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# THE SLOGAN OF SOVIETS: SOME LESSONS FROM THE PAST

Peter Archer, Upper West Side Branch, New York Local

August 2, 1975

The slogan of workers councils has been put forward by the Internationalist Communist League, (LCI—sympathizing section of the Fourth International in Portugal) as the major item in its propaganda at this time and has been echoed by the leaders of the International Majority Tendency.

Comrade Ernest Mandel, in an article in the June 23, issue of *Intercontinental Press* states, “we can . . . understand the essential countermove that Portuguese revolutionists should propose today: *The democratic election, on a united front basis, of workers, peasants, and soldiers councils in all factories, city neighborhoods, villages, and barracks*, and their coordination and centralization on a local, regional, and national scale in a Toilers Assembly. Such a countermove would be an effective answer to *all* the dangers that threaten the way forward for the Portuguese revolution.” (emphasis in original)

The way in which this slogan is raised both by the LCI and by Comrade Mandel would lead one to conclude that they are counterposing the slogan of soviets to the convoking of the Constituent Assembly. This is what is implied by their statements.

This position could have very dangerous consequences for the program of the Fourth International. It means that the Portuguese comrades are leaning towards a position that parallels that of the Armed Forces Movement and the Portuguese Communist Party. Both the MFA and the PCP have attacked the Constituent Assembly on the grounds that it has been superseded by the workers councils, set up under the control of the MFA. They both call for its dissolution. The LCI recently participated in a demonstration which had as its central demand the dissolution of the Constituent Assembly, a body which was elected by 90 percent of the Portuguese working class, a body in which 60 percent of the seats are held by workers parties. This would seem to indicate that the Portuguese comrades have failed to draw a clear *class* line between themselves and the Armed Forces Movement. They would be placed in a position of supporting, however critically, bodies set up by the MFA which have as their chief purpose the limiting of democratic rights for the Portuguese working class.

This contribution is aimed at answering two central questions: (1) Under what circumstances do Marxists call for the creation of soviets or workers councils? (2) Is it mandatory to counterpose the formation of soviets to the existence of a Constituent Assembly? What is the relationship between these two bodies?

## How do soviets arise?

The first soviet or workers council, was formed in Petrograd, during the 1905 revolutionary upsurge in Russia. It was largely a spontaneous action, thrown up by the workers during a general strike against the Tsarist government. Leon Trotsky, president of the Soviet, commented, “The Soviet came into being as a response to

an objective need born of the course of events.”<sup>1</sup> Further, “The secret of its influence lay in the fact that the Soviet grew as the natural organ of the proletariat in its struggle for power as determined by the actual course of events.”<sup>2</sup> The Soviet functioned as the political nerve center of the strike. All supporters of the strike naturally gravitated to it. But because the revolution was crushed shortly afterwards, the experience of the Petrograd Soviet did not become generalized throughout Russia.

In February 1917, a mass upsurge unseated the Tsar. But now a soviet did not arise “naturally”. “The February revolution . . . was victorious before the workers had created a soviet.”<sup>3</sup> The Mensheviks initiated an “Executive Committee of the Soviet and Workers Deputies.” This body was not initially based on any real forces within the factories. It was only subsequent to the victory of the February revolution that the base of the Soviet began to widen as workers were drawn to the only mass organization claiming to represent their interests.

The leadership of the Soviet was a *conservative* leadership. It was these so-called “leaders” who handed over power to the bourgeoisie. For this reason, during the July Days, the Soviet stood on the opposite side of the barricades from the workers and soldiers. After the upsurge had been crushed, Lenin recommended dropping the call for “All power to the Soviets” since under the circumstances the thrust of this demand was for a bourgeois government administered by the reformist soviets. “. . . Lenin thought for a time that we would have to achieve the armed uprising supporting ourselves not on the soviets, but on the factory committees. This calculation was refuted by the course of events, for we were able, in the six to eight weeks before the uprising, to win over the most important soviets. But this very example shows how little inclined we were to regard the soviets as a panacea.”<sup>4</sup>

When the Bolsheviks again raised the slogan of ‘All power to the Soviets’ in August following the Kornilov revolt, it was because the soviets had demonstrated their ability to reflect the actual class struggle, acting in the interests of the working masses. Although the Mensheviks and Social Revolutionaries were in the leadership of the soviets, the Bolsheviks demanded that these parties lead the soviets to take power into their own hands. In that

1. Trotsky, 1905, p. 104

2. *ibid.* p. 253

3. Trotsky, *History of the Russian Revolution*, p. 216

4. Trotsky, *Struggle Against Fascism in Germany*, p. 79

case, the Bolsheviks promised to defend such a government against attack from the bourgeoisie. When the Bolsheviks won a majority in the soviets, the slogan of 'All power to the Soviets' took on the specific connotation of a workers government led by the Bolshevik party. It was with this formula that the October Revolution was victorious.

## Soviets and parliamentary bodies

In Russia in 1918 the Bolsheviks dispersed the Constituent Assembly in favor of rule by the soviets. Such a course of action however is not applicable under all circumstances. In an article on the National Assembly in China, Trotsky stated: "Even if there were soviets in China—which is not the case—this in itself would not be a reason to abandon the slogan of a National Assembly."<sup>5</sup> Trotsky pointed out that if the majority of workers in the soviets were under the influence of reformist, pro-capitalist parties, (as was the case in Russia during the July days) communists would enter the Assembly if they were able, precisely in order to use it as a forum for winning a majority in the soviets and exposing their reformist leadership. There was never a question of automatically counterposing the soviets to the Constituent Assembly. In fact, Trotsky stated in another article, that if the Constituent Assembly had not been under the control of the reformist parties, "to the question of what, in that case, we would do with the Constituent Assembly, we replied: 'We shall see; perhaps we shall combine it with the soviets.' We understood by that the case where the Constituent Assembly, convoked under the Soviet regime, would have a Soviet majority. As this was not the case, the Soviets dispersed the Constituent Assembly."<sup>6</sup>

Trotskyists in Spain faced a similar problem of the relationship of workers councils to a Constituent Assembly during the period of the Republican Government. In January 1931, Trotsky wrote to the leaders of the Left Opposition in Spain, concerning a proposal to boycott the Cortes, or parliament.

"But if the Cortes (parliament) is to be boycotted, then in the name of what? In the name of the soviets? In my opinion, it would be wrong to pose the question that way. The masses of the city and countryside can be united at the present time only under democratic slogans. These include the election of a constituent Cortes on the basis of universal, equal, direct, and secret suffrage. I do not think that in the present situation you can avoid this slogan. Soviets are as yet nonexistent. The Spanish workers—not to speak of the peasants—do not know what soviets are; at any rate, not from their own experiences. Nevertheless, the struggle around the Cortes in the coming period will constitute the whole political life of the country. To counterpose the slogan of soviets, under these circumstances, to the slogan of the Cortes, would be incorrect."<sup>7</sup>

5. Trotsky, *Writings 1930*, 'The National Assembly in China,' p. 165

6. *ibid.*, p. 221-22

7. Trotsky, *The Spanish Revolution*, p. 66

Trotsky explained that through the struggle for a democratic, representative Cortes, the masses would come to understand that only the formation of soviets could ensure the convoking of such an assembly.

In a second article published some weeks later, Trotsky again decried the "sterile and miserable doctrinairism" of counterposing democratic demands around the Cortes to the slogan for dictatorship of the proletariat. In a lengthy article written in May, 1931, he again pointed out, ". . . the immediate task of the Spanish communists is *not the struggle for power, but the struggle for the masses*, and further more this struggle will develop in the next period on the basis of a bourgeois republic and to a great degree under the slogans of democracy. The creation of workers juntas [councils] is undoubtedly the principle task of the day. But it is absurd to counterpose the juntas to democratic slogans." (emphasis in original).<sup>8</sup>

## Democratic slogans and how to fight for them

Democratic demands aim at broadening and extending the rights won by the masses in the bourgeois revolutions. In underdeveloped countries which have not gone through the stage of capitalist development, these demands for simple human and democratic rights are given a revolutionary thrust by the fact that it is impossible for the bourgeoisie to grant these demands to the masses. Only the working class, through carrying out a socialist revolution, can truly achieve democratic demands. This contradicts the policies of the Stalinists who maintain that all countries, especially underdeveloped ones, must pass through a stage of capitalist development, based on collaboration of the workers parties with "progressive sections of the national bourgeoisie."

## Democracy in Portugal

*In Portugal today, the achievement of a truly democratic, representative Constituent Assembly rests on the workers taking power away from the Armed Forces Movement and placing it in their own hands.*

This has been made absolutely clear by the MFA's move to form a strong military regime led by Costa Gomes, Carvalho, and Goncalves. The MFA stands *opposed* to the democratic rights of the working class. In no sense whatsoever can it be said that the MFA is an instrument for furthering democratic rights.

The workers councils decreed by the MFA are further evidence of the bonapartist character of this regime. These councils are under the complete supervision of the MFA. The document which outlines their structure specifically states that all participating organizations in the councils must first be evaluated and then "approved" by the MFA. This gives the military censorship rights over who will be involved in the political process and who will not.

Of course, it is not absolutely excluded that under the pressure of mass mobilizations, moving beyond the control of the military apparatus, these councils might become the scene of a real political struggle. Under these circumstances it would be both permissible and necessary for Trotskyists to enter the councils and, once in them, to fight

8. *ibid.*, p. 128

for freedom of speech, the right of political parties to carry out activity, and so forth. A central point of our propaganda in this case would be for a complete break by the councils with the MFA.

But to counterpose these councils established by the imperialist government, to the Constituent Assembly, as some sort of "soviet" alternative, is to substitute wishful thinking for reality. The Assembly was elected by more than 90 percent of the Portuguese electorate. It is the only democratic body thus far produced by the revolution.

The reformist character of the Assembly, the fact that a majority of the seats in it are held by the two major reformist parties reflects a political miseducation of the working class. But to oppose the Assembly, either in the name of the MFA's workers councils or in the name of soviets—as yet unformed—represents an attempt to jump over this political backwardness. It is an attempt to avoid the task of educating the working class away from the reformist parties, and breaking it from the bonapartist MFA regime.

Comrade Mandel misunderstands this point. He goes so far as to state that, "Even those who believe that to destroy the illusions in the MFA among the masses is an important task today would have to admit that there is no better way to reach that goal than to agitate for democratically elected and sovereign workers councils today."

Presumably, since illusions in the MFA are found not to be really important, Comrade Mandel feels that the workers councils set up by and presently controlled by the Armed Forces Movement are the central force that can advance the struggle of the Portuguese working class. Is this the case? Does comrade Mandel support the councils established by the MFA, which have as their present goal disciplining the working class and limiting its democratic rights?

The International Majority compounds its error by implying that the call for workers councils is counterposed

to the Constituent Assembly. To boycott the Assembly means that you must have something to offer the workers as a realistic alternative. What could the IMT offer the workers as a realistic substitute? Soviets that don't exist? The MFA's "workers councils"? To call for the dissolution of the only democratic body in Portugal, the Constituent Assembly at a time when democratic rights generally are under attack would be a mistake of the first magnitude. It would be absurd, were it not so serious.

Regrettably, I must classify myself as one of those misguided individuals who believes that breaking the masses away from the MFA is an important task. In fact, I would go further, and say that it is the *most important* task facing Portuguese revolutionists today. Comrade Mandel is looking for a short cut. It is doomed to failure.

\* \* \*

The plain facts of the situation are that the Portuguese workers will not form genuine soviets until they move beyond the framework that the MFA has set up to trap them. Many of them are under the illusion that the MFA operates in their interests. They must be broken from this illusion. Education of the working class on this point will certainly not be accomplished by counterposing the call for soviets to the Constituent Assembly. Revolutionary Marxists should fight for maintaining the Constituent Assembly against the attacks of the MFA and the Portuguese Communist party. They should fight for an Assembly that represents the interests of the working class, that is an Assembly which is *independent from the Armed Forces Movement*. The key to the task of political education and mobilization is breaking the workers from their illusions in the MFA. That is the only road forward for the Portuguese revolution.

## AN APPRAISAL OF TWO LINES ON GAY LIBERATION

by Terry Knapp, Boston Branch

August 1, 1975

The Draft Resolution on Gay Liberation presented by comrades Beren and Knoll represents a contribution to the party's discussion which is as well-conceived and written as it is necessary to be introduced at this time. I am confident that, assuming its defeat this year, discussion on the gay liberation movement which follows it will proceed from the seminal and central points which it and its supporters around the country have been making in this discussion period, and that such continuing discussion will lead us to the adoption of a fully satisfactory position on the gay liberation movement, and a line which facilitates adequate participation in it.

At the outset, for any to whom it may not already be sufficiently clear, it is vital to reiterate the full support that

comrades identifying themselves with the Beren/Knoll resolution express to the National Committee's 1975 Draft Resolution, which notes the beginning of a significant change in consciousness and a turn in working class people's attitudes and potential receptivity to socialist ideas. However, we simply maintain that, given the party's position on gay liberation as codified in the Memorandum on Gay Liberation which was approved in 1973, we are insufficiently armed to carry out the National Committee's 1975 resolution's stated objective of supporting gay rights—specifically, championing them before the working class in the same manner as we aim to champion the rights of all oppressed peoples.

I will attempt to illustrate why replacement of the

Memorandum with the Resolution on the Gay Liberation Movement would be a step forward for the party in the course of this contribution.

### Some Weaknesses and Contradictions in the Memorandum

Use of the terms "peripheral" and "narrow" to describe the strategic position of the gay liberation movement in the scheme of working class struggles tends both to downplay and depreciate its role, and is ambiguous and imprecise at best.

Beren and Knoll do not prevaricate on the relative social weight of the gay struggle in relation to the struggles of the proletariat at large, those of Blacks or of women. They and their supporters see gays as playing a less central role than that of workers in general, Blacks, and women, up to and leading into the struggle for power. But their contributions can be important, and, particularly as they already have been manifested as part of the sexual liberation movement, significant. As the radicalization deepens and various struggles generalize their spirit, strategies and lessons, there is every reason to expect that the existing potential for massive gay liberation support and actions can be realized. We feel that an adequate position should reflect this general assessment. The ambiguous and vague assessment contained in the Memorandum miseducates the membership and has led to an overall *underestimation* of the gay liberation movement's political value and weight—and a minimalistic, too-conservative approach to intervention, particularly when viewed as the representative part of a whole document rife with vagueness and imprecision, not to mention equivocation.

### The Root of the Controversy

The main controversy of this discussion has centered around the simple phrase, "gay is good." Supporters of the Draft Resolution are correct to focus on it, as it represents a veritable *sine qua non* of the gay rights struggle. The controversy which has accompanied the phrase since the inception of the discussion stems from the seeming inability of the leadership and majority of the membership to grasp its meaning. In light of this lack of understanding, many supporters of a more substantial gay document have found it necessary to persist in elucidation of the phrase's significance. It is important to note that an adequate appreciation of its essential meaning is evolving in the party ranks, owing largely to a clearer direct influence of the gay movement on American society in general and the party in particular. Much existing misunderstanding, however, is serious, and can directly hurt our gay support work.

### What "Gay is Good" Means

This slogan is raised not as an implied value ("good, better, best") judgment on the merit of gayness vs. heterosexuality, as some have implied. Neither does it raise a "scientific" question on which we cannot begin to make a judgment until sometime in the post-revolutionary future, as others have asserted. "Gay is good" represents the declaration of gay people's *equal human value* to that of heterosexuals, and exhorts gays to fight for their rights

until those rights are universally recognized and respected [(". . . We put forward a simple fact: homosexuality is *equal* to heterosexuality. We solidarize with the slogan "gay is just as good as straight," and the briefer popularization, "gay is good.")—Draft Resolution on Gay Liberation, p. 6, column 1. Emphasis by this author.].

Gay people and those "suspected" of being gay are harassed and oppressed *solely* on the basis of their sexuality (or supposed sexuality), something for which straight people do not suffer any direct harassment or oppression. For millions of gays in this country and around the world, the question of how best to defend oneself against homophobic prejudice and attack *clearly* is on the agenda. They daily are confronted by a situation to which all comrades should be sensitive. Particularly in view of the special and active oppression gays face, it plainly is unacceptable for our movement to obscure reality with talk of scientific theory or other abstractions only remotely related to the situation at hand. As revolutionaries we do not abstain on the "question" of whether non-white people are just as good as white people; we do not abstain on the "question" of alleged female biological inferiority to males. There is a clear parallel here for gays and their struggle for liberation; the capricious, cruel, even brutal oppression of gay people must be answered as unequivocally as Black or female oppression is answered. Failure of the party explicitly to reject the reactionary assertion that homosexuality is inferior to heterosexuality can lead one to the assumption that we *may*, indeed, regard it as inferior. Beren and Knoll *unquestionably* are correct in asking *how*, when those comrades who support the Memorandum *do not* agree that homosexuality is equal in human value to heterosexuality say they "reject with contempt all forms of bourgeois prejudice against gay people," such statements cannot be rightly construed as lip service. *Abstention* on this question of human value of gay people *as gays*—not just people who incidentally happen to be gay—places the party in an untenable position. In terms of our internal functioning alone, it is outrageous to imply that comrades, who would find themselves distinctly unwelcome in our ranks if they flouted Blacks and their struggle, or belittled women and *their* struggle, and persisted in making racist and/or sexist (against women) remarks, could "get away" with remarks which demean gay people. But comrades who see a strictly democratic rights orientation to the gay movement as sufficient (as it were, defending gay rights *in spite* of the fact that homosexuality *might* be inferior to heterosexuality) should face this contradiction squarely. *Displays of sexist prejudice, directed against women or gay people, have no place in the Socialist Workers party.* We cannot straddle the fence on this important question, and to attempt to do so, perhaps to placate members with backward sexual prejudices, is a political *error*. Such backward prejudices abounded, particularly among male comrades, as the feminist movement began rising to its second flood tide in the late Sixties. But female—and male—comrades who grasped the importance of the movement patiently persevered in their advocacy of a movement party position. Both leadership and the ranks of the party in the main responded admirably to the call for a revolutionary stance regarding the liberation of womankind. The task similarly to upgrade the quality of our gay rights support work awaits us at the present juncture.

## Other Critical Inadequacies of the Memorandum on the Gay Liberation Movement

The Memorandum on Gay Liberation, in characterizing the gay movement as relatively narrow and peripheral, not surprisingly plots a limited course of action as our perspective for involvement in the movement. Its wording is relatively conservative and entirely unexpansive. Lacking a clear, affirmative approach to gay liberation, we deprive our ranks of a positive perspective and weaken the sense of initiative necessary for successful accomplishment of work in this area of potential activity. What is more, we have deprived the gay movement of what we might offer as a revolutionary strategy for working toward the goal of liberation.

There can be little doubt that the Memorandum has been carried out to the letter. When it states, "Our support to this movement will be mainly in our propaganda in the next period," it means exactly that. Since its adoption, the movement has experienced modest growth, and cultural and information media have stepped up their coverage of it and the subject of homosexuality, while *Militant* coverage has plummeted. In my opinion, such assertions as the above have tended to make our *approach* both unnecessarily small-scaled and rigid, leading to local party initiatives which lagged behind the development of concrete opportunities (of course, the tagging of the gay movement with the diminishing "peripheral" characterization is no less a case in point).

A not infrequent (although far from full-powered) defense of the Memorandum raised by its supporters has been that it (the Memorandum) has not concretely *impeded* our intervention in the gay movement. The very formulation of this defense is reflective of a less than fully affirmative understanding and orientation of support for that movement. Beren and Knoll state: "The SWP should aspire to be on the forefront of the gay movement, vigorously intervening with our ideas and building the gay liberation movement and building the revolutionary party. Intervention in the gay liberation movement is a *method* of party-building, not an obstacle to it." Are they not correct in their assertions? In what other area of work are we compacent simply because we do not *impede* a struggle to which we have at least nominally committed our cadre? The overall outlook of the Memorandum is manifested in

numerous similarly rigid and minimalistic attitudes it produces among many comrades.

## In Summation

The Draft Resolution on Gay Liberation goes a long way in pointing up the formal and dialectical contradictions of the 1973 Memorandum, and Beren and Knoll explain them with skill and restraint. What is more, where the Thorstad/Green proposal of 1973 tended to be vague and elliptical in a number of areas, and where discussion in many branches became overheated and bordering on the irrational *partly* owing to its weak formulation and its supporters' failure to clarify it, the Beren/Knoll contribution is notable *for* its clarity and specificity.

