who appear before them punished for refusal to answer questions which ought never to have been asked. Respected law-abiding men who have performed useful work for years are to be imprisoned because they decline to betray former associates and make them jobless. Yet every American is brought up from boyhood to regard peaching on his comrades as despicable. The witness who sticks to this time-honored attitude is charged with bringing Congress into contempt, but the men who are really making Congress an object of contempt are the Senators and Representatives who urge the betrayal of friends . . . who rely implicitly on the testimony of ex-Communist informers like Titus Oates.

Of special pertinence at the moment is the last section of this book, dealing with freedom of movement and the persecution of aliens suspected of "radicalism." Mr. Chafee argues cogently, and presents characteristically full documentation, that State Department and Immigration Department conduct and rulings in these areas are faulty in law and outrageous in morals.

This final volume from Professor Chafee is worthy of the earlier works that came from his pen; anyone who knows those works will know that this is indeed high praise.

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I intend, in the next month's issue, to examine in some detail the literature and the arguments concerning the educational crisis in our country. I wish to take this opportunity, however, to call the attention of readers to what I think is the most stimulating work in this area to appear recently—Irving Adler's *What We Want of our Schools* (John Day, N. Y., \$3.75).

*Readers will be happy to know that in a very early issue we shall publish a study of "American Imperialism and the British West Indies," by Claudia Jones, an American Smith-Act victim, now exiled in England.*

# The Chinese Economy

By Sue Warren

HERE IS A VOLUME\* magnificently illuminating one of the decisive events in human history—the great Chinese Revolution. The author's approach is dialectical-materialist, his perspective is historical. The result is a scientific volume, showing rigorous and prolonged investigation and penetrating understanding. Organized for the reader are all the available data, and these presented with comprehension, so that the reader sees the goals, necessities, limitations, simultaneous flexibility and adherence to principle, and above all the movement and direction of the massive Chinese effort in all its complexity. If Mr. Adler is on the side of the angels, it is because the facts are, too. His scholarship is meticulous, his reasoning cogent; the book's impact is tremendous.

Solomon Adler is uniquely qualified to write on the Chinese economy. British born and a product of Oxford and the London School of Economics, he is that rare specialist whose writing bears evidence of a broad familiarity with the humanities. In 1941 Mr. Adler went to China for the United States Treasury and represented the United States on China's Stabilization Board and later as Treasury attache at the Embassy until 1947. His intimate knowledge of China's recent as well as remote past illumines his understand-

\* *The Chinese Economy*, by Solomon Adler, Monthly Review Press, N. Y., \$5.00.

ing of her present. His comparison of economic conditions before and after liberation shows a deep appreciation for its human as well as statistical meaning.

There have been reviews of *The Chinese Economy*, notably Anna Louise Strong's in the *National Guardian* (Dec. 9, 1957) and Edgar Snow's in the *Monthly Review* (October, 1957) wherein an overall view of the data provided by Mr. Adler have been excellently summarized. Many P.A. readers certainly will have read them. Therefore these present comments will concentrate on some aspects of *The Chinese Economy* which this reviewer believes will be of particular interest to readers of *Political Affairs*. These include certain unique features of method and conditions which characterize Chinese economic development as well as some provocative ideas suggested by Mr. Adler.

The concept of the economic surplus which Professor Paul Baran presents so well in his *Political Economy of Growth* is concretely illustrated in Adler's book. This economic surplus in any society involves that excess of goods produced over and above what is required to maintain its members and replace worn equipment of production. In all forms of society there must be an economic surplus if there is to be any progress at all. Who produces that surplus and how it is used

tells the story of who controls any given economic order. For those countries newly emerging from colonial or semi-colonial status the question of who controls and what disposition is made of the economic surplus is the heart of the matter of industrialization and economic advance. The task of creating and enlarging a surplus in backward countries is extremely protracted, arduous and painful. In spite of the easy talk and carping criticism of those without responsibility it cannot be done without tremendous sacrifice, great political understanding and flexibility and above all the release of revolutionary energies.