Only a fully affirmative document on the gay struggle will lead us out *together* as a party from the equivocal and inadequate position we presently take. What would be signaled by a "yes" vote on Beren/Knoll fundamentally would be a qualitative change in party policy. Accelerated recruitment of gay activists to the revolutionary movement would be just one of many positive and exciting products of such an upgrading of our line.

The American gay liberation movement is in a comparatively early stage of development, and the party's size and priorities such that mapping out elaborate strategies and plans for intervention, such as through a national gay organization created or initiated by us certainly would be wrong, at least at the present time and into the foreseeable future. The drafters of the new resolution and their supporters specifically have made these points. Beren and Knoll make a number of modest proposals for concrete action which they feel to be within the realm of feasibility, given the necessity to balance and prioritize party work and to be always conscious of the actual unfolding of the class struggle on all its respective fronts. Written as they are in a spirit and tone of unquestionable party professionalism, one may be sure that these proposals should not be interpreted as inflexible. One thing is clear, however: The time for a change has come. Comrades Beren and Knoll point the way forward to a period when our support to gay liberation is both unconditional and well-coordinated. Hopefully the great value of their contribution will be recognized, and change will be soon forthcoming.

# For A More Conscious and Systematic Organization of Party Recruitment Work

by Jack Rasmus, San Francisco Branch

July 26, 1975

In his report on "The Decline of American Capitalism: Prospects for a Socialist Revolution," Comrade Barnes commented on the qualitative changes which have begun to take place in the consciousness of American workers in the wake of the deepening economic and social crisis of the past several years. As a result of these changes and crises, he pointed out, both new forms of struggle and opportunities for the party are on the agenda. Most important, in his report it is acknowledged that these new opportunities will necessitate a turn in some of our attitudes, consciousness, priorities and modes of functioning; this latter point is even given added emphasis. To quote: "If there is a turn in the objective circumstances it is not enough to note it; the turn has to be reflected in the organizational functioning and priorities of the party."

This point of a 'turn' requiring changes in our attitudes, priorities and methods of organizing is elaborated in more detail in the "Party Tasks and Perspectives Report." In this particular report Comrade Sheppard also comments at some length as well concerning party recruitment work—stressing that in order to take better advantage of contact and recruitment work, especially in the area of recruiting directly to the party, "we have to take steps in the branches to better organize our recruitment and contact work."

It is in the spirit of, and in agreement with, the above statements that the following is offered as a contribution on the question of the need to change some attitudes, priorities, and ways of organizing party recruitment work in the period ahead.

## For a More Conscious and Organized Approach to Recruitment

On more than one occasion Trotsky stressed that a revolution is not something that simply unfolds. Nor is it a situation which one simply awaits. Rather, it is something that must be consciously and systematically organized!

What holds true in general holds true here in the particular as well: thus it can be said that, like revolution in general, recruitment is not something that simply happens; nor is it something we can afford to wait to happen. It is work that must be consciously and systematically organized!

In the recent past recruitment work has focused almost entirely on recruitment to the YSA. Here a degree of conscious, systematic effort has been made with some success and should be continued and improved whenever possible. In the area of direct recruitment to the party, however, no such conscious and systematic effort has characterized branch work in the recent past.

This situation has been due partly to the lack of adequate objective conditions in the past favoring direct recruitment—conditions which have begun now to change in the last year and will no doubt continue to do so; on the

other hand, however, this situation can also be traced partly to certain objective attitudes to party recruitment work—attitudes which will have to change apace with the new objective conditions if the full potential of recruitment to the party is to be realized in the critical period ahead. For recruitment should be seen by all as the Hub at the center of the Wheel of Party activity—out from which extends in every direction the numerous spokes of party sales, campaigns, financing, educationals, fraction work and other forms of essential day to day work. Remove any one of these spokes, the wheel may be weakened but can still roll on; allow the hub of that activity to weaken, however, and the entire wheel will likely grind to a halt or may even collapse under the first heavy load!

With regard to party recruitment work, such work must therefore be elevated to a *higher level of priority* within the branches. It must become a fully *integrated* and *institutionalized* part of branch work; half-measures and half-hearted proposals and efforts will not suffice! Not informality, but a *formal approach* with a specific and adequate *division of labor* must characterize such work.

What then is meant by a formal, institutionalized approach to party recruitment work?

## Reach-out and Follow-up

There is presently a need to pay more attention to what might be called 'Reach-Out' and 'Follow-Up' in the area of recruitment work.

Up to now there has been a *tendency* to expect party contacts to come to us; comrades sometimes express the idea that since we have the correct politics and program, once the radicalization deepens contacts will seek us out. But we cannot take this for granted in the present period which is still short of a mass radicalization but at the beginning of a process leading up to such a radicalization. We are in a kind of transitional period. Forums, educational conferences, sales, campaign activities, and personal conversations with people we come in contact with on and off the job are important; but by themselves they are not enough if we wish to maximize the full potential for recruitment in the period before us.

Perhaps the most important characteristic of the growing radicalization of workers on the job today is the basic questioning which is being made of the economy and political institutions in this country. Workers want to know why there is such severe unemployment, how long it will last, how deep it will go, and what can be done about it; they want to know why inflation is so high; why are fuel prices still rising when the oil companies are making superprofits already; why are their taxes increasing while the rich and powerful keep paying less. In other words, they want to know most of all why their living standards are falling and what can be done about it. We must take advantage of this basic questioning. We cannot simply

wait for them to come to us to seek the explanation and answers; we cannot simply wait for them to come to forums, educationals, and other activities. We must try to meet them half-way, to *reach-out* more in different ways with our program to come in contact with them.

Sales and campaigns have been the primary means by which reach-out efforts have been made in the past. But they can be used more effectively with regard to recruitment. New, additional means and ways for reaching contacts should also be explored more and experimented with.

For one thing, much more emphasis should be placed on *sales at workplaces and unemployment lines*, and given more priority. It is one thing to have voluntary sign-ups for sales at certain locations. But it is a fact that some young comrades (i.e. those mostly available for daytime sales during the week) may feel uneasy selling at workplaces and unemployment lines. The result can be that sales at these locations are not made on a consistent basis. It is necessary to see this does not occur, even to the point of assigning comrades involuntarily, on a rotating basis, to sell at certain workplace locations and unemployment lines during the week. Indeed, no day should go by when sales for a minimum of 2 hours occurs at unemployment lines.

Another reach-out activity can take place in relation to various *strikes, boycotts and organizing* activities which occur from time to time and will no doubt take place with increasing frequency: namely, whenever such strikes, organizing or boycott activities take place, comrades should be sent to the picket lines to introduce themselves and show an interest in the strikers' situation and express a willingness to assist them. (In most cases such assistance will not be necessary or even solicited, but will be appreciated nonetheless.) Workers on picket lines and in conflict situations are generally very open to offers of support and usually very grateful that others are aware and concerned for their situation. Acquaintances and even friendships can spring up as a result of such efforts; valuable support work may even result; the 'worst' that can occur is that workers in these situations can get to see the Party as real human beings with a conscience and concern for their interests, with an understanding of their problems, and a program to deal with them.

Another area is that of campaign work. Here, more emphasis could be put on the *distribution of campaign literature door to door* in the communities, and this vehicle could be used more effectively for generating contacts. Sections of the city could be blocked off on a map with comrades assigned to distribute campaign literature in the specific areas assigned to them. Everyone would have an area and a certain time period (of several weeks) in which to distribute a given amount of literature. With regard to recruitment work, the emphasis should be that comrades involved in such activity encourage people they come in contact with who are interested in our campaign to try to set up block, apartment and house meetings inviting their neighbors—to whom our local candidates could then come and speak. Sales work can of course be easily integrated into such door-to-door activity. But sales should remain secondary to the primary goal of getting a wider, more consistent distribution of campaign literature with the aim of reaching new contacts and setting up local 'house' meetings for candidates.

With a similar end in view, weekly sales in the communities should be characterized by *having comrades sell in the same areas for a 4-6 week period* in order to gain familiarity with the people they sell to. Too often different people sell in a particular area from week to week. This high turnover detracts from the goal of getting to know the people we sell to and mitigates against sales as a recruitment tool. The primary aim of sales should not be simply to get 25¢/copy and quickly go on to the next sale. The 25¢ should be secondary to getting familiar with the people we sell to, sitting down with them over a cup of coffee, and discussing the *Militant* and other political issues and events. Sending the same people to sell at the same location each week would help maximize the contact-recruitment potential from sales work. To this some may reply: "But this is what we are supposed to do with our sales and campaign work now." Yes, but the fact is that unless a *priority* is given by formalizing and institutionalizing such work, these activities tend to end up as good intentions instead of accomplished fact.

Another suggestion for improving "reach-out" efforts is with regard to the need for an *Introductory Booklet aimed at the average working person* (i.e., age 25-35, married, high-school/jr. college education, etc.) explaining the SWP, its program and present activities. At present our positions on a number of critical issues are spread throughout various pamphlets and other materials; what is needed is a compiling of these positions in a concise form. Also useful in such a booklet would be information on the recent and past history of the party, how the party differs from other organizations calling themselves socialist, our emphasis on democratic rights, and, even more basic, a practical layman's explanation of what socialism is and how it is the answer to the present crisis. To this some may reply: "But this information is contained in the *Militant* and in the 'Bill of Rights' pamphlet." Yes, but the *Militant* is involved more in an interpretation of our positions in relation to weekly news and events—while what is needed is a concise, summarized statement of our most important positions and activities which can be used to introduce the party to first-time contacts and stimulate them to want to find out more about us. Furthermore, while the Bill of Rights pamphlet is excellent for its purpose as primarily a campaign tool, what is needed is a more in-depth booklet focusing on the party in greater length which could be offered to initial contacts as a general introduction to the party.

It goes without saying that these various suggestions regarding 'reach-out' activity do not constitute an exhaustive list. And whether they specifically are applied is not the most critical point. The *critical point* is that we must be more aggressive and explore and experiment with existing, as well as new, ways and means to create more 'bridges' for our propaganda to reach those sectors of the class and its allies now beginning to radicalize and open up to socialist ideas. We must meet radicalizing workers 'half-way' with our ideas and programs; we cannot simply wait for them to come to us—i.e. to our forums, campaign rallies, educational conferences, etc., as useful and necessary as these may be. Not to make a greater effort to 'reach-out' would be to forfeit much of the potential before us for expanding the number of contacts and future recruits to the party.

Complementary to the development of reach-out activi-



ties is the comparable need to formalize 'follow-up' with regard to party recruitment work.

A key to successful Follow-up in turn is the necessity of *compiling and centralizing information on contacts*.

Follow-up work is designed mainly to bring people with a curiosity and interest in socialism and the SWP into closer contact with the party, its members, ideas, and activities after reach-out and the initial contact has been made. But follow-up must be something more than placing contacts on a forum mailing list or having more conscious comrades occasionally invite them to dinner! This in turn leads to the question of *what is a contact?* The tendency in the past has sometimes been to assume that a party contact is someone who is relatively close to the party, has attended a number of functions, is acquainted with most of our political positions, has discussed issues with comrades, and may possibly join in the not-too-distant future. But this concept of a contact should be significantly broadened. Simply put: anyone who has expressed an interest in finding out more about socialism and/or the SWP should be considered a party contact.

As another important aspect of follow-up work, *party contacts should be formally assigned to various comrades*, whose responsibility it would be to keep in touch on a weekly basis with by phone or by other means. When properly organized, this practice would have several advantages: It would give the branch a systematic way of keeping track of contacts and their relation to the party on a regularized basis; it would help to give a better idea which contacts the branch should pay particularly close attention to; and it would help create critical personal relationships between contacts and party members which could prove influential for recruitment at a later date. In contrast, up to now there has been a tendency for contacts to sometimes drift away from the party due to a lack of personal attention and interest shown to them—a condition which has not been so much the result of negligence by individual comrades as much as the result of the absence of better organization and coordination of such work.

Requiring comrades to be formally assigned to, keep in touch with, and report on contacts, and the compilation and centralization of information on contacts as a result, requires in turn the establishment of *Party Recruitment Committees*.

With regard to such Committees it is important that a clear-cut division of labor among committee members, corresponding to the tasks the Committee sets for itself, be established. One member might function as a kind of secretary responsible for the updating of a contact file and keeping in touch with comrades regarding their conversations and activities with their respective contacts. (However, it is important that the Recruitment Committee does not substitute itself for branch comrades in doing personal contact work, which is the responsibility of *all* comrades. The Recruitment Committee's main function should be to improve the organization of and help coordinate such individual contact efforts.) Another member of the Committee could be responsible for setting up special classes and educational materials for contacts, preparing and making available educational materials to contacts, and arranging informal social activities at the branch hall and various comrades' homes to which contacts could be invited to get to know party members on a more personal basis. Finally, as a minimum in terms of composition of the Committee, a

representative of the YSA and someone active in the local branch campaign committee should be regular members of the party Recruitment Committee.

With regard to the question of local campaign work, more could also be done to utilize local campaign activities better for recruitment purposes. As was earlier pointed out, campaign work can be integrated more into the 'reach-out' aspect of contact-recruitment work. In addition, however, it can be integrated better into the 'follow-up' aspect of such work as well. Here we might adapt a traditional union-organizing technique as follows:

One of the shortcomings of local campaign work is that it doesn't always offer a meaningful way for contacts who are interested in and have endorsed our campaigns to become active in them. For those who want to become active, it simply is not enough to help make posters, do post-ups on the street, or even help organize campaign rallies. They often expect more meaningful and responsible work. Some of them had perhaps been active in the past in support of bourgeois candidates and look upon canvassing and distributing campaign materials door-to-door as the usual form of campaign work. Indeed, when they express an interest in doing campaign work they may have this very idea of 'canvassing and distributing' in mind. Thus, as a concrete suggestion in this regard, the branch could set aside one night during the week which could serve as a general *campaign activity night*. This would be on a regularized basis, say, every Wednesday during the campaign period. Comrades and contacts interested in doing such work would meet around 7 PM at the branch, and then dispense in teams to different parts of the city to distribute materials and canvass for the campaign. At 9 PM they would begin returning to the hall where a free dinner would be prepared and waiting. During the course of the dinner reports and information could be made to the campaign coordinator regarding the evening's work. The fact that such activity should take place on a regular basis and the dinner aspect of this activity is critical. A modest meal at the end of the evening's work would constitute an attractive incentive and 'reward,' both in terms of a free meal and in terms of the appeal of a cordial 'social' gathering as well. In short, in this way contacts interested in participating in our campaigns could take part in an activity both practical and meaningful to them, the party would be able to show its appreciation for their efforts, and comrades could engage in vital 'follow-up' work. Local campaigns could thus be better integrated into recruitment work not only in terms of assisting in reaching out to new contacts, but by helping to bring existent contacts closer into relation with party activities and members.

The above suggestion points the way toward yet another important aspect of party recruitment work which needs added emphasis: the need to better 'personalize' such work.

### **A More Personalized Approach**

By a more personalized approach is meant a number of things. Foremost, however, it is the image we present to contacts both as individuals and as an organization.

Some mention has already been made above with regard to personalizing our approach to recruitment by formally assigning comrades to certain contacts and having them keep in touch with them and report on their status in relation to the party on a regular basis to the Recruitment

Committee. Equally important, however, is *how we speak to contacts*—especially those radicalizing workers who will become increasingly open to our ideas.

In speaking to these people it is particularly important to listen to what they have to say, and especially important to be careful not to project a patronizing attitude. The average worker may also be initially less trustful than the average student. This should not be misinterpreted as necessarily a show of disinterest in our ideas or as grounds for 'writing-off' such people as possible contacts. Furthermore, the use of phrases, terms and ideas which may be familiar to us may not be so familiar to a contact at first, and may instead give the impression we consider ourselves the 'experts' while they know nothing. For example, the use of terms and phrases like Menshevik-Bolshevik, Left Opposition, Workers States, etc. may project just a patronizing attitude. We must try to *discuss politics on a more basic level*, initially explaining our program and ideas in direct relation to the issues contacts are immediately concerned with—issues which most often will be economic in nature given the present unemployment, inflation, taxes, etc., crises today. We also need to prepare more to answer and deal with such basic questions as: 'What is socialism? What is the difference between socialism and communism? How would socialism stop unemployment and inflation? What would a socialist economy look like? Would socialism mean that congress and the president would be abolished? Yes, what you say sounds good but what guarantee can you give we won't end up like Russia or China? How would a Labor Party be any different from the Democrats? Third parties have always failed, what makes you believe your party will be any different? Finally, the same care in speaking to contacts should be taken in the course of presentations made by comrades during forums, classes, rallies, as well as in the course of personal conversations.

A more personalized approach would also mean setting up special *introductory classes designed specifically for contacts*. These might be of relatively short duration, say 4-5 weeks, one night a week, stressing discussion rather than lectures. Topics covered in such an introductory contact course might include: What is Socialism; The Economic Crisis of Capitalism Today; How Marxists Look at the Economy; The US Labor Movement Today; the History and Program of the SWP. Such a contact course should be arranged on a regularized basis. That is, on for 4-5 weeks, off 2-3 weeks, on again, etc., so that there would always be some kind of introductory educational activity in progress for contacts. Publicity for such introductory classes should be more than just 'from word of mouth'. Notices in the *Militant*, on local campaign literature, and throwaway leaflets passed out during sales and interventions could be employed. After participating in such classes, more advanced classes could be arranged from time to time as needed by the Recruitment Committee for those individuals or groups of contacts further interested in learning about the party and its program in more detail.

Up to now educational conferences, summer schools and other classes have *tended* to be oriented toward the average YSAer who is generally already acquainted with some basic ideas about socialism and the party. But we need to rethink and reorganize some of our educational activities towards contacts who are less informed about socialism or our program and politics. In other words, we need to devote more personal attention to contacts who

meet us by being more sensitive to their level of understanding and by orienting our formal educational activities more toward their level of understanding which will generally be more basic than the average YSAer.

Of special importance to achieving a more personalized approach to recruitment is the image the party presents of itself as an organization. A great advantage we have over opponents is the established physical facilities from which we carry out work—i.e., the branch halls in particular. These are a great asset which could be 'exploited' more in assisting contact and recruitment work, and which could be especially useful in helping to personalize such work in the following way:

Whenever feasible in terms of labor and finances, *the physical facilities of the branch should be developed further* to provide a special area walled or separated off from the general noise and bustle of the rest of the hall where contacts and comrades could informally gather and socialize. A small library, comfortable chairs and couches, card and game tables, softer lighting, and a general 'living room' atmosphere should characterize these special areas. Contacts could come in at their leisure and read the weekly press (instead of having to awkwardly stand around in the bookstore) or make use of the library; here, comrades and contacts could meet after work or in evenings and carry on informal discussions in a quiet and relaxed atmosphere; special classes for small groups of contacts could be held here as well. With such a facility there would also be greater incentive for contacts and comrades to remain at the hall after forums and rallies to meet and converse with each other (instead of having to go out to a public bar or restaurant). The long run goal of such an arrangement should be to create a place where workers and students sympathetic to socialism in the city would know they could come to meet people in the party and other contacts like themselves, and where they could feel free to relax and engage in political discussions, read, or socialize in general and be welcome. It should be a place where, when they have an open afternoon or evening, workers and students could say to themselves, "I think I'll go down to the SWP hall and see what's happening."

As an extension of this idea of projecting forward more our physical facilities, every branch hall should boldly display to the public (if it does not already) in large lettering a sign on the front of its facilities: "THE SOCIALIST WORKERS PARTY, Offices, Militant Labor Forum, Pathfinder bookstore" or some such similar advertisement. With the increased exposure the party has been receiving from its election campaigns, PRDF, and other activities more and more people have come to know who we are and we should not lose any opportunity to aggressively advertise ourselves. The initial image we present to contacts, both as individuals and as an organization, is a factor we need to pay close attention to at all times and to work at improving whenever possible. As the saying goes with regard to our electoral campaign work: "Though we are not yet a mass party we strive to act like one in our election campaigns." In a broader sense what this means is that while we are not yet a mass party we strive to project the image to the masses that we know how to be one and all we need is their support and participation to become one. What we try to project with our election campaigns we should therefore try to project more with our physical facilities as well. In short, we

should be conscious of promoting our physical facilities in such a way as to project the image that we consider ourselves a mass party. Boldly advertising our facilities can only help project that image and could help to impress, and even attract, contacts.

### Qualifications and Orientation of New Members

As the Tasks and Perspectives Report points out: "What we have to begin to think about is that people we recruit directly to the party have not yet made the same kind of commitment, nor do they have the same kind of training as someone who has gone through the YSA. Recruiting comrades like this means that we have to offer that training and develop that commitment inside the party."

What this means I believe is that just as we should learn to talk at a more 'basic' level politically with direct party contacts when the situation so warrants, we should also be prepared to recruit at a more 'basic' level. Some of the present requirements for party membership will have to be relaxed, and some of us will have to lower our expectations as to what 'level' a contact should be recruited at. Many direct party contacts for reasons of work, family or personal obligations will not have had the time to read or become aware of many of our political positions and ideas. This should not be considered an obstacle to their joining. For the same reasons, some will not be able to participate in branch life as much as others after joining. This should not be grounds for hesitating to ask them to join. There are two sides to the coin of membership: one is the contact's willingness to join; the other is the preconditions we set on their joining. Becoming a member is a function of both. Systematically organizing reach-out and follow-up work and stressing a more personalized approach to recruitment will fail to produce a significant acceleration in recruitment if our expectations or requirements for new members are set too high or too rigid. We need thus to become more sensitive to this question in the period ahead. We could pass over many good potential new members who might consequently drift away if we do not stress flexibility and a willingness to recruit at a more basic level to the party. There is a saying among union organizers which has a parallel here: namely, "Organize and then Unionize." What this means is that workers don't become militant or union-conscious simply by signing a union card or voting union in a NLRB election. They become union by associating directly with workers who are union-conscious and by going through concrete struggles side by side with each other. In a similar fashion we should not wait until people become socialists or revolutionaries before asking them to join, but we should first recruit them to the party in order to make socialists and revolutionists of them!

This leads logically to a related point. Up to now those who have been recruited directly to the party in the recent past have not always been given the proper orientation once they have joined. Special care must be taken to see such orientation takes place in the future. If not paid close attention to, with recruiting on a more basic level this can produce the problem of 'integration' to which the T & P Report refers. Part of the responsibility and function of the Party Recruitment Committee might be to provide orientation sessions or classes for new members: a brief history of the party; its structure and principles; the structure of the international and the party's relation to it; how a branch operates: i.e., its structure, committees and proce-

dures; and so forth. Orientation materials, whether in booklet form, visual aids, or whatever, might also be prepared by the Recruitment Committee. Integration is of course much more than a question of orientation. But a proper orientation, well-organized and systematic, might well prevent or avert later problems of integration.

### Concluding Remarks

To sum up, entering this new period and making the turn before us requires changes in our attitudes, priorities and methods of organizing some of our work. Regarding party recruitment, this area of work should be elevated to a greater level of priority among branch work in general. Priority in turn means half-measures and half-hearted efforts are *not* the answer, and we all should be on guard to see they do not come to characterize or dominate work in this area. Priority means party recruitment work must become a fully integrated aspect of branch work with a clear-out and adequate division of labor assigned to such work. It means such work should become institutionalized—that is, approached in a formal rather than informal or haphazard manner within a specifically defined structure and with specific, concrete tasks.

This requires in turn the establishment of Recruitment Committees, with consequently greater emphasis and attention paid to reach-out and follow-up efforts. We must learn to use our campaigns and sales more flexibly to assist in such reach-out and follow-up. Equally important, however, is that we should not be afraid to explore and experiment with new ways and means for reaching-out and following-up with contacts. Thus, increased attention should be given to taking more advantage of sales at unemployment lines and workplaces, strikes-boycott-organizing efforts of workers and their allies, consistent area sales, regularized distribution of campaign literature door to door, compiling and centralizing of information on contacts, formally assigning contacts to comrades to keep in touch with on a regular basis and report on, giving contacts more meaningful work in campaign activities, and so forth.

At the same time we should also be more sensitive and conscious of personalizing our approach to contact-recruitment work. Partly this can mean being more conscious of how we speak to contacts, their level of understanding of socialism and our politics, and readjusting when necessary our formal educational efforts to be more attuned to their questioning and level of understanding of socialism and the party. In addition, a more personalized approach means as well taking more advantage of the great asset of our physical facilities in order to develop these facilities in such a way as to make our branches more 'socially', as well as politically, attractive to new contacts. We should strive to create the impression among workers and students that the SWP hall is *their* hall as much as it is those who are party members and, in this manner, that the SWP is their party as well as ours even though they are not members in a 'formal' sense. To put it yet another way, our concept of what is our periphery and the party itself should become as broad as possible.

Not least of all, what we perceive as the necessary qualification for becoming a member should be applied as flexibly as possible, and even be relaxed when necessary to maximize recruitment potential. We should be prepared to

recruit at what is sometimes referred to as a 'lower level.' Finally, recruitment itself should be understood more broadly as an on-going process, which does not cease when

formal application for membership is made and accepted, but which continues thereafter requiring special attention to orientation and integration in order to fully complete.

## THE PLACE WHERE I WORK

by Carl Rennhack, Boston Branch

July 27, 1975

I'd like to talk about the warehouse where I work, what the union is like, and what's been happening during the past few months to make me think that some gains can be made there, both for the warehouse workers and for the Trotskyist movement.

Stride Rite Corporation is the largest manufacturer of children's shoes in the US of A. Its main factory and warehouse are located in the Roxbury district of Boston. Its after-tax profits for 1974, according to its report to the stockholders, were over \$1,100,000. Some people have evidence that its profits are higher, but I haven't examined this evidence myself.

I'm going to discuss only the warehouse, because I'm not too familiar with the factory. There's very little socializing between factory and warehouse people during non-working hours, and since the factory people are on a strict piecework basis, they're unwilling to talk during working hours.

The warehouse employs about 80 full-time people. A large number of them are Portuguese, and there are large numbers of Italian and Black workers. There are very few Puerto Rican or native-born white workers. A large number of these workers, particularly the Portuguese, speak little or no English.

Superstition, especially of the Catholic variety, is rampant. The sexism of the male workers is among the grossest that I have ever seen. I'm probably the only *person* who refers to women as women and not as . . . well, you know. (I emphasize person because as far as I can see there is no feminist consciousness among the women workers. Of course, if there are women who support the feminist movement they may be, given the nature of the warehouse, understandably reluctant to discuss this with men.)

Racism, oddly enough, doesn't seem to be as prevalent as sexism. I've had only two idiots try to engage me in "just between us whites" talk, but I made it clear to them I wasn't interested. I know I'm not the only white who told them this. I've spoken with several Black workers who say that they have not encountered very much overt or covert racism among the whites they work with.

There is a lot of elementary class consciousness in that the workers realize that their interests do not coincide with

those of the bosses. No one that I've spoken to has anything but contempt for the three men who run the warehouse. At one point in April, when SR tried to cut the work hours from 40 to 35 with a cut in pay, the entire warehouse walked out. Next day, SR reinstated the 40-hour week.

The wages are extremely low. Starting pay is \$2.50 an hour, the worst warehouse pay in Massachusetts. One of the men I work with, who has been with SR for 20 years, is now making only \$125 a week. Working conditions are as bad as the wages, if not worse. The place is very cramped, and the temperature often goes above 100 F. There is no paid sick leave and each person is required to work overtime two nights a week when company needs dictate (unless they have what SR considers a good excuse.)

Believe it or not, there is a union in this place, Boot and Shoe workers Union, Local 138. I'm planning to do some research into its history, but the fact that it signed the kind of contract it did sign speaks volumes. Union meetings are not held on a regular basis, at least not when the contract is not being discussed.

The contract comes up for renewal at the end of this year. The consensus seems to be that the union should demand a separate contract for the warehouse, \$4.00 an hour starting salary, and an end to forced overtime, and some paid sick leave. Almost everyone agrees with these demands.

Despite the prevalent sexism and superstition, we can make some political gains at SR. There are already a number of political groups selling and giving away materials, notably the OL and the Communist Labor party, and the workers are willing to discuss radical political and economic ideas. I've been able to sell some *Militants* to young workers, and a number of the Black workers know the paper due to our Black community sales. I've no doubt that the *Militant* and our campaign literature, particularly the "Bill of Rights for Working People," would receive a favorable response.

Admittedly this contribution is a bit sketchy but I'm submitting it in the hopes that comrades who have faced similar situations can aid myself and other younger and newer comrades who will be facing similar situations as the SWP deepens its intervention into the trade unions.

## Some Correspondence on the Trade Union Question

by Debby Leonard, Houston Branch

July 27, 1975

Because of the positions I have taken against the declared line of the SWP leadership on the questions of "preferential layoffs" and defense of a Klan leader by the union, I am submitting several items of correspondence from myself to the SWP National Office and National Trade Union Director on the question of an Oil, Chemical and Atomic Workers (OCAW) fraction in the Houston branch. The fraction, which was finally approved by the Houston branch, was disbanded by default in July 1974 when the SWP terminated the membership of the other four comrades in the fraction.

I am also submitting a report on the International AFSCME Convention in May 1970, to which I was a delegate and the only SWP'er in attendance. This Convention adopted a resolution supporting immediate withdrawal from Vietnam—the first international union to do so. In light of the Party's projected turn toward the working class, I thought this might be of interest as a relevant historical document.

Houston, Texas  
February 3, 1974

Frank Lovell  
Trade Union Director  
Socialist Workers Party  
New York, N.Y.

Dear Frank,

At last week's Tasks and Perspectives discussion in the Houston SWP I presented the following motion: "That fractions be set up where there are several comrades in one plant or in one union. Specifically, that this branch, as a part of implementing the Tasks and Perspectives, authorize the formation at this time of three fractions on the above basis—Steel Workers, OCAW and Houston Teachers' Association—and that each of these fractions be composed of the members of the above-mentioned unions."

Since I understand from speaking to you and to Linda Jenness that it is felt that there is need for discussion on this perspective both nationally and locally, before any action can be taken, I want to clarify my thinking on the matter.

The situation factually in the Houston branch is that there are 5 comrades in one plant, all of whom have seniority, who are members of the Steel Workers of America. There are 4 comrades in one plant, two of whom have seniority, and 1 comrade in another plant who has seniority, who are members of the Oil, Chemical and Atomic Workers. There are a growing number of comrades who are teachers and members of the Houston Teachers' Association.

In our press, in the perspectives proposed for our projected state election campaign, as well as in Linda Jenness' recent visit, our analysis of the deepening repercussions of inflation, the energy crisis and the lack of credibility of the government among the working class, has consistently been reiterated and the changing climate occurring in the class has been noted.

The Political Resolution approved at the 1973 SWP

Convention stated, under the section, "Guidelines for Building the SWP in the Period Immediately Ahead," "The most important tools for our propaganda efforts aimed at the unions and workers generally are the press and the election campaigns. We should seek ways to utilize these tools in reaching workers, paying special attention to industries where there are contract negotiations, strikes, or where we have comrades working or in contact some way. Should there be major showdowns in any of this year's contract negotiations, coverage of them in our press will be a key opportunity to explain our program.

"Comrades on the job should seek to find ways to present our ideas to fellow workers. In general, our working comrades should be known as socialists, as supporters of Socialist Workers Party election campaigns, and as workers who are uncompromising supporters of the struggles of the oppressed nationalities, of women, and of the protests that have characterized the radicalization in general. They should also be experts on the conditions of their industry and workplace, and be able to discuss these questions in light of the major issues of the economy and class struggle as a whole. Comrades in unions should keep well-informed on the politics of their unions.

"There are no general openings in the labor movement at this time that would justify a policy of colonization of our members in the unions. Our best method of reaching radicalizing workers in the unions at this time is through our general propaganda efforts.

"At the same time, branches should strive to maintain comrades in industries that are important to the political life of the city where the branch is located." (SWP Discussion Bull., Vol. 31, No. 13, p. 21.)

And, from the same document, "While most of the recruits to the Trotskyist movement can still be expected to come from the campuses, including high schools and community colleges, there is a layer of young workers that have been affected by the radicalization. . . . We should pay special attention to reaching these young workers with our ideas and recruiting them to our movement." (p. 21)

In the refinery where I work, employing some 1200 hourly workers, there is a great deal of discussion around all of the major political questions mentioned above. The upcoming contract negotiations are also already being discussed (the contract expires in Dec. '74) and a shorter work week and a cost-of-living clause are among demands being brought up. On the basis of my well-known political stand, which is openly discussed at the plant and at union meetings, rank-and-file union members have approached me and asked me to consider running for the Committee to raise their contract demands effectively and to represent the workers at the plant (as opposed to most of the union leadership who, they state, "are out for themselves.")

The concrete tasks I propose for the OCAW fraction are:

1. Familiarize ourselves with the history and present situation of OCAW and the industry locally and nationally.
2. Coordinate contact work at the plant.

3. Coordinate Militant sales and sub effort at the plant.
4. Coordinate implementation of national trade union perspectives such as CLUW, UFW in OCAW.
5. Coordinate intervention in OCAW around contract demands and other relevant issues.

Obviously such a fraction would be deeply involved in mass work, although different from most fractions recently formed in the party in that it would not be oriented primarily toward a single or several mass actions. Because of its nature and long-term perspective, the fraction would not need to meet every week, but would convene as needed to implement the above tasks and analyze new or major developments in the union.

In my situation, the alternatives to such a fraction are:

1. not do anything except work and collect a paycheck (unacceptable to me)
2. free lance—i.e., using my understanding of our line, intervene in union meetings and work on contacts from the plant without coordinating with other comrades on the job or the branch organizer or trade union director
3. talk to the organizer or trade union director privately once in a while
4. form a “de facto” fraction by meeting informally with other comrades in the union without the organizer in attendance and without benefit of discipline.

From my motion it is obvious that I think fractions of steel worker and teacher comrades, on basis similar to that described above, would be an asset to the functioning of the branch in this important area. However, in view of the rather violent objections raised to my motion by leading E.C. comrades, I will withdraw the inclusion of a steel workers and HTA fraction from the motion. It seems likely to me that once an OCAW fraction is formed and work is begun in this area, the validity of these other two fractions will become more apparent.

At the time of this writing, it is not clear whether or not all of the comrades in OCAW will be supporting my motion. Everyone involved says they agree that there is valuable work to be done; at least one other comrade has been actively involved in OCAW, has sold Militants and subs in the plant and has brought contacts from the plant around the movement. Apparently, however, there is some question among some OCAW comrades about whether a disciplined fraction, limited to OCAW members and operating in the tradition of SWP trade union work, should coordinate our intervention. Again, one of the great values of such a fraction would not only be coordination of this work, but also the discipline that of necessity flows from such a fraction.

I find it distressing to attend union meetings where other comrades are present and to cast votes or take the floor without prior consultation or coordination with the other comrades in attendance. We do not treat any serious intervention in this unorganized and undisciplined manner.

It seems to me that the real issue at stake is whether or not the SWP is ready to actively support the contention that there is a modest but significant change occurring in the working class as a whole. Unfortunately, we now find ourselves in a situation where comrades who are in an increasingly favorable position to do serious political work on the job and in the unions are confronted with a dilemma. Namely, are trade union comrades “protected” by the political resolution in the sense that they can try to

implement it at the point of production. Or do they have to demonstrate to the party their ability to build “mass actions” before the party will listen to them.

In my opinion, the party must extend political “protection” to worker comrades by giving them the freedom, and the responsibility of organizing themselves as basic and important units of the party. As an essential complement to this “protection” the party must better arm itself to give political guidance to their work.

Comradely,  
Debby Leonard

cc: Linda Jenness, Jack Barnes, Nelson Blackstock, Chip Jeffries

\* \* \*

February 7, 1974

Houston, Tex.

Political Committee  
Socialist Workers Party  
New York, N.Y.

Dear Comrades,

At this week’s branch meeting, the Houston SWP defeated the following motion: “That fractions be set up where there are several comrades in one plant or in one union. Specifically, that this branch, as a part of implementing the Tasks and Perspectives, authorize the formation at this time of a fraction of OCAW comrades, to be composed of members of the OCAW.” (Please refer to letter of 2/3/74—copy enclosed—for additional essential information.)

Instead, the Houston branch voted not to set up such a fraction at this time, but to consider the question locally and consult further nationally.

I informed the branch that I intended to appeal that decision and I am now so doing. I am appealing for the following reasons: It was acknowledged by the organizer in presenting the counter-motion that the Houston branch does have the authority to constitute such a fraction and that national authorization is not necessary. There is no time limit set for this consideration, nor any indication of how, whom or what body, if any, will be considering the matter and, because of this, as well as past experience in Houston with similar proposals, I am forced to conclude that the motion is, in effect, a motion to table the proposition indefinitely.

On the basis of 2½ years of fruitful union activity in AFSCME in Seattle, on the basis of my knowledge of Houston and my present experiences as a confirmed and well-known socialist on the job and in OCAW and, more importantly, on the basis of the objective economic and political situation which is beginning to have repercussions in the working class, I am strongly convinced of the validity and the necessity of my proposal.

I request the Political Committee to intervene in support of my motion in the Houston branch. If you will not, please advise me which of the alternatives mentioned in my letter of 2/3—or any other—would be the best guideline for my functioning on the job and in the union as a disciplined Bolshevik.

I believe your consideration of this question is justified all the more inasmuch as conscious organization of our work in the working class must be increasingly on the agenda in the next period. The growing politicalization of workers today is just as tangible as the awakening of student consciousness more than 10 years ago. As with the student radicalization, we want to be there from the outset. It is important, therefore, to establish correct precedents for the coming period based on our present analysis, as well as our experience with trade union fractions in the past. I am sure the Houston branch would welcome the serious consideration of the PC on this matter, since very few of the comrades locally have any experience in this area of work.

Comradely,  
Debby Leonard

cc: Frank Lovell, Linda Jenness, Nelson Blackstock, Chip Jeffries

\* \* \*

Houston, Texas  
April 4, 1974

Frank Lovell  
National SWP Trade Union Director  
New York, N.Y.

Dear Frank,

I will be sending regular minutes from our OCAW fraction meeting here—although they are necessarily sketchy of course. The fraction shows promise of moving ahead, although the comrades involved are very green in this area of work and often unfamiliar with some the basics of union structure, bureaucracy, etc.—which is a natural result of the party, as a whole, not being involved in trade union work over the whole past period. Therefore, reports and research are an important beginning for us.

The social at my house, which I organized by personal invitation at the plant, was quite a successful beginning. My informal attendance requirements were: know who I am politically, under 35, had indicated a desire to discuss with me, and not averse to a racially mixed social. Some 30 independents, 4 of the comrades in the fraction, Chip and his wife, Tom and one other young comrade attended. Of the 30, some 19 worked at my plant and 1 at Tom's (the rest were girlfriends, wives, etc.); racial composition of the independents was—13 Black, 4 Chicano, 1 Latino, 12 Anglo. A number of workers have approached me at the plant since, either regretting they didn't make it because of work schedule, etc., protesting that they weren't invited, expressing their enjoyment of it and wanting ideas for future get-togethers. The fraction is now considering how to involve more of these people in planning a better attended and more politically structured social event. Four of the guys who came hold minor union posts and want to build and change the union.

I gave a brief report on the CLUW Convention at the last local meeting (I was the only woman there), got applause, and was approached by several local bureaucrats afterwards. I am setting up a meeting with the local Secretary-Treasurer (at his suggestion) to discuss getting

the local's women members involved in CLUW. Our local is large (about 4,500) with over 40 shops, and, apparently, there are a number of women members hiding in the woodwork. I plan to ask him to authorize a mailing to all of the local's women members, with CLUW information and a call for a meeting and to request a copy of that mailing list. He knows exactly who I am politically, so we'll see.

I spoke briefly with Linda Jenness yesterday. I don't know what the Houston branch plans as far as the CLUW fraction and CLUW work; Nelson is apparently awaiting word from the N.O. but, in any case, I have decided to concentrate my political efforts on working class and union work in general in the coming period—although that often leaves me negligent on other important branch assignments and mobilizations. My job, combined with a certain necessary minimum of personal family-type demands, takes up a great deal of time and energy and, as you well know, union work is time-consuming and often plodding and unrewarding before you make a breakthrough. A major problem right now is resting up enough and staying on top enough to have all the discussions that so many workers stop me at work to have. And, at the same time, paying the expected price with the brown-noses, scissorbills and sexists (in the minority but, right now, running the unit I'm temporarily assigned to—which drove off another woman already) who have set themselves out to prove that the refinery is no place for women. And that's a challenge of its own.