While Mr. Adler does not expatiate on Marxist-Leninist principles, or even discuss politics of any kind per se, it is clear that in China the People's Democratic Dictatorship has released this crucial revolutionary energy and has guaranteed that the steadily increasing surplus cannot fall into the hands of exploiting classes, domestic or foreign, that tend to consume or waste it. This fact is central to the difference in tempo and consistency of industrial growth and improvement in the standard of living of the broad masses in China and India today. It is a difference which the world as a whole, and the people of the newly independent nations striving for industrialization, in particular are watching with bated attention.

One of the most interesting and informative aspects of *The Chinese Economy* is its clarification of many points of Chinese convergence with and divergence from the Russian experience of socialist industrialization. Mr. Adler considers the most striking point of difference to be that despite the swift

pace of Chinese industrialization it is less headlong and rapid than the Russian and is a step by step process.

It is in the sphere of Chinese collectivization of agriculture that he points up three noteworthy characteristics which he believes are unique and will have enormous historic significance for Asian and perhaps African and other undeveloped, agrarian nations. "First, *Chinese collectivization was carried through on a voluntary basis*; second, *it has not yet entailed mechanization on any sizable scale*; and third, *far from disrupting agricultural production in the short run, collectivization from its very inception appears to have fostered the expansion of farm output*." Increasing agricultural production is of supreme importance. It provides industry with both raw materials and a market making it possible to accumulate the large funds necessary for the building of a powerful heavy industry. To accomplish it, however, before industry can provide agricultural machinery, and before the technique of utilization has been mastered, is most difficult. In China the incidence of the worst floods in a century have complicated the job. Consequently, it is in the area of agricultural production that the imperialist press, fastening upon individual difficulties, has tried to give the impression of overall failure. Nothing could be further from the truth. Suffice it to note that the target in grain for China's First Five Year Plan was 192 million tons by 1957 (1949 grain production was 105 million tons). This goal was actually achieved in 1956 despite the great natural catastrophes in the course of the Plan years.

Mr. Adler succeeds in presenting

are all incontrovertible facts. But who can measure in quantifiable economic data the rise in the standard of living implied in the eradication of feudal oppression, the wiping out of famines which took millions of lives, the rationalization of conscription and army life, the drastic reduction in the incidence of epidemic and disease, the elimination of poppy cultivation and opium traffic, the diffusion of education and public hygiene, the emancipation of women and the liberation of minority people? The fatalistic "mei yu ban fa" (no way out!) of old China has given way to a new social temper characterized by energy, confidence and a deep-going humanism which is remarked by all who have visited that country since 1949.

However, by Western, although not by Eastern criteria, living standards in China are still extremely low. "But," says Mr. Adler, "there is all the difference in the world between standing permanently up to one's neck in water . . . with the ever-present threat of total submergence, and enjoying an essential modicum of economic security with confidence in the prospect that things are going to keep on getting better."

General critical comment from Left to Right on *The Chinese Economy* concedes that it is the most complete, compactly constructed and forcefully presented work on the subject to date. The Right finds it "too sympathetic" to the new regime and solemnly warns against accepting Chinese Government statistics too readily. This has its amusing aspect as we listen to the loud wailing and lamentations on all sides for not having paid more attention to Soviet facts and figures of their own progress. The fact is, however, that besides

making liberal use of material from the Chinese State Statistical Bureau and other official sources, Adler constantly uses for comparison and analysis United Nations, British and Indian documentary material as well as the general writings of specialists on China of both the pre-and post-liberation period. His work is "critical" in the scientific sense—that is it is analytical. It not only records but delves into a number of mistakes, corrections, adjustments and readjustments made in the course of the Chinese experience. Since he is not looking for political fuel to stoke the fires of the cold war but for understanding, the tone of examination rather than imprecation will certainly not suit some people. But it will eminently suit those whose desire is knowledge and whose subject is living together in peace.