(Paragraph of personal greeting omitted.)

Comradely,  
Debby Leonard

P.S. At the risk of being a renegade, the CLUW conference and the obvious openings and possibilities it implies raises anew the question of our allocation of forces—perhaps some key unions and industries deserve more attention from our forces personnel-wise and more emphasis on history and analysis of the labor movement in our internal education is in order—even as we made that kind of turn, education-wise, at least, to meet the upsurge in the Black movement several years back.

\* \* \*

3817 Graustark  
Houston, Texas 70006  
July 8, 1974

Local 4-227, OCAWIU  
2306 Broadway  
Houston, Texas 77012

Dear Brothers and Sisters:

I am returning a bill for \$113.93 mailed by Drake Printing Company to our local and subsequently forwarded to me. Despite all the confusion at the meeting where this matter, as well as others concerning the Coalition of Labor Union Women, was discussed and a previous decision rescinded, I am sure that the membership must realize, when the facts are presented, that there is no way I can be held responsible for paying this bill.

Let me briefly review the facts:

On March 28th, at a local membership meeting, I

reported on the National Founding Conference of the Coalition of Labor Union Women held in Chicago on March 22-24. The Conference was a big success and the report was enthusiastically received with applause. After the meeting, Brother Joe Christie told me he would like to discuss CLUW with me.

During the next few weeks I talked several times with Brother Christie. He agreed I should appear before the Local Executive Committee and present the proposals he and I had discussed. He and I set the date for a CLUW meeting at a time when he indicated the hall would be available. He recommended Drake Printers, the company our local uses, for the leaflet on the Statement of Purpose and suggested I call them for an estimate before the Executive Committee meeting.

On May 9th I appeared before the Executive Committee and presented the proposal, including a detailed budget, the largest item of which was the estimate by Drake Printing of \$108.00 plus tax for the printing of 3,000 leaflets of the nationally adopted CLUW Statement of Purpose. The total request came to \$165.00. The Executive Committee voted to approve the request.

Also on May 9th, the general membership meeting of the local approved the recommendation.

On May 16th, after the ARCO Group Meeting, I again talked to Brother Christie, informing him I had confirmed Drake Printers' estimate and expected to take the lay-out to the printer the following day. I asked him how to implement billing and he told me to bring him the bill and he would authorize a voucher.

On May 18th I took the lay-out to Drake Printing.

On May 21st I conferred with Brother Christie who, in his capacity as President of the Central Labor Council, informed me that I could distribute these leaflets at the council meeting since they contained a union bug.

On May 22nd I picked up the leaflets from Drake Printing, along with a copy of the bill—for \$108.00 plus tax—a total of \$113.93.

Also on May 22nd, I distributed these leaflets at the Labor Council meeting. Brother Christie was not in attendance, but Brother Don Horn, who chaired the meeting, was aware that I distributed the leaflets.

On May 23rd, the membership meeting of the local voted to rescind the entire motion regarding CLUW, which included authorization for payment for the leaflets which it had previously authorized payment for and had already been printed and received.

Surely I cannot be held personally responsible for the erratic and unpredictable about-face made by the leadership and some of the membership of this local when it is clear that I did nothing that was not authorized by this local.

I find the situation particularly regrettable in light of the development of the Coalition of Labor Union Women and the support it is receiving from the union movement as a whole, including resolutions of support from many national and international unions, county and state labor councils. As a matter of fact, a member of our international staff, Dr. Jeanne Stellman, addressed a statewide CLUW conference in Denver, Colorado just a few weeks ago. I have just been elected, by nationwide ballot, to the National Steering Committee of CLUW. Here in Houston, our last CLUW meeting, on June 25th, at the Local 1305 United Paperworkers International Union hall in Pasade-

na, was attended by 42 sisters from 9 different unions in the Houston area. We expect our next meeting, on July 16th, to be even larger. We want to build the union movement, brothers! We hope that next time your support will be more sincerely offered.

Meanwhile, there is no way that I will be responsible for the bill I have just received from this local. I hope there is a way to rectify this most unfortunate situation.

In solidarity,  
Debby Leonard

cc: Brother R.J. Christie, Sec'y-Treas., Local 4-227, OCAW-IU  
Brother A.F. Grospron, Pres., OCAWIU

(To explain this letter: the union bureaucrats, led by Joe Christie, Sec'y-Treas. of OCAW Local 4-227 and President of the Harris County Labor Council, initiated a fight, beginning with the Executive Committee meeting, to oppose support of CLUW. They voted against support in the Executive Committee, but lost to the rank-and-filers on the Executive Committee; they again voted against CLUW, and lost, at a regular well-attended meeting of the Local. In the following two weeks, these bureaucrats mobilized support from the right-wing of the union—based on plants other than ARCO—and drew a turnout of some 250 right-wing elements to the following membership meeting, which 5 of the 7 women workers at ARCO attended to support the proposal and express their desire, as women workers, to build the union by building CLUW. For 3 of these newly hired sisters, it was their first union meeting. I was later informed by some old-timers at the plant that members they had not seen in 20 years showed up and that they came from as far as 40 miles. ARCO—the largest group in the Local—was in a minority, as were Blacks and young workers in general. The bureaucrats led a fight to rescind support to CLUW and encouraged red-baiting remarks on my politics and, ironically, even compared CLUW to what they termed as the “divisive” A. Phillips Randolph Institute. This meeting worked itself into quite a frenzy, which intimidated the women who came with me, as none of us were prepared for this. As indicated, the meeting rescinded the motion.

(Since that time, the leadership of my local has led a fight in the Houston labor movement as a whole to oppose CLUW.

(The follow-up is significant: several young white male workers at ARCO who attended the meeting and had voted to support CLUW previously decided I had been shafted and took it upon themselves to organize a collection at ARCO to cover the CLUW printing bill. In fact, they did a good job and it became a hot issue at the plant and, within three weeks after the meeting, they presented me with money to cover nearly all of the printing bill.)



**Report on the 1970 International Convention of the American Federation of State, County and Municipal Employees**

Seattle, Washington  
May 10, 1970

Frank Lovell  
New York, N.Y.

Dear Frank,

Have just returned from a thoroughly exhausting, but very exhilarating week at the AFSCME International Convention in Denver. As you know, our small local sent in a number of resolutions, the most important one for us being a strong antiwar resolution. The local could only afford to pay for 2 of the 3 delegates we were entitled to send, so we held a highly successful fund-raising affair at our house and raised \$350.00—more than enough for the third delegate. The other two were young enthusiastic antiwar types, but inexperienced politically and in union matters. So we three set off cold turkey—without prior contact even with delegates from our own state and with few anticipations of any sort.

When we arrived, we examined our kits and found, much to our surprise, a total of 5 antiwar resolutions—more than on any other subject—all calling for immediate withdrawal. We noted 2 from locals in Michigan (one was Wayne State), 1 from N.Y.C. and 1 from Berkeley, in addition to ours. Sunday night was a welcoming cocktail party and we immediately began to try to identify delegates from the locals who had submitted anti-war resolutions. It was quickly apparent that there were a large number of Black workers—possibly as many as one-quarter—and that the vast majority of delegates were over 40. However, before the end of the cocktail party we had located the Berkeley delegates—three young people who turned out to be a pain-in-the-neck to work with—and had located the H.Q. for the Michigan delegation.

Immediately after the affair, we crashed the Michigan hospitality room in a neighboring hotel. I quickly contacted one John Zupan—a prominent delegate in the Wayne State local—who I shortly ascertained to be a Workers League chap. After brief arguments, I was able to get him to agree to subsume our differences and found no problem cooperating with him for the remainder of the Convention. He was pushing one Bob Grosvesner for International Vice-President—Grosvesnor is the President of Council 7 which is on record against the war. However, none of the Grosvenor campaign literature mentioned anything about the war. I nailed Grosvenor on this and told him I would promote critical support among the rank-and-file for his candidacy only if he came out actively against the war. This turned out to be important as he was on the Resolutions Committee—an appointed committee. Before long he was wearing a peace button—although he didn't get elected as the main contenders were Black candidates with more behind them. (They also, however, were against the war.)

On Monday, it occurred to us that it would be a good move to get large quantities of the traditional peace button

for sale and/or distribution. We located 200 at the American Friends Service Center in Denver and, as it turned out, this became a key intervention. We began selling and giving out buttons for visual effect and to identify ourselves among the 2,000 or so present.

By Monday night, after diligent effort, we had added two black delegates from University of Chicago and a number of black transit workers from Philadelphia to our informal caucus. We spent considerable time on Monday attempting to find out if we could maneuver ourselves onto the Resolutions Committee—but that was totally controlled from the top. We then nailed one of the Washington delegates who was also running for International Vice-President, a young fellow whose antiwar sympathies were buried far below the surface for political reasons, who was also appointed to the Resolutions Committee, and made it clear to him that we wished to appear before the Committee on the Vietnam resolutions and wanted to know when they would be discussed and when we could speak to them. After considerable pressure on this fellow—one Larry McKibben—and on our council rep—Norm Scut, another ancient liberal—we were assured of being informed when the committee would hear us and, accordingly, began organizing a rank-and-file appearance before it, for Tuesday evening.

I found New York hard to crack at first. They were very clannish and all involved in meetings eliciting support for Basil Patterson, who had arrived on the scene and whose campaign had been endorsed by Wurf, and who had been given speaking time at the last minute. But, early Tues. morning, because of my extensive circulation and peace button, two New York delegates approached me and asked what we were going to do on Kent State and, like tumbling bricks, the whole New York delegation opened wide and I worked very closely with them ever after. By this time, I was in touch with the N.O. over the Kent State affair and went to look for the Berkeley delegates whom I knew would be the first to move. Without consultation (they continuously disappeared throughout the Convention and refused to help work on delegates and, in essence, were always accusing me of finking out—although I never nailed down their specific politics) they had prepared a resolution to introduce as an Emergency Resolution on the Kent State developments. They brought it to the floor Tues. morning; it was referred to the Resolutions Committee, and they were assured it would come back to the floor Wed. morning. The resolution was substantially good, except for an unqualified attack on the National Guard which, as you can see, I intervened to modify before the Resolutions Committee.

Tues. night, at the same time as the free showing of the "Molly Maguires," the Resolution Committee took up the question. (Let me make an aside to say that one of the most difficult things to contend with was the partying atmosphere, the tourist trips planned, the extensive drinking and partying, etc., and much operating was needed—more and more as the days went by—which was something the bureaucrats were counting on—just to get delegates in force onto the Convention floor. By the way, this was not a problem at all with the younger delegates who were, like our delegation, totally tirelessly devoted to getting this thing through.) We organized representatives from Michigan, the Berkeley kids, New Yorkers and a few strays to appear before it and established, from the

beginning, that we, as the makers of the original resolutions, had to be consulted before any substitute resolutions were adopted by the committee. Only about one-half of the 25 member committee ever showed up—and the same group. The committee, under the chairmanship of John Zinos, a lawyer from Wisconsin, turned out, under pressured reinforcement from our continual intervention, to be very liberal and those who were sitting on the fence came over nicely. They had worked out a very fair substitute resolution, combining very adequately the main features of all 5 resolutions and, after 2½ hours of discussion, the committee unanimously recommended adoption.

By this time, combined with outside events, we were beginning to get a tiny bit more optimistic. We spent the rest of Tues. night visiting delegations, getting rid of more buttons and, generally, trying to tap and influence the rank-and-file sentiment. I began aligning myself with Aldo Del Vecchio and Al Diop, two young delegates from N.Y.C. in Council 37. Aldo was on the Resolutions Committee—he had sent his name to Washington, D.C. weeks in advance—and Al Diop, a black local president, had drafted the antiwar resolution from New York. They introduced me around the New York delegation and we proceeded to orient them (Michigan and New York could control the Convention) to mobilizing for the showdown.

At first it seemed that there was no reason for the resolution not to come up on Wednesday. But I knew things were going too smoothly—something was the matter. Throughout the Convention floor debate was pretty free—the problem was the agenda, which was totally controlled by Jerry Wurf and Joe Ames. The substitute resolution had to be printed and distributed to all delegates before it could be brought to the floor, and when we didn't see it Wednesday morning or afternoon, we knew we were in trouble. Delegates had been prepared for it on Wed., and were planning trips, etc., on Thurs. and Fri. The New York delegation, in large numbers, was planning to go to Las Vegas.

So we went into high gear. Finally, after bombarding everyone, on Wed. afternoon Vic Gottbaum, from District 37, came up to me. Up to this point he had played no role and, I am convinced, only took part now because the overwhelming sentiment had already been mobilized in New York, Michigan, California, Pennsylvania, Maryland, D.C.—and he knew the Resolutions Committee was recommending adoption. However, once he got on the bandwagon, we were—as it proved—in the winning ballpark. So, on Wed. afternoon, Vic came to me and said that his understanding was that Jerry Wurf would support the resolution if we took out the one clause that all candidates for public office had to be against the war before they were endorsed by AFSCME. This came to be called the “loyalty oath.” I had had my doubts about this getting through all along, but the Resolutions Committee had not picked up on it. This was a fringe benefit of the resolution and not germane to its substance, so I agreed to discuss this with the other makers. Again, on Wed. night we appeared before the Resolutions Committee and this provision was deleted. We thought we were closer to home base, but we clearly realized that, without Wurf's endorsement, the chances of the resolution getting printed and distributed in time to hit the floor were very poor. However, on this basis, Vic Gottbaum, representing 80,000

members already on record against the war, agreed to lead the floor fight. On Wed. night we also amended and got the Resolutions Committee to recommend adoption of the Kent State resolution.

Now we were dealing with the bureaucrats. Gottbaum assured us the resolution would hit the floor, as amended, Thurs. morning and, accordingly, we spent the whole night organizing the rank-and-file to get their bodies to the Convention by 9:30 A.M. Signs went up in the Albany—where the New Yorkers were staying—that all District 37 delegates were required to report to the Convention at 9:30 A.M. the next morning—and I got the word out to Michigan, Illinois and Pennsylvania. The only pro-war speaking before the Resolutions Committee had come from Boston and Aldo, an ex-Bostonian, contacted the people he knew there to guarantee a split vote in that delegation.

And, somewhat miraculously, at 9:30 on Thurs. morning, delegates began pouring into the hall. (You have to understand what a problem this had become by Wed.)

But, we got there at 9:00 A.M. and, sure enough, the worst had happened. The resolutions had not been distributed. Immediately I went after Vic Gottbaum, who referred me to Julie Toplos, a minor piecard from New York. Julie handed me two sheets of a substitute resolution and told me Jerry Wurf would oppose the resolution recommended by the Resolutions Committee, but had agreed to support the one he had just handed to me. Needless to say, I ranted and railed about union democracy to Julie and Vic for about one-half hour—and was joined by several other rank-and-filers. However, we were left with the reality that it was Thurs. morning and—big surprise—the bureaucrats controlled the agenda. So I looked at the resolution. The main thing that had been left out was a direction to the International Executive Committee to take action in forming an antiwar coalition and an insistence that the resolution be presented before all AFL-CIO bodies. However, there was also a principled problem—one we had built our intervention on. Instead of “immediate withdrawal”—“rapid withdrawal” was used. I consulted with Aldo—my main contact on the Resolutions Committee—changed “rapid” to “immediate” on my copy, handed it to Vic and told him, considering where things were, I would argue for acceptance of the resolution if they bought that change. Within minutes, the word came back that Jerry Wurf would accept the change. We called a Resolutions Committee meeting for 12:30 P.M.; Aldo arranged to ask Wurf from the floor when the antiwar resolution would come up to hold delegates and we frantically contacted all the original makers, some additional spokesmen for ballast and got the word around that we would get it on the floor that afternoon. Needless to say, most of what happened at that morning's formal session escaped me.

We had problems from Berkeley. When confronted, Steve Willet stated if the original resolution didn't pass, it would “tell me what I need to know about this union.” Marty Morgenstern, who had become increasingly active, cornered him, while I worked on Phyllis O'Donnell and, by 12:30 we finally had them lined up. But we packed the Resolutions Committee meeting just in case we had to override Berkeley's commendable, but illadvised “principles.” While waiting for the Resolutions Committee, we all met with Vic Gottbaum and reached agreement that we would support this substitute resolution, which was now guaranteed passage, if we had agreement not to accept

any amendments that would dilute it. I was pleased to see the younger members of the resolutions committee and Bob Grosvenor go through the same arguments about union democracy that I had earlier—they were pretty mad at the bureaucratic maneuvering and lack of respect for their decisions—but, faced with reality, and realizing the historical import of getting a resolution through, and the fact that this one was a principled stand—they finally voted to accept it. Alton Williams, a black delegate from Oakland, California, was the single vote against it—on the question of democracy—and then he defended it on the floor—which gave me a beautiful opportunity to publicly applaud him at a victory party that night. We also found out that the previous resolution, unanimously adopted by the Resolutions Committee, had been very literally locked up and was unavailable.

So, finally, that afternoon, just after a demonstration of student protestors from Denver University had routed their march past the Convention hall to remind delegates of the bigger issues, the resolution came to the floor. However, not until a last minute panic when it was reported that the printing machinery had broken down. This turned out to be an inexplicable false rumor, however, and, as we stalled off the Resolutions Committee report and maneuvered to hold delegates by the promise that it was coming, I took the job of pushing the Sergeant of Arms to organize distribution the minute it arrived. Support was clearly overwhelming—there was no point, from the viewpoint of timing, for all of us to speak—although, by then I sure wanted to. Vic gave a very forceful antiwar talk; support came quickly from some as yet uncontacted quarters and there was only one speaker in opposition. The resolution won clearly by voice vote and when the one delegate asked for a roll-call vote he could only get about 10-15 delegates when 25 percent was required. An earlier call for quorum that afternoon established that well over a quorum was clearly present.

After the resolution clearly passed, Wurf made a statement indicating that, although he had not participated in discussion, he wanted the delegates to know that his position was not neutral and that he supported the resolution and would do his best to carry it out.

However, they were still worried about Kent State. Vic refused to get involved in that and kept asking me what Berkeley was planning to do. It was clearly not possible to bring it up Thurs. afternoon as it had not been distributed and Phyllis, rather than waiting until after the entire Resolution Committee report, broke in to ask about it—against our worked out plan— and got herself promptly ruled out of order as well as turning off the Resolutions Committee chairman who had been cooperating with us fairly well. Throughout the Convention the Berkeley people refused to work in the informal caucus or discuss tactics and, since they weren't staying at any of the hotels and wouldn't tell us where they were staying it was rather provoking to deal with them. Anyway, the Kent State resolution finally did come up Friday morning and barely slid by. It was fortunate no one called for a quorum because there wasn't one, but it was nice icing on the cake. (By the way I had much earlier argued with Berkeley, although I supported their resolution, to accept the proposal of simply issuing a statement of support for the National Day of Mourning and a call for union action on that day, with possibly some action from the Convention itself such as going to Denver University, since I knew we

could get that through without problems and I could easily see we'd need all our big guns for the antiwar resolution. Needless to say they rejected this out of hand—and since only tactics were involved I didn't push too hard.)

There were all kinds of celebrations and light-heartedness Thurs. night. I had never hidden my politics and, since I was offered jobs by three separate piccards in New York, I made absolutely sure they all knew where I was at politically. Irving Baldinger told me how he used to be in the CP, without batting an eye at my present affiliation. Vic Gottbaum said his wife used to be a Trotskyist and only wanted to know what I got out of it that I couldn't get out of pure trade-unionism. Etc., etc.

Very certainly the union has a great deal of potential and the bureaucrats are quite uneasy about it. It is now the 8th largest union in the AFL-CIO with 460,000 members and growing at the rate of 1,000 a month. Six of every 10 jobs created now are in government and only one-third of the public employees sector is organized. The postal strike opened new horizons which the leadership has to endorse, but is nevertheless worried about its ability to control. More and more of the strikes in AFSCME are resulting in confrontation and arrests—100 members were arrested in the last Atlanta strike. The biggest membership potential is among third-worlders and ex-students—both of which are hard to control. The delegates from Ohio told me, straight out, that the students at Ohio University were the key to their victory in the strike there and that the youngsters at Kent State were like their own kids. Add all that to the fact that Jerry Wurf, openly and admittedly, has his eye on Meany's job. Last year AFSCME grew by 50,000.