For all who have eyes to see, out of the din of construction, trial, error, achievement and striving which emanate from the sober statistics and factual charts of *The Chinese Economy* there emerges in unmistakable outline man's dream made manifest. As Engels put it:

*"Anarchy in social production is replaced by conscious organization on a planned basis. The struggle for individual existence comes to an end. And at this point, in a certain sense, man finally cuts himself off from the animal world, leaves the conditions of animal existence behind him and enters conditions which are really human. These conditions of existence forming man's environment, which up to now have dominated man, at this point pass under the domination and control of man, who now for the first time becomes the real conscious master of nature, because and in so far as he has become master of his own social organization."*

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# On Marxism as an "Illusion"

By Howard Selsam

PROFESSOR ACTON's book,\* first published in England in 1955, is a thorough-going and detailed analysis of the main features of Marxist philosophy as seen by a non-Marxist British scholar. The book's English reviewers, in such respectable organs as *The Economist* and the *Journal for the Philosophy of Science*, have praised the work for its scholarship, simplicity of style and mastery of historical detail.

As so often happens, however, in the case of anti-Marxist books, the reviewers studiously avoid any examination of the analyses and interpretations, as though they were manifestly correct and beyond all possible criticism.

Professor Acton himself offers a noteworthy statement of his approach. He says: "Although I have been critical of Marxism-Leninism, I have, I believe, kept the argument calm and rational, and have not raised my voice in anger. The book stresses the philosophical features of Marxism-Leninism and endeavors to bring about an understanding of the Marxist-Leninist outlook on the world."

Unfortunately, the author's understanding of Marxism was not up to the level of his approach, nor is his

approach everything he says it is. The book opens on the note that Marxist philosophy is an illusion. It closes with the statement that it is a "farrago," which can best be simplified as a "mish-mash." The author, scholarly as he may be, does obviously come to his subject with deep-seated pre-judgments. This is too bad, for Marxist philosophers, isolated as they often are in the imperialist countries from the main streams of philosophical, and in the United States, from scientific thought, need and could profit from the challenge of critical analyses of their theory and method. The present reviewer, for one, approached the book with hope and a certain zest—at long last here might be a fresh, original and creative critique of the basic features of his world-outlook, giving him a challenge and requiring some long-needed new thinking about Marxist materialism and its dialectical method. This is not the book to do that.

The very structure of Acton's book reveals the difficulties that must inevitably follow in his effort to interpret and criticize Marxist philosophy. In Part I he separates discussion of "Marxist Realism" from "Marxist Naturalism." He does not even notice that for Marxists no such separation is possible. This reflects his own refusal ever to use "materialism" as the

\* *The Illusion of the Epoch*, by H. B. Acton, Beacon Press, Boston, \$6.00.

name for a classic type of world-outlook. All materialists are both naturalists and realists—that is, they believe that nature is both the whole of things and all that there is and that it is real, is there, whether anyone sees it or not. But not all naturalists are realists, nor are either necessarily materialists. Acton further confuses this issue by identifying materialism implicitly with positivism, most of which in our century is neither naturalist nor realist.

A second major difficulty arises in Part II, in which Professor Acton discusses first historical materialism and then Marxist ethics. He treats these subjects as if the interpretation of history were one thing and all evaluation of it and projection of social goals something entirely different. Thus separating these two inseparable features of Marx's and Engels' thought, he naturally succeeds in never getting them together again. This makes the interpretation of history something entirely removed from any moral goals and hence from the movement towards a rational transformation of society.

The whole work suffers from a striking divorce of all Marxist thought from real history, from all modern society and capitalist economy and from the actual development and achievements of Marxism-Leninism in one-third of the world. Professor Frederick Schuman, in his recent *Russia Since 1917*, treats the first four decades of socialism in the USSR relatively as if it developed and could be completely understood without reference to the comprehensive body of Marxist-Leninist theory underlying it. Acton treats Marxist theory as if it could be completely understood with-

out reference to the social revolution it predicts and guides and the character of the society against which it is a protest.