Perhaps the most amazing, and gratifying, thing to me was how wide open the situation was and how easy it was to operate. One is tempted to come to far reaching conclusions, one is tempted to feel frustrated, because of the potential, out in this tiny local, with not much room to grow, in Seattle, but I have stated the facts, without exaggeration, and only hope they will contribute to our analysis of the present conjuncture. Let me only add that I have renewed faith in our ability to intervene and can say, in all modesty, that, without our being there and organizing what already existed, the antiwar resolution from "immediate and total withdrawal" would not have been adopted, although it is certainly possible a more watered down version would have been.

Comradely,  
Debby Leonard

*Resolution Passed by International Convention of AFSCME, May 1970: "U.S. Military Involvement in Southeast Asia"*

"WHEREAS,

The most divisive and problematical fact confronting the citizens of America today is the continuing, massively expensive, and geographically expanding involvement of United States military forces in Southeast Asia.

Our nation's interests command that no further blood and resources be wasted:

(a) Thousands of American young men have given their lives and blood in a seemingly endless military struggle that is an undeclared war;

(b) Adequate expenditures for many sorely needed

domestic development programs—programs of housing, food for the hungry, education, manpower training, pollution prevention, Model Cities, medical care and research, etc.—are being precluded by the costs of warfare in Southeast Asia;

(c) The economic welfare of workers has steadily worsened, despite yearly wage increases, as a result of rampant inflation and increased taxes due to the war;

(d) Disproportionate numbers of black and brown Americans are in combat in Vietnam and among the casualties of warfare in that country;

(e) There is a great and dangerous spiritual malaise among our people as a consequence of the deeply emotional divisiveness over the issues of our military involvement.

NOW, THEREFORE BE IT RESOLVED THAT:

(1) AFSCME opposes expansion of the Vietnam war into Cambodia and

(2) AFSCME urges immediate and total withdrawal of all U.S. Armed Forces from Southeast Asia, consistent with the safety of our Armed Forces, and without regard to the willingness or ability of the Thieu government to carry on the war.

## When the Bus Starts "Smokin," We Don't Step Backward

by Arturo Ramirez, Detroit Branch  
July 28, 1975

These comments were made in the Detroit pre-convention discussion.

We say that even if the gains made by the working class in general at anytime interfere with the rights of oppressed nationalities then the rights of the latter supercede. In the Oceanhill Brownsville racist teachers strike we supported the Black community because the racist union was denying Blacks equal rights. I agree with that. The rights of Blacks come before any privileges of any other sector. Alvin says we prefer layoffs to Jobs for All. No, we say what do we do *if* the union can't defend the existing jobs? Alvin proposes nothing. We say where the union can't defend their members, especially Blacks from layoffs, we say the layoffs should be proportional. Alvin says we can't unite workers on such a demand because workers laid off will be embittered. In my opinion anywhere Alvin uses the word workers it should be read white workers. Of course white workers will be embittered because they will lose privileges they have enjoyed for so long. The privileges of whites are based on the denial of who's rights? The rights of Blacks. These privileges are based on the systematic denial of the rights of Blacks. Whites have come to expect to be first hired and last fired. Alvin misses the whole point on affirmative action and negated the combined character of the third American Revolution. One of the central points we make in the SWP is that whites will have to be won to support Blacks in their struggle to have 400 years of wrongs righted. Whites will have to recognize the historic oppression, the denial of all those rights. And yes they will have those expectations dashed that are based on the denial of Black rights. We say they will have to be won to actively support the struggle of Blacks for equality. On the other hand Blacks will have to be shown in practice that whites will fight for Black rights.

What is involved here is simply that we were supportive of preferential treatment to right these injustices and because we understand the necessity to break whites of their racism in order to make a socialist revolution. It's like this: Rosa Parks sat down in the front of the Bus in '54, then twenty years later we saw the economic crisis, then oil embargo, then bad gas, etc. The bus started to smoke in the back and the white people in the back are now saying, 'Let us back in the front! Its smoking like hell

back here! Let me back in the front.' That's what the problem is with the crisis in the economy; the shit got hot, it started to smoke and all these people are saying 'let me back in the front.'

No! The gains that have already been made must be defended. What's the sense in fighting for the gains in the first place!

Later on in the document Comrade Alvin says it doesn't make a difference even if you demand no discrimination in layoffs in the end some blacks will be laid off. That's not the point. We must defend the gains even if we can't save all of them. White workers will not be won over to support Black workers, until there is the threat that they may *also* lose *their* jobs. As long as they are sitting pretty they won't fight. So long as they expect to be fired last they aren't going to fight for Blacks.

That's what no discrimination in layoffs demands of whites, that they get off their haunches and fight back. Alvin says the demand Jobs for All is the way to use the Transitional Program in order to bridge the gap between Blacks and whites. But you can't bridge the gap as long as white workers are sitting fat and dry on the bank. They won't cross the bridge as long as they are sitting fat and dry. Even if the creek rises they may still have to be chased across the bridge because they'll still be bloated by the racist pontoon of white privilege. They will not walk across the bridge altruistically. We're talking about a situation where whites will not benefit in the short run because they will lose their privileges. But we look at the long term interest of the class. We try to break the whites of their backward racist attitudes. And they will never break with those attitudes if you support their right to maintain privileges. This is absurd. We in the party and comrades in this room have fought for 10-15 years in the civil rights struggle to break down some of these racist attitudes. To cut across it. To demand preferential treatment. We didn't go through all that just to back off today. We don't tell the oppressed nationalities wait for the white workers to save you. Or wait until the economy cools to fight for Black equality. No! We support the fight for equality no matter how much the bus smokes.

Finally, comrades can read how Comrade Alvin uses the demand Jobs for All. In some places he shows he doesn't

even understand what the demand means. In places he talks as if Jobs for All means those workers presently employed. What about those laid off a year ago? He goes to the point of saying that the worker that gets laid off is

even more hurt than a worker that comes looking for work and gets refused. The worker that just got laid off at least has workmen's compensation, but the job seeker may already be out of comp!

## IN SUPPORT OF GAY PRIDE

by Ed Bromberg, Lower Manhattan Branch, New York Local

July 30, 1975

What can be considered the central thrust of the Beren-Knoll resolution is the need for the party to take an unequivocal stand in favor of gay pride. The full term for this is gay pride consciousness. This is the concept that expresses the determination of gays to reject all ideas and practices that are based on the myth of homosexual inferiority. It is the ideological phenomenon, like its counterparts, Black nationalism and feminism, that helps enable gays in overcoming years of self-hatred and in challenging the multifarious prejudices that are used to justify the violence and oppression directed against gay men and women in this society. It is a concept that is reflected in the slogans "gay is just as good as straight" and its shortened version, "gay is good"—which express the new pride and militancy of the movement. It is a concept that has become a powerful force behind the gay liberation movement.

I think it should be obvious to us that gays are unable to *begin* to fight effectively for their equal treatment by this society, if they do not come to see themselves in fact as equals. Support to the concept gay pride consciousness is support to the idea of their fundamental equality with heterosexuals. It is not a position in favor of one life or sexual style as opposed to another, nor an idea based primarily upon biology or sexology, that is, upon disciplines other than Marxism.

For example, we have positions in support of Black equality to white, female equality to male, Chicano to anglo, etc., without anyone implying that we advocate a

particular skin color, biological make-up, or culture over another; or without assuming that acceptance of equality requires the denial of differences. On the other hand, no one claims that we are unpolitical when we take from other disciplines, facts and theories needed to further substantiate the above positions.

The concept that gays are equal to straights, as with those ideas just mentioned, is fundamentally a democratic concept, a political affirmation that neither grouping is inferior nor superior to the other, and therefore mandates equal treatment by society. Furthermore, it is a concept, as with Black nationalism and feminism, that is derived from our understanding of the need of oppressed people to use whatever measures are required to strengthen their combativity, in this case, the development of affirmative attitudes and beliefs about themselves.

The party's present position, which fails to support the concept of gay pride as predicated upon the concept of homosexual equality, has the objective effect of denying to the gay liberation movement the full use of its power, particularly its ideological power. As such, it tends to place questions in the minds of gay activists as to the degree of our identification with their cause. It is an obstacle to the maximizing of our influence upon the course of the gay liberation movement and to our recruiting from it. It is a position that should be changed. In order to do so, the party should approve the general line of the Beren-Knoll draft resolution.

## On the Method of the Memorandum

Russell Block, Upper West Side Branch,  
New York Local

August 1, 1975

The following is an extended version of remarks made before the Upper West Side Branch during the pre-convention discussion:

Comrades: I want to deal with the "gay is good" question and the method the memorandum uses in coming to the conclusion that we should not take a position on this question.

We are confronted with three basic positions on the "gay is good" question: (1) The position of the Beren-Knoll Resolution, which is held by the vast majority of the gay movement—homosexuality is equally valid for gays as heterosexuality is for straights, that gays are not sick, inferior, or immoral in any way, and no limitations should be placed on them because of their sexual orientation. According to this view, antigay sentiments are strictly a matter of prejudice and have no basis whatsoever in fact. (2) the position of the antigay forces—homosexuality is bad by definition, any physical contact between members of the same sex that goes beyond a transitory handshake is *bad*. Although society does not have a right to persecute gays for their "deformity," it does have a right to be protected against it and especially to see that homosexuality is not "encouraged" among its children. (3) The position of the memorandum—no position should be taken on the "nature or value of homosexuality," but theories about gay people or *homosexuality* that are used to justify the oppression of gay people must be "rejected with contempt."

Our present position—that of the memorandum—puts us in something of a quandry: If we have no alternate theory about homosexuality, and in fact find it difficult to distinguish fact from prejudice in this field, as the memorandum says, how then can we tell what is bourgeois prejudice to be rejected with contempt and what is genuine concern about the welfare of society? After all, the opponents of gay liberation do not admit to being prejudiced, quite the opposite—they lean over backward to show that they are not prejudiced. Take, for instance, a statement issued by a Catholic Church front group "The Committee for the Protection of Family Life in New York City." They reject "cruelty towards gays" including verbal insults. They are also opposed to "arbitrary restrictions against gays in housing and employment," but they maintain the right of parents to "protect their children." It is on this basis, or so they say, that they oppose the passage of Intro 554, which would extend the protection of the New York City Omnibus Civil Rights Act to the area of "sexual orientation" and, in effect, allow avowedly gay teachers to teach in the public schools.

These people treat homosexuality as a kind of disease. They argue about homosexuality as they would about any other "disease": Society does not have a right to persecute typhoid carriers or people with active cases of tuberculosis, but at the same time we do not consider it a right for consumptive teachers to cough tuberculosis bacilli all over their students, nor do we consider it a right of typhoid carriers to prepare food in the school cafeteria.

Before we can reject such a theory as applied to homosexuality as a moral or philosophical view based on prejudice, we must first establish that that is in fact what it is. For example, Father Constantine Volaitis, pastor of St. Nicholas Greek Orthodox Church in Flushing, characterizes homosexuality as "a condition which the major part of mankind has rejected as abnormal, pathological and deleterious to the public welfare since before the times of Moses" (*Catholic News*, May 15, 1975). A supporter of gay liberation might reply that this view is confined largely to the Judeo-Christian tradition, that many societies have tolerated or even encouraged homosexuality, that researchers like Kinsey believe that homosexuality is a natural part of human behavior, and that even the American Psychiatric Society has been forced by the evidence to remove "homosexuality" from its official list of "mental illnesses." Having established this, we can then go on to say that Father Volaitis has every right to hold this traditional view of Judeo-Christian morality but no right whatsoever to force it on the rest of the community.

This approach is quite parallel to the way we deal with the fetus worshipers in establishing a woman's right to choose abortion. See Caroline Lund's article "Demystifying the Fetus" in the pamphlet *Abortion: Women's Fight for the Right to Choose*. There Caroline debunks the "scientific" view that the fetus is a human being in order to establish the fact that such a view is simply a personal moral or philosophical view that cannot be forced on society.

This raises a second question—that of taking positions on scientific, artistic, or cultural questions. The memorandum says we do not do this. That is quite correct. But it is totally incorrect to say that we do not use science to justify or arrive at our positions. I have given one example of how we use science above. Another might be given with regard to Shockley and Jensen. Quite true we reject their racist theories because they are used to justify the exploitation and oppression of Blacks. But is this all? Do we take no position on the scientific question, do we allow that Shockley and Jensen might possibly be right, that Blacks are perhaps genetically inferior? I should think we would reject this theory *in fact*, although our major effort would be directed at showing how it is used to justify the oppression of Blacks.

Even more important is the way we use science to arrive at our positions. Our analysis of the woman question is based on Engels' analysis of this question in *The Origin of the Family, Private Property, and the State*. This book, written "in the light of the researches of Lewis H. Morgan," appeared in 1891 and can hardly be considered the last word in analysis on the woman question. Nevertheless, Engels' application of the historical-materialist method to the available data allowed him to come up with certain basic conclusions about the status of women in society. He found that women's inferior status was not based on the innate "inferiority of women," but was rather a specific, oppressive condition that was imposed by class society and would disappear with class

society. Our whole approach to woman's liberation is based on Engels' theory. So, for instance, we put forward a whole series of democratic and transitional demands designed to liberate women from the restrictions imposed upon them by the bourgeois family. It is true that Engels' book is not "a line document," we have never taken a vote on it and never will. We do not predicate participation in the mass movement or even in the party on acceptance of Engels' specific views on the matriarchy, etc., but we, as a party, could hardly have arrived at our programmatic conclusions about women's liberation without applying Engels' theory as a scientific tool.

We should also be aware that Engels' theory about the status of women was not the only scientific theory in the field. There was, for instance, Freud's theory set out among other places in *Civilization and its Discontents*. There he claims that women are innately inferior to men, that they always have been (cf. his theories about the "primal horde," or original family, consisting of a tyrannical father, passive cowering mother, rebellious sons who wish to depose the father and take "possession" of the mother, etc.). (All of this is supported by certain "myths," e.g., the Oedipus myth, which are common to virtually all forms of class society. The anthropological evidence contradicts Freud's theories about primitive society. This is one very important criterion we can use in rejecting his generalizations about women.) In fact he goes so far as to characterize women as "the enemies of civilization."

Now Freud did not think he was oppressing women, in theory or practice. Just the opposite, he spent much time analyzing this question on the theoretical level in order to develop techniques for helping women, and much additional time "treating" individual women patients whom he saw as "maladjusted" because they rejected their preordained role of wife and mother.

Just think how different our position on women's liberation would look if we based ourselves on Freud and not Engels! To say that we reject Freud's theories about women because they are used to oppress women is a tautology. If Freud were correct, his approach to women's liberation would not be oppressive. Instead of daycare centers we might want to set up neighborhood MA groups (Mothers Anonymous) where women could get together, discuss their problems, help each other accept their role as wife, mother, and homemaker. (Incidentally, a Jesuit priest suggested this kind of approach with gays—like Alcoholics Anonymous, they could get together and talk out their problems, without—heaven forbid—touching each other or anything disgusting like that.)

The other extreme can be seen in the fringe currents in the women's, gay, and Black movements. Without a historical-materialist theory to guide them, they develop extremely subjective ideas, e.g., women separatists who believe that the major struggle is between the sexes and not the classes, Black nationalists who believe that Marxism should be rejected as a "white theory" that applies only to European nations (if at all). In New York, recently, we have seen the appearance of a gay group which calls for the eradication of heterosexuality. In the case of the women's and Black groups, we say that the absence of a Marxist theory has allowed them to succumb to pressures of the movement, to react subjectively against pressures from the outside world and develop erroneous

positions. Can we claim that not taking a theoretical position on the nature or value of homosexuality is somehow going to prevent us from becoming embroiled "in a hopeless tangle of opinions, prejudices, and personal preferences"? All evidence would seem to indicate the contrary. Without a theory what is to prevent us from coming under undue influence from countercultural tendencies in the gay movement—the counter-influence of antigay prejudice? This hardly seems like a satisfactory solution. Or should we simply try to keep the gay movement at arms length? This is not a good solution either because it would tend to distort our view of the real possibilities for intervention in the gay movement, even if we are fundamentally agreed on questions like the kinds of demands the gay movement is in a position to raise, and what our political priorities should be, etc.

Supporters of the memorandum often claim that we supporters of the Beren-Knoll Resolution are being subjective, that, moved by our understandable desire to solidarize with oppressed gays, to identify with and champion their cause, we demand that the party take a stand on a question that is not a political question. In fact it is they who are subjective. Having no basis on which to distinguish between fact and prejudice, they nevertheless support gay struggles like those of the gay teachers. On what other basis than on one of moral solidarity, we may ask.

Barry Sheppard, in his article in the 1973 discussion (SWP DB, Vol. 31, no. 34), takes up the question of why we should not take a "position on the nature or value of homosexuality." The first point he makes is not given as a "reason" but other comrades have given it as a reason, so I think we should take it up. He points out that statements to the effect that "gayness or homosexuality is just as good as heterosexuality" are ambiguous, capable of many interpretations. This is true. But so is the statement "We are revolutionary socialists." What does this mean? I would say that there is at present more ambiguity about this than about the above statement on homosexuality. But the way we handle this problem of what is a "revolutionary socialist" is to explain what we mean by it and how our views are different from those of other currents—the social democrats, Stalinists, etc. This, I think, is the proper way to handle such questions. We have faced the same problems of ambiguity with respect to nationalism, and feminism. There is no reason to think we would not do equally well in differentiating ourselves from other currents on the question of gayness as well.

Barry gives two possible interpretations of "homosexuality is just as good as heterosexuality" which he himself says do not enter into the debate in the party although they are brought up in the gay movement and should be discussed for that reason. I will pass over these. Then he writes: "A third possibility is to assert that there was no oppression of homosexuals, and no prejudice against homosexual acts, then homosexuality would be looked upon by humanity as not inferior to heterosexuality. *There is no evidence to make any such assertion.*" (emphasis added). This statement makes it abundantly clear that the memorandum rejects the notion that "all antigay sentiments are strictly a matter of prejudice and have no basis whatsoever in fact" (as I put it earlier). It does not do so directly, but indirectly by saying that there is no "evidence to make such an assertion." This is a strong statement.

How does Barry justify it? By continuing: "We do not know, in a society free of distortions of sexuality and free of prejudice, whether there will continue to be a spectrum of sexual preference among the population. . . ." In other words, he relies on what we do not know about the *future* in order to justify not taking a position on whether homosexuality is just as good as heterosexuality, thus allowing the possibility that it is not.

But since when do Marxists base their positions on what we can or cannot predict about the future? We generally base our analysis on facts about the past and the present—in the realm where it is possible to collect data. On that basis it is possible to form theories and make at least limited predictions about the future, e.g., that women will not play a subordinate role in a future classless society. But to turn this process on its head, and declare that we don't know whether homosexuality is just as good as heterosexuality because no one knows what the future will bring, is highly unscientific. It is like rejecting the theory that humans and apes are descended from a common ancestor because we don't know what *Homo sapiens* will evolve into a million years from now.

If the memorandum supporters feel that the historical and contemporary evidence is inconclusive on this point (as apparently they do) they should say so (and why) and argue on that basis. Then at least we could engage in a fruitful discussion about the hard evidence. But by

demanding that we vouchsafe for the future, they put the argument on impossible and unrealistic terms.

The upshot of this argument is not that we just do not know enough about the matter to take a position—it implies that we *cannot know* (at least not until communism reigns supreme over the whole face of the earth and homosexuality has had its chance to disappear or not).

This is in itself something of an eyebrow-raiser. No matter what one thinks of the nature of homosexuality and homosexual oppression, it is certainly a social question. One of the type which lends itself to a Marxist analysis. Do the memorandum supporters think that this question does not lend itself to such an analysis? Do they encourage the idea of making such an analysis without confronting the question of the "nature" of homosexuality?

Hence the memorandum raises three separate reasons for not taking a position on the "just as good as" question: (1) This is a scientific question on which we need not take a position. (2) In any case we must wait for what the future will bring before we can settle the scientific question. (3) Available evidence is inconclusive. The first two arguments are false on purely methodological grounds. The third is a matter of opinion, but it seems to me that the evidence is overwhelming that "gay is just as good as straight."

## FOR A FRATERNAL DISCUSSION WITH THE FRENCH OCI

By David Keil, Lower Manhattan Branch, New York  
Local

July 30, 1975

On January 2 of this year, the Political Bureau of the SWP released a statement entitled "On the OCI's Proposal to Discuss Differences" (published in *Intercontinental Press*, January 13, 1975). Concerning initiatives taken by the Organisation Communiste Internationaliste of France to discuss their differences with the United Secretariat, this statement said, "The OCI leaders, we think, have reached the conclusion that the Fourth International is discussing questions of prime importance to the revolutionary-socialist movement. In a debate of that depth, they feel that their views as serious revolutionists ought to be taken into consideration.

"While they hold firm positions, which they intend to defend vigorously, they are prepared to modify them in the face of compelling arguments and draw the requisite practical conclusions. They expect that the organizations adhering to the United Secretariat, or in sympathy with its general aims, will display similar good faith."

Despite the good faith which our party's statement noted, the OCI, as it pointed out, had used public characterizations of some leaders of the United Secretariat which might make it difficult to begin serious discussions.

The statement concluded, "We hope that the OCI will do its part to eliminate such obstacles and thereby help clear the way for a comradely discussion of current and past differences. Without such a discussion, it is hardly possible in this instance to reach a point where a principled basis can be found for closer fraternal relations and the kind of comradely collaboration that would give the Fourth International a new impulse forward."

This statement was correct in all respects, in my opinion. But now a more serious obstacle has come to threaten a comradely discussion with the OCI. This time, it comes not from the OCI but from the Ligue Communiste Revolutionnaire, the French section of the Fourth International (United Secretariat). In the June 13 issue of *Rouge*, an unsigned article denouncing the OCI appears under the title, "Why Are They So Sweet on the Social-Democracy?" (*L'OCI et le Portugal: d'où leur vient ce béguin pour la social démocratie?*). Such a title was not designed, evidently, to open up a fraternal political discussion with the OCI.

But the really threatening aspect of this article is not its tone but rather its political line, which is wrong in every



way. This piece of writing which has emerged from the offices of *Rouge* in the guise of a factional storm against the OCI (a usual occurrence for *Rouge*) is in reality a tirade against the program of Trotskyism as well. Moreover, it is an attack on Trotskyism made on the occasion of the decisive test of lines taking place in Portugal, as the crushing of *Republica* and the decline of the Constituent Assembly lead toward a return to military dictatorship. The *Rouge* article objectively helps to push this backward process along.

The OCI is berated for calling for power to the Constituent Assembly; this *Rouge* avers, is "electoral cretinism." *Rouge* rakes the OCI over the coals for calling for a CP-SP government without all kinds of additions to the slogan such as inclusion of the Stalinist satellites in the government; to call for a workers' government as the OCI does is "to become the auxiliary of the reformist bureaucracies." As for the OCI's defense of the rights of the SP, as in the case of *Republica*—this is joining the united front of the bourgeoisie, according to *Rouge*'s "incisive" analysis. *Intercontinental Press* will certainly be covering this debate between the LCR and the OCI, so comrades may refer there for full documentation.

*Rouge*'s vituperation can only include the SWP in its sweep, in my opinion, because our party has consistently upheld the Trotskyist position on Portugal and it is just this position, as put forward by the OCI, which *Rouge* attacks. With venom!

Power to the Constituent Assembly—the correctness of this indispensable demand was explained by Doug Jenness in the July 18 *Militant*. The need to center on the demand for an SP-CP government and the need to defend *Republica* without weasel-worded equivocations—these have been explained repeatedly by Gerry Foley in *IP* and discussed by Dick Roberts in the August *International Socialist Review*. Foley has explained the "anarcho-centrist" character of the ultraleft groups which, following the MFA's lead, are focusing on a projection of "organs of self-organization" as opposed to a workers' government. But just such an ultraleft and simultaneously criminally opportunist perspective is that which *Rouge* counterposes to the OCI's correct position. Defending itself, the OCI's paper *Informations Ouvrieres (Workers' News)* quotes approvingly at length from *Intercontinental Press*'s analysis, in articles in the *I.O.* issues of June 18, June 25 and July 2, 1975. (This paper makes one error. It treats *IP* as being itself an organ of the SWP. Actually, *IP*'s five editors as of the July 28 issue included three leaders of the IMT and two leaders of the SWP. Signed articles, according to *IP*'s policy, reflect the author's views. Gerry Foley's articles, of course, to all evidence reflect the general views of the SWP.)

*Rouge*'s attacks on the OCI for being "sweet on the Social-Democracy" should lead us to wonder how "fraternal" and "comradely" the LCR leaders will be in discussing Portugal with us.

There doesn't need to be any doubt that the *Rouge* attack reflects the political line of the LCR, because the June 6 *Rouge* published a statement of the LCR Political Bureau, entitled, "Freedom of the Press? Under Capitalism There Is Freedom Only For Those Who Possess the Information Media, to Manufacture Opinion." This statement has for its purpose to "debunk" the "uproar" which the bourgeoisie is making about *Republica*. Without mentioning the role of the Stalinists or the intervention of the state to

suppress *Republica*, the statement supports "the struggle of the *Republica* workers to defend their working conditions" and supports their right to strike (neither of which was an issue), but chides them for "censoring" rather than "controlling" the content of the now-gagged newspaper. The Stalinist party is exempted from blame for the *Republica* crime; all blame goes to the workers. This objectively pro-Stalinist statement makes the centrist article by Ernest Mandel published in the June 23 *IP* look good by comparison. It is appended here in translation for the examination of the comrades (the translation has not been checked by anyone except myself). One wonders what effect this statement had in building up the image of the United Secretariat of the Fourth International among conscious workers in Portugal. One wonders if they would even listen to someone coming to them as a supporter of the United Secretariat, without first asking to see a public disavowal of this pro-Stalinist statement.

The OCI is correct to publicly denounce this statement. This it does well through *Workers' News*. It is necessary to point out one error in the *Workers' News* article of June 18, however, in my opinion. This article, in the headline, calls for an SP-CP government "presided by Soares." This might lead one to believe that the SP's program is satisfactory to the OCI, though the article elsewhere distinguishes the OCI's perspectives from those of the SP. It is necessary to make this distinction crystal-clear and not to bend an inch on this.

More recently, the MFA's proposal for mass organizations tied to the MFA and not recognizing parties has become a central issue in Portugal. *Rouge* has come out in favor of these committees as "soviets," thus covering up for both the MFA and the Stalinist CP, which supports the MFA. This is a criminal, intolerable open break from Trotskyism which must be discussed and rejected publicly throughout the Fourth International as a condition for membership.

The OCI, on the other hand, has correctly labelled these committees "corporatist," counterposing them to soviets and again raising the demand for a CP-SP government based on the Constituent Assembly as opposed to these MFA committees. Proof of the Trotskyist position of the Portuguese group affiliated with the OCI is provided in Appendix II.

The lesson of the public positions taken by *Rouge* and the LCR is that they are unable to respond to the events in Portugal by even placing themselves on the right side of the barricades at the decisive point. The OCI, on the other hand, seems to be following a road within the boundaries of Trotskyism, if its paper is any indicator.

The LCR's inability to recognize and fight for democratic rights, its insistence on maintaining the ultraleft line formalized at the Ninth World Congress, its hardened opportunist line in the French elections, and its constant proclivity to place itself in critical support of Stalinist parties, rather than in opposition—are all summarized in its positions on Portugal. These positions can only be condemned publicly by parties which wish to keep their banner unstained, if the LCR does not make an about-face.

Portugal, moreover, is the test of Trotskyist organizations, a test such as they have not undergone since the Cuban Revolution. The discussion on Portugal, as Tony Thomas pointed out in the Lower Manhattan pre-convention discussion, will be the most important one since the Cuba discussion, "bar none."

## The Split Danger

It is extremely unfortunate that the members of the LCR have not had a chance to consider and seriously discuss the positions of the Leninist-Trotskyist Faction. This is the fault of the International Majority Tendency. If it is still possible to have a discussion with them through the agency of the United Secretariat, the LTF should do it. But in my opinion *this discussion must now include the OCI*, whose program is at least not a tail-ending of Stalinism.

If the LCR were to walk out on this principled discussion with the OCI, this would be very unfortunate. Possibly it is unavoidable, given the character of the IMT and LCR leadership. It would hardly be worse, in any case, however, than the past situation where the French section's atmosphere has been poisoned against Trotskyist politics and Trotskyist criticisms of the leadership's line were for a long time not even translated.

Does democratic centralism prevent Leninist-Trotskyists from having a discussion with the OCI regardless of the IMT's objections?

When the program of the majority is centrist, as is the program imposed on the Fourth International by the IMT, then there is not even the basis for democratic centralism. Democratic centralism or not, it is necessary to explain publicly the Trotskyist positions on such questions as Chinese and Vietnamese Stalinism, popular fronts such as the Union of the Left in France, the guerrilla warfare strategy, and now Portugal. The SWP has done so and would have done so even if bound by formal membership in the Fourth International as it is not. No considerations of "democratic centralism" would have prevented the editor at Pathfinder Press from publishing a minority document, the LTF's World Political Resolution, in the book *Dynamics of World Revolution Today*—even if he had not been barred from membership in the Fourth International by the Voorhis Act. This is proper because the program of the United Secretariat is not a Trotskyist program, despite false claims to the contrary.

Where the program of an authoritative international body is within the bounds of Trotskyism, on the other hand, even if off the mark on a few points, members and fraternal supporters of this international body would want to put forward its positions but generally not their own minority positions, in public—even those supporters who could not be members due to reactionary legislation. This is the Leninist view of internationalism, in my opinion.

In the case of the United Secretariat, the IMT has converted its program into a centrist program with Trotskyist trimmings and has simultaneously removed nearly all the United Secretariat's authority through unprincipled maneuvers, splits upon splits, pompous interventions and organizational abuses, refusal to publish discussion material, public attacks on fraternal organizations, and so on. It has fostered internal regimes in member parties which make them organizationally more similar to classic centrist parties such as the French Workers' and Peasants' Socialist Party (PSOP) of the 1930s than to Trotskyist parties. For example, the French leadership issued a decree illegally banning a tendency and has since made such restrictions on the democratic right to form a tendency that the LTF group in France was unable to express its views independently. Democratic centralism certainly doesn't exist in the French LCR.

Thus the United Secretariat is not a Trotskyist organ of democratic centralism. Rather it is, in my opinion, more like a parity committee. For about a year, this parity committee ceased to function even in this capacity, because only one side, the IMT, was included in its daily functioning, as witness the United Secretariat's public attacks on the Argentine PST and the unilateral violation of the SWP's right to determine whether the Internationalist Tendency was an opponent group and had to be treated as such.

Now the public attacks on the PST seem to have stopped and some former I.T. members are working with the SWP again, presumably at IMT urging. But the IMT continues to threaten splitting the world movement wider open and today a majority of the people who are members of sections and fraternal organizations around the world are in countries where there are two or more organizations due to the IMT's splitting activity.

Under these conditions unity can have value only in the context of free and permanent discussion on a leadership level and permanent access of all members to the documents of this discussion. Yet, since the Tenth World Congress in early 1974, there has been no internal documentation of discussion on any of the major political issues in dispute. There have only been International Internal Discussion Bulletins on *organizational* questions and political polemics in *public*. SWP members have been informed of the discussion on Europe through one SWP Internal Information Bulletin, but other members of parties supporting the Fourth International may be in the dark even about that.

What in the world does "unity," what there is left of it, mean in this context? Nothing.

The situation has gone on too long already, in my opinion. "Unity" on this basis can only lead to an unprincipled split. Real unity can only continue if the discussion begins without delay. The OCI must be invited to participate. If the LCR refuses to discuss with the OCI this is its democratic right. If the IMT makes a total split in the Fourth International over the question of whether members and supporters have the right to discuss Portugal with the OCI on a principled basis, then the IMT will thereby prove once and for all that it is a grouping unwilling to discuss principled questions such as Portugal and a grouping outside the bounds of Trotskyism.

The IMT position on Portugal, as expressed by the LCR and by Ernest Mandel, is diametrically opposed to the Trotskyist position. It is a centrist position which objectively aids the Stalinists in their counter-revolutionary role.

The OCI position, as reflected in *Workers' News*, is in my opinion generally correct, not just on one or two points but in its overall thrust, and certainly within the bounds of Trotskyism.

Portugal is the central question in the world today, for all revolutionists.

From this it follows that it is becoming a *principled necessity* for our party and the LTF to discuss with the OCI. Objections from the IMT, however strenuous, even ultimatums, are becoming *subordinate* to this principled necessity.

Furthermore, timing is decisively important and for this discussion with the OCI to be delayed too long would be a grave error or worse.

What is the principled basis for refusing to discuss with the OCI, for maintaining the twelve-year split, now that Portugal is the central issue? There is none.

These are my personal opinions. Members of the SWP must of course follow the party's discipline in international questions as in domestic ones even if at some point in time they arrive at the conclusion that the party has the wrong international ties.

### The OCI's Past

In considering how to begin the discussion with the OCI and with the international body with which it is affiliated, the Organizing Committee to Reconstruct the Fourth International, we must study the history of these organizations.

The OCI originated as the majority of the Internationalist Communist Party, French section of the Fourth International. This majority was bureaucratically expelled from the Fourth International by the revisionist Pablo leadership in 1952. (For valuable documentation of this expulsion and later developments, see the Education for Socialists bulletin, *Towards A History of the Fourth International*, Parts 3 and 4, in four volumes each, available from the SWP Education Department, especially Volume I of Part 3, \$1.00. Full set, \$7.25 list.) The expulsion was due to Pablo's insistence that the French section obey his orders for an entry into the Communist Party without delay. The majority balked and was expelled. Full authority was given to Pablo's henchmen, including Pierre Frank.

Subsequently, it became clear to many Trotskyists around the world that Pablo's strategy was to in effect liquidate the Trotskyist movement into the Stalinist and Social-Democratic Parties, keeping only a token public existence on the basis of a centrist and liquidationist line. On November 16, 1953, the *Militant* published a "Letter to Trotskyists Throughout the World" from the SWP National Committee, denouncing the Pablo faction. A longer document approved by the NC, "Against Pabloist Revisionism," was published in the September-October 1953 issue of *Fourth International*. The world movement became divided into public factions as a result, largely along political lines. Pablo's faction, the International Secretariat, claimed the authority of the Fourth International. The other faction was the International Committee, which was supported by the SWP, the expelled French Trotskyists, the SLL led by Gerry Healy, the Chinese section led by Peng Shu-tse and others. This split lasted until 1963. (See internal bulletins for documentation of the 1954-63 period. See also Education for Socialists bulletin, *Towards a History of the Fourth International*, Part I, "Three Contributions on Postwar Developments," and my article in SWP DB, 1973, No. 11.)

The Cuban revolution forced the culmination of a long realignment process within each of the two factions. Briefly, all Trotskyists were faced with the question of how to defend the Cuban revolution and how to characterize the state which emerged from the victory of the July 26 Movement, January 1, 1959, ending Batista's rule.

After a discussion in the various parties, it was clear that the majority of each side viewed Cuba as a workers state and saw this as providing part of the principled basis for reunification. Gerry Healy's Socialist Labour League, on the other hand, stated that Castro was not qualitatively

different from Batista and that Cuba remained capitalist. The French component of the International Committee supported Healy's position on the basis that Cuba had a workers' and farmers' government based on "phantom capitalist" property relations.

The agreement on Cuba among most of the forces involved in the International Secretariat and International Committee, as well as general agreement on other questions, was the principled basis for the 1963 reunification of the Trotskyist movement. The SLL and the OCI refused to join in and formed a rump "International Committee" on an unclear political basis. This bloc broke up in 1971. Healy is an incurable ultraleft sectarian with a despotic organizational structure and personal psychological delusions, as the OCI may have noticed.

In my opinion, the OCI's incorrect position on Cuba remains the principled obstacle to full organizational reunification between the OCI and other Trotskyists. In addition, the OCI's favor shown for the term "Pabloite" as applied to political opponents who have no connection with the organization of Michel Pablo, and the use of the factional term "Lambertiste" by opponents of the OCI in reference to it, may contribute to the difficulty in resolving differences.

Comrades who have collections of the *IP* since 1969 may refer to the following items which concern the OCI: articles about how the OCI published an attack on Bolivian Trotskyist prisoners: *IP*, Dec. 15, 1969, p. 1119, and Mar. 2, 1970, pp. 183-84; about a dispute on Bolivia among the SLL, the OCI and their ally, the Revolutionary Workers Party of Lora: Sept. 27, 1971, pp. 816-21, Oct. 18, 1971, pp. 894-96, Nov. 1, 1971, pp. 942-43; about the split between the SLL and OCI: Nov. 22, 1971, pp. 1015-24, Jan. 17, 1972, pp. 46-56; comments by Pierre Frank on this split: Nov. 29, 1971, pp. 1045-48, Jan. 24, 1972, pp. 86-87, Mar. 6, 1972, pp. 242-46; about a dispute between the OCI and POR of Lora: July 31, 1972, pp. 907-12; about how OCI members clubbed Ligue Communiste members at an antiwar demonstration: Nov. 20, 1972, pp. 1286-88; about the OCI view of the Ligue Communiste election campaign: Feb. 19, 1973, pp. 181-82; Pierre Frank's comments on a polemic between the OCI and an ally organization led by a certain Varga, the Organizing Committee of East European Communists: April 9, 1973, pp. 406-07; about the OCI and the Mitterrand campaign: May 20, 1974, pp. 629-31. No doubt *IP* and *World Outlook* from 1963 to 1968 includes a large number of additional articles.

As a participant in a discussion which would include the OCI, Pierre Frank would naturally have a democratic right to contribute his views. But it is necessary to point out in advance that not much of value can be expected from this quarter unless Pierre Frank changes his views completely. Frank's denunciations of the OCI will as likely be aimed equally against the whole Trotskyist tradition in general since 1952 as at his old nemesis, Pierre Lambert. For example, in commenting on the SLL-OCI split, in which each side called the other "Pabloite," Frank wrote: "In fact 'Pabloism' is an invention dating from 1952-53, when it was used in an attempt to explain the split. This concept represented an incorrect extrapolation of the policy advocated by the Fourth International at the time." (*IP*, November 29, 1971, p. 1048.) Similarly, Frank remarked elsewhere in passing that Healy and Lambert broke with the Fourth International "in 1952-53." (*IP*, March 6, 1972, p. 243.)

This is not the view of the SWP. These remarks by Pierre Frank show that he was unable to combat Healy and the OCI on real political issues. He could not focus on the real departures from Trotskyist positions made by the SLL and OCI, such as on Cuba (which he did not mention), but instead made a factional blow against the International Committee of 1953-63—the upholder of Trotskyism during this period. For this reason, Pierre Frank, if he persists in this kind of public factionalism, has no right whatsoever to speak publicly for the Trotskyist movement without the most careful supervision and control.

Similarly, on Vietnam, *Rouge* (May 2, 1975) launched a false polemic against the OCI position that the Provisional Revolutionary Government, with its peaceful coexistence line, did not want to take Saigon. Every indication revealed since then has shown that the PRG did not, in fact, want to take Saigon militarily but rather wanted to set up a coalition government. *Rouge* was dead wrong in the thrust of this article.

A typical *Rouge* denunciation of the OCI is that it works in a labor federation, Force Ouvriere, which had CIA ties at one time. This absurd type of unprincipled factional polemic would logically lead *Rouge* to the position that the SWP is opportunist for doing trade-union work in the AFL-CIO, which has major CIA connections today.

Even on the Cuban question, the IMT cannot polemicize with the OCI from a Marxist point of view, because to explain where the OCI goes wrong on Cuba it is necessary to explain and understand the Marxist theory of the state. According to this theory, the criteria for a workers' state are nationalization of the major means of production, state monopoly of foreign trade, and a planned economy. All these criteria were met in Cuba in late 1960. But the IMT, rejecting the Marxist theory of the state, would argue that Cuba became a workers' state on January 1, 1959, the instant the revolutionary armed forces defeated the Batista army militarily. The IMT would ignore the fact that capitalist property relations persisted for a long time after January 1, 1959.

It is hard to blame the OCI for not being convinced by the non-Marxist arguments given by Ernest Mandel and company on Cuba. Perhaps we can convince it with Marxist arguments if a discussion is opened up.

A criticism of the OCI's positions from a Trotskyist standpoint must thus begin by marking itself off from the unprincipled and centrist positions and criticisms raised by the IMT and *Rouge*.