His complete failure to understand Marxist practice is strikingly, almost pathetically, revealed in the following passage from the Dialogue between the Author and a Reader with which the book closes. "Marx agreed with Feuerbach that belief in God and Heaven divided the believer's mind and prevented him from dealing adequately with the realities of this world here below. But we may ask, does not the constant striving for a vaguely conceived communist society of the future divert the Communist's energies from the realities of the world here now?" This will come as a shock to any practicing Communist engaged in an incessant round of practical activities for the immediate needs of working people, harassed by employers and the FBI, and under constant threat of loss of work, of imprisonment, and in many countries, of torture and death.

One other general feature of Acton's approach is an implicit assumption that Marxism is detracted from by the revealing of its roots in previous thinkers. Thus much time is given to Feuerbach, Saint-Simon, Fourier, Comte and others, to show how much Marx borrowed from, or paralleled, the thought of others. The author has much good material here, especially in relation to his analyses of such early Marxist writings as the *Economic-Philosophical Manuscripts*, the *Holy Family*, etc. Unfortunately, this is treated less to contribute to the understanding of the development of Marxism than to disparage Marx's originality or to throw

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doubt on the legitimacy of his intellectual parentage.

Certain distortions of Marxist and Leninist theory in past Communist practice are pointed up by Professor Acton. Though his statement of these is often put in exaggerated form, many will recognize their core of reality nevertheless. For example, "the bourgeois Marxist must be ashamed of his birth," "all reforms promoted by non-Marxists are regarded as hypocritical maneuvers," social action "is not admitted to be moral endeavor unless it is under the direction of the Communist Party." Again, he contrasts the truth of the Marxist denial of an impassable barrier between thoughts and deeds "with the falsehood that sincerity in wanting to cure social ills is possessed only by those who work with the Communist Party." And finally, it must be admitted that there have been instances where Marxists have held that only Communist Party members "can really understand what Marxism is."

Such are some of the general features of this work. It takes up so much detailed material that a reviewer can comment on only a few of the almost innumerable issues raised. There is no question but that at many points the author is seeking an objective appraisal free from any incrustation of bourgeois ideology. That he shares conceptions common to all bourgeois thinkers (defined here simply as those who basically maintain adherence to and confidence in the superiority of capitalist society to any other) is evident from many statements. British workers, for example, are not exploited because they don't think they are: "This would surely be a most meta-

physical sort of exploitation that could exist when no one was aware of it." He finds it "depressing" to think that man will ever be able to thoroughly master his social relations and seems to hold it as a strange but interesting fact that Marx and Engels, like Bacon, "were fascinated by the myth of Prometheus, and felt that the idea of mankind becoming lord and master of nature was an exalted one."

Nevertheless, this volume as a whole is a challenge to Marxist theoreticians to do less repeating of quotations and formulations from the classics and to meet concretely and creatively the problems raised by this and other critics. A few of Acton's criticisms will illustrate the point. Exactly what do we mean by the "unity of theory and practice"? (Only too often we seemed to mean identity.) What is the status in the light of contemporary physiology of Lenin's reflection theory of perception? Is Marxist social prediction invalidated scientifically by Marxist practice to bring about that which is predicted? What is the place of value judgments in social science? What actual role should Communist Parties play in promoting and developing Marxist theory?

If Professor Acton's book confirms the opinion of some that Marxism is a theoretical mish-mash, is unscientific and a product of an illegitimate union of German romanticism and British empiricism, it can stimulate others to study it for themselves as a major system of modern thought. It should lead Marxists to further creative thinking and historical-social analyses in order that such questions and criticisms as Acton raises can in the future be met more readily.

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