One criticism which can be made is that the OCI supported the Algerian National Movement (MNA) led by Messali Hadj during the independence struggle in Algeria, as against the FLN led by Ben Bella. (The SWP made the same error.) The OCI would itself agree with this criticism, according to a statement published in *IP*, January 17, 1972. Support to the MNA, it said, "was wrong because it abandoned the fight to select out a Trotskyist vanguard."

A more recent error of the OCI was its support to Francois Mitterrand in the 1974 French Presidential elections. This it gave on the basis that Mitterrand was the main leader of the Socialist Party, a working-class organization, despite the fact that Mitterrand's ballot designation was Union of the Left. The OCI correctly recognized that the Union of the Left was a class-collaborationist formation, a popular front, and published an open letter in French to all organizations claiming to be Trotskyist, *The Ligue Communiste in the Camp of the*

*New Popular Front*, dated January 1973. This pamphlet was a generally correct polemic against the miserable position of the Ligue Communiste that the Union of the Left had some kind of revolutionary dynamic.

The OCI fell back, however, in 1974. In a French-Language pamphlet published that year, *Why the OCI Calls for a Vote for Mitterrand*, it reprinted an editorial from its newspaper stating that the OCI had the view that the Union of the Left was a popular front and was not abandoning its criticisms of it, but that the OCI wanted to see the conservatives in power "even less" than to see Mitterrand in power. This is a lesser-evil type of justification which leaves aside class criteria and ill befits Trotskyists.

Mitterrand did not run a Socialist Party campaign, but a Union of the Left campaign, according to press accounts. The OCI should have opposed this campaign as a popular-front campaign.

As part of the international discussion, the SWP National Office should publish for the members' information documents of the OCI, such as material from the discussion bulletin of the Organizing Committee to Reconstruct the Fourth International, *La Correspondence Internationale*. The December 1973 issue of this bulletin, for example, contains resolutions of the International Bureau of this organization on Chile and the Middle East, correspondence between the International Bureau and the United Secretariat, the IEC Majority Tendency resolution on Europe, and comments on this resolution by a member of the OCI central committee.

It would also be useful for documents of this tendency on Portugal to be published. As a contribution to this task, I have translated a recent leaflet and a short resolution adopted in May 1974, both by the Liaison Committee of Portuguese Revolutionary Militants (For the Reconstruction of the Fourth International), as published in *Informations Ouvrieres* and in a book printed by the SELIO publishing house in Paris, *Problèmes de la Révolution Portugaise*. (The translations have not been checked by anyone except myself.)

In my opinion, the first document has a position coinciding with our own. The second shows that the OCI was able to gather at least a nucleus of Portuguese militants together, able to take a generally Trotskyist position on the Portuguese situation immediately after the April 25, 1974 coup. The statement clearly outlines the need for a CP-SP government with no capitalist representatives, including no officer-caste representatives.

In this respect, it is superior to the miserable centrist position of the United Secretariat majority, which called for "the CP and SP ministers to leave the government of 'national union' and to struggle to replace the junta with what comes out of" a Constituent Assembly. (See *IP*, July 24, 1974.) This was in effect a call for a popular-front government in Portugal, a despicable position requiring an emergency discussion in the world movement which has not been held to this day.

On the other hand, the Liaison Committee's statement fails to clearly characterize the CP and SP and fails to openly call for a revolutionary-Marxist party in Portugal. The editorial in the June 14, 1974 *Militant* (see *IP*, June 17, 1974) is better than the Liaison Committee's resolution in these respects and is a model for the position a Trotskyist party would take in Portugal.

## Appendix I

### Freedom of the Press? Under Capitalism There Is Freedom Only for the Owners of the Information Media to Manufacture Opinion

(Statement of the Political Bureau of the  
Ligue Communiste Révolutionnaire, *Rouge*, June 6, 1975)

For some days now the bourgeoisie has been making an uproar about the idea that freedom of the press is threatened; in France in the case of the *Parisien Libéré*, in Portugal in the case of the newspaper *Republica*. In each case the threat of communist dictatorship is talked about.

Concerning the *Parisien Libéré*, it isn't easy to fool the French workers who know this far-right rag well. The staff of the *Parisien* is fighting to defend its working conditions and to safeguard its hard-won rights. It is enough for us to salute, in passing, the fine examples of working-class mutual aid and solidarity given by the postal workers of the Paris-Brune center who refused to distribute the *Parisien* to subscribers and by the Belgian printing workers who occupied the printing plants which were being used to break their French comrades' strike.

The *Republica* case has been more broadly exploited by the reaction; we will clarify two points initially so as to remove two points of confusion:

1. *Republica* is not the official newspaper of the Socialist Party, it is not the newspaper of a working-class organization surviving on sales by and support of the members; it is a private journal of opinion, influenced by the Socialist Party.

2. It was not the Communist Party which occupied the headquarters of the newspaper, but the workers' commission, elected by department and including all the political tendencies present in the establishment.

These clarifications make it possible to discuss the basic question.

What is the freedom of the press defended so zealously by all the bourgeois commentators throughout the world? *Under capitalism, freedom of the press does not mean freedom of expression*, but freedom for the owners of the information media (the Bousacs and the Amaurys) to manufacture public opinion according to their convenience. The workers, on the other hand, have the greatest difficulty making their voices heard, maintaining an independent, subsidized working-class press, supported by membership dues.

*This is why, in Portugal as in France, we demand nationalization without compensation of the paper mills, publishing and distributing enterprises and the establishment of a public press service*, which will guarantee the living and working conditions of the workers in this branch of industry.

This does not mean the statization of information, only a refusal to let private fortune have the right to manufacture information. All political tendencies, trade-union and cultural organizations, local and university communities, will be able to freely dispose of their own means of information from the time that the utilization of the nationalized printing plants is guaranteed for all, when printing becomes a public service.

In this framework, printing workers would not be able to become a committee to censor the content of the press.

They will not be able to claim to represent by themselves all the tendencies and all the points of view of the working class, of which they constitute only a very small fraction.

*For this reason the only form that control of information can take in this framework will be the right to counter-information, the right to demand that the publishers of the newspaper print the statements of the democratically elected workers' commission alongside those major articles whose authenticity is challenged; i.e., the right to publish free-expression columns by the workers' commission at regular intervals.*

We therefore support the struggle of the *Republica* workers to defend their working conditions; we condemn any attempt to limit their right to strike. We do not approve of the way these workers, in the name of this struggle, exercised a right of censorship rather than control over the content of the newspaper.

We furthermore denounce the Socialist and Communist parties' political exploitation of this conflict which, beyond false quarrels and poison, poses the serious question of the attitude of revolutionaries toward the mass-media. We recall in this connection that the Communist Party and Socialist Party were in much less of a hurry to defend the democratic rights of the workers against the June and August 1974 decrees which clearly and systematically restrained the right to strike and freedom of the press.

## Appendix II

### Statement of the Liaison Committee of Portuguese Revolutionary Militants for the Recon- struction of the Fourth International, July 13, 1975

Militants, workers, young people, soldiers!

The defense forces of the bourgeois order, the forces which organize to divide and break up the workers' movement, are throwing the country and the working masses into economic and political chaos.

The only forces of order in this country, the only forces capable of stopping the chaos and opening up realistic solutions to the social crisis, are the forces of the proletariat. To save the country from economic catastrophe and the blows of counter-revolution, the will of the working masses must be respected, its freedoms and the independence of its organizations defended and a government installed corresponding to its aspirations.

The initiatives which are aimed at crushing the workers' movement, integrating their organizations into the state, limiting or abolishing freedoms, create chaos, even if supported by pseudo-radical groups.

The document approved by the last "MFA Assembly," "institutionalizing the people-MFA alliance," has been enthusiastically supported by some forces in the working class, the PCP leadership and the ultraleft groups.

Militants, workers, young people, soldiers!

The truth must be told! This document is nothing but an attempt to integrate the independent workers' organizations into the state as a way of breaking them up and dissolving them.

This document, perfidiously supported by certain people as a "soviet"-type initiative, is nothing but a monstrous

machination of the corporatist type.

Soviets can only be built as organizations created by the workers, independent of the state, with all parties represented, and not instituted by general decrees.

The workers' commissions, built by the Portuguese working class in its revolutionary movement, are the real pre-soviet-type organs. But this "National Popular Assembly," decreed by the military hierarchy, has the military commanders, the officials of the "Security Forces" and the government representatives "participate physically" (sic) in the "assemblies" which will include and direct the workers' and *Moradores'* commissions which, as the document states, "will be enlarged on the basis of their present constitution so as to be able to carry out defined tasks," that is, to participate in the "reinforcement of the people-MFA alliance as a permanent activity of these organizations."

The very foundation of the workers' movement is its organizational independence in relation to all the forces alien to it, above all the state.

A grave responsibility weighs on all the Portuguese militants and workers' organizations in face of this attack on the independence of the organizations of the proletariat.

**THE PORTUGUESE WORKERS' PARTIES MUST CONDEMN THIS CORPORATIST ASSEMBLY AND BREAK WITH THE FORCES WHICH AIM TO INSTALL CORPORATISM IN PORTUGAL.**

### **Appendix III**

#### **Resolution adopted May 6, 1974 by the Liaison Committee of Portuguese Revolutionary Militants (For the Reconstruction of the Fourth International)**

I. The political crisis of the class domination of the bourgeoisie and caste domination of the landed proprietors, originating in the dead end of the colonial war and the consequences of the world economic and financial crisis (inflation, price rises, indebtedness) led to the breakup of the Salazarist-corporatist state apparatus which was already in crisis.

The Portuguese bourgeoisie was torn apart due to the inability of the corporatist-Salazarist government to solve the major problems which drove the masses into struggle.

The rise of the movement for national liberation in the colonies, the war that the government and the general staff could not dam up and the resistance to the prosecution of the war in Portugal acted to combine with the increasing activity of the masses and the youth against capitalist exploitation.

The ultraconservative policy, pregnant with the greatest overturns, became intolerable for the ruling classes and the classical mechanism of every revolution went to work: one wing of the bourgeoisie, wishing to escape from this ultraconservative policy, principally seeking solutions to the problem of the colonial war in face of the resistance of the moribund Caetano government, was forced to carry out a coup d'état. The masses in motion were immediately swept up in the first openings, and, through their revolutionary activity, began a process of dismantling the bourgeois corporatist state.

III. The worker and peasant masses' hatred for the bloody Salazarist dictatorship which they endured for almost a half-century was immediately directed against the institutions of corporatism: PIDE, the Legion, the headquarters of the single party and its newspaper, of the Patriotic Youth, against the leaderships occupying their buildings, against the "People's Houses," the corporatist institutions in the countryside. The masses directed themselves against the police stations and against the mayors appointed by the corporatist government. They attempted to dismantle the existing administration. But the dismantling of the existing corporatist administration is equivalent to the dismantling of the state.

The coup d'état, tearing apart the military apparatus, gave an initial impulse to the activity of the soldiers and lower army officers. The fraternization of the soldiers and lower officers with the masses spread rapidly: they participated in demonstrations, barracks mass meetings, refused to oppose the workers' initiatives. But fraternization is the beginning of the process of dislocation of the bourgeois army, which is equivalent to the dismantling of the bourgeois state.

In thus lining up against the institutions of the corporatist state, the masses undertake the dismantling of all the organs of the bourgeois state: administration, police, army, courts, etc.

That is the beginning of the proletarian revolution.

IV. Immediately, in this first phase of the revolution, the masses in a few days have seized the most fundamental rights which, through organization, establish the proletariat as an independent class: construction of independent working-class trade unions, in place of the corporations; the right to strike; the unrestricted right to organize and demonstrate; freedom of assembly, press, and expression; the freeing of all political prisoners; dismantling of the corporatist institution of Insurance Funds, which extorted the workers' money under the direction of functionaries designated by the corporatist state; the dismantling of the institution of "Academic Councils," appointed by the corporatist state, which administered the universities' activities. This dismantling of the corporatist-type university brought with it the reestablishment of all democratic rights for students and the elimination of the "vigils."

But, in this first phase of the revolution, the masses have won still more: the dissolution of the political police (PIDE), of the Legion, repressive forces in the service of the regime; the dissolution of the special tribunals. The masses have also won total amnesty for deserters, exiles and draft resisters. They have won the resignation of the generals, admirals and higher officers who were most compromised with the corporatist regime. They have obtained the resignation of the general postal inspector, of the prefects appointed by the regime, as well as of numerous fascist high functionaries and mayors.

The working masses want to go further: in the banks, the employees have met in general assembly; they have decided to control all banking operations in order to prevent the flight of capital; at the airports, the workers carry out all the control operations which were carried out before by the PIDE; in the factories, the workers have demanded the expulsion of the capitalist administrative councils; the students at the private and Catholic universities, united in general assembly, after establishing the list

of groups of finance capital subsidizing these institutions, have demanded the resignation of the directors and the integration of these universities into public education; in the government newspapers and the government radio, the editors, employees, and printers have expelled the existing Salazarist administrations and have constituted themselves as committees controlling the newspapers and radio; during the May 1 demonstration, peasants and workers from Santarem demanded "bread and land."

In Portugal, the breakup of the corporatist system has opened the way to obtaining all working-class and democratic rights. The trade unions are being rebuilt, the workers want the General Confederation of Labor to be reestablished immediately, and the militants settle down to this task; the students want their own independent union, the National Union of Portuguese Students.

In Portugal the crumbling of the corporatist system opens the way to the substitution of the workers' republic for the bourgeois state.

The working masses want to be done with all the police forces of the regime, all the tribunals of the regime, all of the military apparatus which sent thousands and thousands of youth to death and exile. The working masses and the youth want to be done with the capitalists and big landowners who put Salazar and Caetano in power. The working masses want a total and complete purge, public trials for police, judges and everyone guilty of fascist crimes against the people. They demand the publication of all the records and all the files of the PIDE.

The peasants and agricultural workers want the expropriation without compensation of the big landowners, the return of the land to those who work it. The working masses and the youth salute the initiative of the banking employees assuring control over banking operations, the initiative of workers demanding the expulsion of the capitalist administrative councils. In this way, through confiscation of the assets of the large corporations, their nationalization without compensation, all the demands can be satisfied; in this way an effective struggle can be waged against inflation and price rises.

The working masses and the youth want peace, the immediate return of the troops. Not one soldier, not one penny for war! Enough killing! An immediate and unconditional end to the war! For the right of the peoples oppressed by Portuguese colonialism to decide their own future! Unconditional independence!

The working masses and the youth demand the recognition of all political rights for soldiers, inside the barracks and outside.

V. After a half-century of bourgeois Salazarist dictatorship which almost completely liquidated the workers' and democratic organizations, the working masses quite naturally go toward the parties and organizations which they consider as their representatives which ought to assure the defense of their interests.

The Portuguese Communist Party, the main working-class party, attempts to channel the revolutionary movement of the Portuguese working masses. The PCP leaders provide the masses with only the perspective of a government of national union, a coalition of the workers' parties with the bourgeois parties and the military leaders. A. Cunhal, secretary of the PCP, has just stated that "the best guarantee to consolidate the gains of the military movement of April 25 and of the popular mass struggle is the rapid constitution of a provisional government. This

provisional government ought to reflect all democratic and liberal tendencies. Not only is our party ready to participate, but we believe that our presence would be an extremely favorable factor for the reinforcement and definitive success of the democratic movement."

Cunhal forcefully emphasizes "the crucial, decisive alliance between the popular masses and the armed forces movement. We state that this is the fundamental condition for victory, the only way to successfully oppose the repeated counter-revolutionary attempts which must be expected."

It is necessary to be clear.

Where can the counter-revolutionary attempts come from?

The counter-revolutionary attempts can only arise from the camp of the bourgeoisie and the big landowners who, for a half-century, have supported the corporatist dictatorship of Salazar and Caetano, the defenders of their interests.

Where can counter-revolutionary attempts come from?

From the initiative of the masses demanding a total purge, undertaking the dissolution of the police forces? Or from these same police who have tortured and murdered thousands and thousands of workers, peasants and militants, from the judges who sent them to the prisons and penal colonies?

From the soldiers and lower officers who were sent by the hundreds of thousands to a war which was not for the interests of the Portuguese people? Or from the caste of generals and superior officers who conducted this colonial war?

It is necessary to be clear and to say plainly what social and political forces would be represented in this government. The bourgeoisie? We repeat: it gave its complete and total support for fifty years to the Salazarist regime. Today it refuses to satisfy the demands. It attempts to preserve private property of the major means of production in order to guarantee its profits.

No, the bourgeoisie cannot, and bourgeois parties, even ones calling themselves "liberal," cannot be represented in this provisional government if the interests of the working masses are to be truly represented, if the main source of counterrevolution represented by the bourgeois and landed proprietors' class is to be truly extirpated.

The higher officer caste, the admirals and generals who conducted the counter-revolutionary war against the African peoples, who sent troops into a war which was not for them—should they be represented in this government? The working masses of Portugal must not forget the fresh lesson of the Chilean tragedy. General Pinochet said in 1970 that he would respect the Constitution and be loyal to the Allende government. General Pinochet was lying. Secretly, he organized the coup d'etat which crushed the Chilean people on September 11, 1973. Furthermore, before General Pinochet's coup d'etat, the soldiers, sailors and workers were told, "Be calm! There is a loyal republican general sitting in the government, General Prats.) Under the orders of Pinochet, General Prats resigned from the Allende government and fled to Argentina, leaving the way open for the military coup.

No! A government with the goal of satisfying the demands and aspirations of the working masses cannot be a government in which the social and political forces of the Portuguese bourgeoisie, completely compromised under the Salazar dictatorship, would be represented.

The policy of the PCP, which calls for a government of national union, has already had its first results: whereas the working masses and the youth are trying to take their destiny into their own hands, the PCP leadership in a statement denounces "the occupations of police stations and city halls, which do not facilitate the process of democratization of the administrative apparatus, but on the contrary inhibit it."

So it is necessary to leave the Salazarist prefects, mayors, and high functionaries where they are in order to assure the democratization of the administrative apparatus?

Along with the PCP, the Socialist Party is being rebuilt. Its leaders also propose a government of national union. It is well known where such a solution led the unfortunate Allende, leader of the Chilean Socialist Party.

So, what is the solution corresponding to the interests of the working masses, the solution which would break up all attempts at counter-revolution by breaking up the social, political and military forces of the Portuguese bourgeoisie, which attempts to guarantee and restructure its state, the instrument of domination and repression serving its

interests?

The solution can only be the constitution of a government of the PCP and the PSP, of the workers' organizations united, without representatives of capital, guaranteeing the workers and youth that the police, the courts, the top administration, instrument of the dictatorship, will be eliminated, so that Portugal will not be a second Chile.

It would be a government of the workers' organizations united, based on the organized initiative of the working masses, the youth, the students, the peasants and agricultural workers, the small functionaries, etc., who through their committees elected in the factories, neighborhoods, localities, universities, the countryside, and the barracks, federated at local, regional and national echelons, would seize control of all economic and social activity in the country.

Such a government would be assured of the enthusiastic support of the working masses who, because they would be organized, would inspire a healthy fear in the capitalists, the bourgeois, the profiteers of the Salazar-Caetano regime, preventing them from undertaking a counter-revolution.

## INFLATION IN THE U.S.: ORIGINS, STRUCTURE, AND FUTURE PROSPECTS

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With almost daily regularity in the past few months the capitalist press and media have been bombarding the public with information and statistics supposedly verifying the fact that the present recession has 'bottomed out' and recovery is on the way. The only question, according to various government and academic 'experts', is how rapid and widespread the recovery will prove to be. Convinced of their own propaganda, the attention of various capitalist circles is thus once again beginning to focus more heavily on the issue of inflation—their major worry being whether or not the assumed recovery now under way will lead to another explosion of inflation similar to that which characterized the 1973-74 period following the 1970-71 recession.

Of course, there is good reason for their worry. Fuel prices have begun to rise rapidly once again, exports of critical feed grains and food prices are accelerating once more, and record budget deficits continue to mount. Following the sharp acceleration of the consumer price index last month to approximately 9-10% annual rate (after several months at 4-6%), this concern has intensified even more. In recent testimony before Congressional committees, Arthur Burns, chairman of the Federal Reserve Bank which controls the overall money supply, stressed that as far as he was concerned the number one problem was still inflation and not unemployment. Burns does not of course speak merely for himself, but as the chief public policy spokesman of the interests of finance

capital in the U.S. And his actions recently taken to raise interest rates indicate these powerful capitalist interests presently view with a deep concern the very real likelihood of a return to double-digit inflation, perhaps on a scale worse than in 1973-74, in the months ahead.

It is important therefore for those of us in the Party to understand as best as possible the forces at work which are largely responsible for the 'chronic' inflation that has been eating at the heart of the capitalist economy in the U.S. for the last decade. It is equally important as well to understand how and why this chronic affliction periodically becomes 'acute', and what the prospects for another acute flare-up are in the months to come.

To properly understand this hereditary disease of capitalism called inflation, however, it is important to understand its *history* and *structure*. Yet writings in the Party's press do not always give a clear picture of this history or structure. There is need for more clarity. Thus, while inflation has been explained in our press in terms of *an* historical perspective, this perspective is oftentimes too generalized and not specific enough. Moreover, with regard to attention to structure, the various elements underlying inflation in the U.S. are not always adequately differentiated or given their proper emphasis in our press.

For example, to read the press it is not always clear whether Military Expenditures are the *prime* and *sole* cause of inflation or whether it is Deficit Spending which is the source. While Military Spending contributes signifi-



cantly to the rising deficits, it is important to note that it is *not* the sole cause of these deficits. Other equal or near-equal causes are government credit guarantee programs, the shifting federal tax burden, and rising interest on the federal debt. Moreover, focusing primarily or solely on Military Spending in particular, and/or even Deficit Spending in general, does not adequately allow for an accounting of the impact of Interimperialist Competition and the dollar Devaluations of recent years on inflation in the U.S., or explain how these developments are related to Deficit Spending itself. To maintain that inflation is basically caused by more money in circulation than commodities may be true, but this does not tell us as much as a more specific analysis could. Furthermore, our present writing on inflation incorrectly underemphasizes, I believe, the role of Speculation and Monopoly Pricing practices. Most importantly, however, it does not explain the inflation of recent years in relation to the driving force of capitalist production itself—i.e. the Capital Accumulation process.

In the following I would therefore like to present an explanation of the recent history and structure of inflation in the U.S. which places more emphasis on monopoly pricing and the Capital Accumulation process. Allow me to make it clear beforehand, however, that to do so is *not* to argue that deficit spending and military spending are not inflationary. They most certainly are and they constitute a significant cause of inflation. The purpose of this article is to place the role and contribution of military spending and deficits in a more balanced perspective in relation to capital accumulation and monopoly pricing. By focusing on capital accumulation, moreover, I believe it is possible to obtain a deeper understanding of the contribution of the capitalist State and its policies in generating inflation, and the influence of the increasing interimperialist competition on inflation as well. It is not a question of either/or: That is, the impact of capital accumulation and monopoly pricing is not mutually exclusive from military spending and deficits. Indeed, the two are closely interrelated. But only by differentiating the two is it possible, I believe, to account for the critical fact that with each short-term business cycle in recent years the 'base level' of inflation in the U.S. has steadily risen.

But to better understand the major arguments contained in the following contribution, it is first necessary and useful to place the analysis in an historical perspective by going back to the period of the late 50's and early 60's: i.e. that period characterized by the 1958-61 recession, the re-emergence of capitalist competition on a significant scale, the decline of the international monetary system which *began* to occur around then, and the economic policies of the Kennedy administration. Going back before this period, ultimately to the immediately post-World War period, could of course give further depth to the historical perspective, but would be unnecessary and redundant to the major arguments that follow.

### **A Short Economic History: 1958-1971**

Government efforts to generate a recovery from the 1958 recession by means of monetary policy produced only a weak and short-lived expansion in 1959. This was soon followed in 1960 by a relapse into recession once again. With corporate profit margins at record and near-record postwar lows in many cases, the Kennedy Administration

assumed office in early 1961. Almost immediately plans were made and programs developed designed to help stimulate corporate profits recovery. These programs took several forms: A generous package of tax cuts for Business; sharply increased federal spending for Space and Defense projects; voluntary wage controls; and trade reform favorable to U.S. corporations at the expense of foreign rivals.

The major elements of the Kennedy tax program were the introduction of a 7% Investment Tax Credit for the first time and a speeding up of the rate at which corporations could write-off depreciation of existing plant and equipment. In the short run both these items had the effect of reducing corporate costs and increasing after-tax profits. In the longer run they also provided a strong incentive for investment in new plant and equipment—i.e., Capital Accumulation.

This incentive to invest in new Capital was accompanied by other economic measures introduced by Kennedy that were designed to further fatten corporate profit margins. As government policymakers argued, the expansion of profits in the short run was necessary to provide an important source of available funds, in addition to readily available bank loans at low interest, to finance Capital investment. This investment would, in turn, help to generate a more sustained recovery from the 1958-61 recession and a longer-term expansion of corporate profits. So at least they thought.

Like the Business tax cuts, the introduction of wage controls in early 1962 in the form of so-called 'voluntary guideposts' served to hold down corporate costs and expand profit margins as well. At the same time, with a similar end of profits expansion in view, Administration efforts were also made to help stimulate corporate sales. (Profit margins being measured in terms of an increase in profits as a percentage of sales). This assistance with regard to sales expansion occurred primarily in two ways: on the one hand sales were stimulated directly by the government sharply increasing its expenditures for Defense and Space projects; on the other, government efforts were initiated to begin the renegotiation of tariffs and other terms of trade with other major capitalist countries. This latter development was called the 'Kennedy Round' of the General Agreements on Tariffs and Trade (GATT) and was designed largely in response to the formation of the European Common Market a few years earlier. The objective of these (re)negotiations was to improve the competitive sales advantage of U.S. corporations in world markets.

This general package of Business tax cuts, wage controls, defense spending and trade reform had eventually the result desired by the Kennedy Administration [break in manuscript] sixties corporate profits expanded rapidly and a major Capital Investment Boom was set in motion. Profits increased by 65% or more on the average and this sharp increase in profits—coupled with the attractive incentives provided by the Investment Tax Credit, accelerated Depreciation write-offs, and readily available bank credit—provoked Capital expansion of record proportions throughout the remainder of the decade. For example, the value of Capital investment nearly doubled between 1963-69 alone, increasing from a level of \$38.4 billion to \$75.6 billion. The actual percentage increase over these years amounted to more than 97%. In terms of annual average, a

more accurate estimate, the increase in Capital investment over these years amounted to approximately \$5.3 billion or 13.8% a year—as compared to average annual decline in Capital investment of 2.4% in the preceding recession years 1960-61! (All data and statistics contained above and in the remainder of this article are taken from the *Economic Reports of the President*, Dept. of Commerce *Survey of Current Business*, Federal Reserve Board *Bulletins*, or the *Conference Board Chart Service*.)

But while the Kennedy program had its desired result in terms of profits expansion and capital investment it had decidedly undesirable results in other ways. Most important among these was a sharp rise in the rate of inflation—a development which can be traced back both to the budget deficits and the over-investment of the period. Thus, while consumer prices increased at an annual rate of less than 1½% between 1960-65 and wholesale prices by less than 1%, by 1966 both consumer and wholesale prices had risen to 3% and, by 1969, to 5½% and more than 4% respectively. Furthermore, despite the efforts of the Kennedy-Johnson administrations to obtain trade reform and stimulate capital investment, by the end of the sixties competition for world markets continued to intensify and the competitive advantage of U.S.-based corporations steadily deteriorated as result of devaluations and related economic measures in Europe and Japan. This deterioration was perhaps best indicated by the fact that, after averaging \$5 billion a year between 1960-67, the U.S. trade surplus dropped precipitously to only around \$½ billion a year in 1968-69 forcing the U.S. balance of payments into a deficit for the first time since 1959.

Faced with a growing international monetary crisis and a rising rate of inflation in the U.S., upon assuming office in early 1969 the Nixon administration introduced what it called Game Plan I aimed at checking rising inflationary pressures and a deteriorating world monetary system.

The essence of Game Plan I was to fight inflation by sharply cutting government spending on social programs on the one hand, and by propping up a weakening U.S. dollar in world markets, and thus the international monetary system based on it, on the other. This latter objective was to be achieved primarily by reducing the rate of increase of the money supply in the U.S. Such action, it was anticipated, would raise interest rates in the U.S. which in turn would attract excess dollars and other currencies from abroad and help stabilize a deteriorating balance of payments in the U.S. as a result. But neither reducing the money supply, higher interest rates, or cutting government spending had the desired results.

The initial impact of a tight money supply policy initiated by the Federal Reserve in 1969 was not a decline in the rate of inflation but rather a sharp cutback in production in many industries and sectors of the economy. This recession amidst still rising inflation was described officially as 'stagflation'—i.e., a new term referring to what economists up to then denied theoretically could happen.

Apart from 'stagflation', however, Game Plan I brought with it a number of related and equally serious economic problems. For one thing interest rates—already driven to significantly high levels by 1969 as a result of rising demand for money to finance capital investment, speculation, and the corporate merger boom of the preceding years—were driven even higher during 1969-70. In fact, the highest since the civil war. These record rates had a two fold and contradictory impact on the economy: on the one

hand, higher interest rates served to attract eurodollars and other currencies and other currencies from abroad and help toward stabilizing the U.S. balance of payments and, as a consequence, the U.S. dollar and the international monetary system based on it. But this impact was short-lived and offset by the fact that these same record interest rates cut significantly into corporate profit margins by increasing costs on the one hand, and, on the other, by provoking production cutbacks and consequent declines in corporate sales. By the end of 1970 corporate profit margins were therefore reduced to 1960 recession levels or less. In turn high interest rates and falling profit margins were reflected in a sharp decline in the level of capital investment in the U.S. while European and Japanese corporations were investing heavily in order to improve their competitive position in world markets. Finally, in addition to its negative impact on production, profit, and capital investment, Game Plan I by the spring of 1970 produced what was called a 'liquidity crisis'; that is, a lack of adequate spendable income on hand for corporations to cover their debt and daily operating expenses—a condition also a direct result of rising interest rates and costs in the midst of declining sales and corporate revenues.

In brief then, while the immediate short-term effect of higher interest rates generated by Game Plan I was to help stabilize the dollar, the longer run result was to raise corporate costs, induce production cutbacks, reduce sales, squeeze profit margins and provoke a liquidity crisis—all of which meant a lower rate of capital investment for U.S. corporations relative to their capitalist competitors abroad. If permitted to continue, such an imbalance of capital investment would surely result, as it in fact soon did, in trade and balance of payments deficits in the U.S. and thus an increasingly unstable dollar and world monetary system. Moreover, this dynamic contained within it a dangerous self-sustaining cycle: namely, rising interest rates and costs led to stagflation and liquidity crises which, in turn, forced desperate borrowing even at the high rates then in effect, which drove up rates and costs even further thereby deepening the crisis of liquidity . . . and so on. Given this situation there was only one alternative for the Federal Reserve which had precipitated these developments with its tight money policy of 1969: Either face the prospect of a continuing liquidity crisis leading to widespread bankruptcies or take action to increase the money supply to ease financial pressures on a growing number of corporations. The problem with this latter choice, however, was that it would inevitably lead to an excessive expansion of the money supply and more inflation in the longer run.

Faced with this basic alternative, the Federal Reserve chose to deal with the more immediate problem of liquidity crisis and spreading bankruptcies at the expense of increasing the money supply and more inflation in the long run. The deciding factor in this decision was the collapse of the Penn Central in the spring of 1970 and an emerging panic in the financial sector by May of that year.

In response to this collapse and the very real possibility of a chain-reaction of additional bankruptcies in the wake of the Penn Central, a special blue-ribbon meeting of major industrialists, bankers and brokers was quickly called together at the White House by Nixon on May 27, 1970. The outcome of this conference was the decision to drop Game Plan I and shift to its successor, Game Plan II.

Game Plan II, unlike its predecessor, aimed at increasing the rate of money supply once again in order to reduce interest rates and help alleviate the liquidity crisis. A slow but steady decline in the rate of inflation after the summer of 1970 also provided somewhat of a measure of relief in this regard, as the deepening recession gradually reduced inflationary pressures from a high of about 6% in mid-1970 to a rate of 4% by July 1971. On the other hand, as the recession deepened throughout the latter half of 1970 corporate sales and profit margins also continued to decline further. At the same time lower interest rates and reduced capital spending foreshadowed re-emerging trade and balance of payments deficits and thus renewed instability of the dollar and international monetary system later in 1971. In short, the contradiction between domestic and international economic stability which existed during Game Plan I was not eliminated but only reversed with Game Plan II: Whereas Game Plan I sought to stabilize international economic relations at the expense of domestic economic stability, Game Plan II aimed at improved domestic economic stability at the risk of future trade and payments deficits and renewed instability of the dollar and international monetary system. To put it another way, the choice was between stabilizing the dollar and increasing profits from trade at the expense of profits expansion in the domestic (U.S.) economy, or, expanding profits in the domestic (U.S.) market at the expense of increased instability of the dollar in world markets and declining profits from trade.

As 1971 began the Nixon administration continued to rely on Game Plan II to generate economic recovery and profits growth. Such recovery seemed likely in early 1971 as the long GM-Autoworkers strike of Sept.-Dec. 1970 was by then over and sharp expansion of this key industry was anticipated for the year ahead. To help further ensure such recovery the administration also took additional action in early 1971 by increasing government spending and introducing wage controls in the construction industry. A strategy of lower interest rates combined with expanding auto and construction industries, it was maintained, would be sufficient to lead the rest of the economy out of the recession, according to administration advisors.

Initially this strategy of Game Plan II had some limited success. GNP expanded at an annual rate of 8% in the first quarter of 1971. Residential construction improved, and production and profits increased significantly in autos and related industries. By the second quarter, however, the economy clearly began to sink back into recession once again. GNP growth fell back to a 3.6% annual rate—i.e. below that level required to maintain a stable unemployment rate. Capital investment, still low even in the first quarter, fell to one-half first quarter levels in the period April-June 1971, while the value of construction projects declined from \$3.6 to \$2.9 billion. Elsewhere, although autos and related industries were experiencing a gradual upturn, other key sectors such as metals, paper, lumber, airlines, aerospace and so forth were still depressed throughout the first half of the year. By mid-1971 then, domestic economic recovery was in no way broadly established or indicative of a general profits expansion in the months immediately ahead. To the contrary, the basic indication was that the initial upturn of the first quarter was beginning to slip.

Added to this unpromising domestic economic outlook,

moreover, was a renewed crisis of the international monetary system as well: By the spring of 1971 the preceding year-long trend of falling interest rates in the U.S. had resulted in a massive outflow of capital abroad provoking speculation and renewed instability of the dollar. As an additional factor as well, the sharply reduced rate of capital investment in the U.S. relative to Europe and Japan which occurred during 1970-71 also pointed toward a likely further deterioration of the competitive position of U.S. corporations in world markets which would eventually reflect in future trade and balance of payments deficits and instability of the dollar. As could be expected, these developments and their implications—both short and long term—were not lost to the multinational corporations, banks and other capitalist financial institutions at the time and their response was to speculate on this situation and instability which, in turn, precipitated a run on the dollar and the international monetary crisis of May 1971.

All in all it was clear by the summer of 1971 that neither Game Plan I or II had proven successful. Traditional fiscal-monetary measures were proving increasingly ineffective in 'priming' the U.S. economy out of a recession, given the constraints of an increasing competition for world markets and an unstable international monetary system. The Federal Reserve's tight money and high interest rates policy of 1969-70 contributed to international financial stability—but at the price of domestic economic recession, liquidity crisis, declining corporate sales and profits, plus a lowered rate of Capital investment which threatened the competitive position of U.S. corporations in world markets. In contrast, Game Plan II's easy money and lower interest rates policy of 1970-71 contributed to renewed international monetary stability—but only achieved a partial recovery of sales and profits in domestic markets and no needed increase in essential capital investment. In response to the failures of Game Plan I and II, by mid-1971 corporate demands on the Nixon administration to take special measures to generate profits expansion, stimulate capital investment, and help improve their competitive positions in world markets began to increase significantly. By late summer 1971 the economic pendulum had thus swung full circle to where it had been in the recession of 1960-61: a decade earlier—but with several important qualitative differences: First, the impact of the 1969-70 recession now left a 4% rate of inflation by August 1971 instead of a less than 1% rate as in 1961. Second, corporate profit margins by the end of 1971 had, on the average, fallen even below those of a decade earlier while the rate of capital investment had declined to half that of the earlier period. Third, by 1971 competition for world markets had grown even more intense and the international monetary system correspondingly more unstable than a decade earlier. It was in the midst of these general conditions that the Nixon administration introduced Game Plan III, its so-called 'New Economic Program', in August 1971.

Of course Nixon's Game Plan III, or New Economic Program (NEP for short) was not so new. In fact it was remarkably, and not coincidentally, similar to the program or package of economic policies introduced by Kennedy a decade earlier. Like the Kennedy program it was comprised essentially of massive business tax cuts and readily available bank credit which served to provide attractive

incentives for capital investment. Secondly, wage controls to help hold down corporate costs during an upswing of the business cycle (i.e. when wages otherwise could be expected to rise fastest). Third, a significant increase in defense spending to stimulate domestic sales; and, fourth, so-called trade reform measures designed to increase export sales and improve the terms of trade of U.S. based corporations in world markets. Thus, Nixon's so-called New Economic Program was better described as 'old wine in new bottles'—with the labels merely changed from Democrat to Republican.

The major difference between the two programs was that the Nixon version was even more generous to Business at the expense of workers' interests than the Kennedy program had been. For example, the money supply was increased at an annual rate of about 14% during 1971-72 compared to an average of 9.4% during 1961-65. This enabled available bank credit for corporate investment purposes to accelerate at an annual rate of 13.5% in 1971-72 compared to an average of 6.5% during 1961-65. As a further major incentive for capital expansion the Investment Tax Credit, temporarily repealed by Congress in 1969, was re-proposed as part of NEP—but at a 10% rate now rather than 7% as previously and with coverage extended to utilities as well. Depreciation write-offs were also accelerated a further 20% once again under NEP—but with additional administrative changes favorable to Business. In addition to these measures NEP further provided for the repeal of the 7% auto excise tax, a measure not included in the Kennedy program, and introduced for the first time as well the Domestic International Sales Corporation (DISC) which permitted still more tax cuts for corporations involved in export sales. The changes in Depreciation alone amounted, it was estimated at the time, to a tax cut of \$40 billion over the decade. And taken together, the entire package of tax cuts amounted to a windfall for business in general of \$90 billion. The administration sought to justify this multibillion tax giveaway by claiming it was needed to create more jobs. Its real design, however, was to help cut corporate costs, accelerate the expansion of profits, and provide record incentives for a new capital investment boom.

Beyond the above measures, with NEP wage controls were also re-introduced once again—beginning first with a general wage freeze and continuing with subsequent phases of direct controls. As a justification for controls the Administration claimed that they were required to control inflation. But such claims were more propaganda than fact as well since, as already noted, consumer prices had declined steadily over the year preceding the freeze from 6% to about 4% while wholesale industrial prices had risen only 0.4% faster in the entire first half of 1971 compared to the same period a year earlier. The real objective of wage-price controls was controlling wages and not prices. This was clearly evident in the Administration's refusal to effectively enforce price controls while doing so for wage controls. It was evident as well in the fact that over the course of the controls program the rate of wage increases was reduced by nearly one-half in manufacturing and nearly two-thirds in construction while the rate of inflation continued to triple and quadruple. As Arnold Weber, Director of the Cost of Living Council during the freeze and phase 2, admitted once controls had been dropped later in 1974: "The idea of the freeze and phase 2 was to zap Labor, and we did".

Apart from the tax cuts and wage controls, in the area of trade reform the Nixon NEP proposed a 10% import surcharge (i.e. a tariff) and released the U.S. dollar from its peg to gold. According to Nixon these measures were required in order to deal with those mysterious 'evil speculators' who were to blame for the deterioration of the U.S. balance of payments and the growing instability of the dollar and international monetary system in 1971. Propaganda aside once again, however, both these measures were in fact designed to sharply reduce the cost of U.S. made products in world markets relative to European and Japanese made goods, and thereby increase U.S. corporations' share of sales and profits in these markets. Eventually this 10% surcharge was bargained off for international agreements devaluing the dollar 12-15% plus select import quotas which even more improved the competitive position of U.S. corporations than the surcharge itself would have.

This overall package of economic programs referred to as the NEP was for all purposes then basically the same as those similar 'emergency' measures introduced by Kennedy a decade earlier. Differences were largely in emphasis and degree rather than content or form. Not unexpectedly, the results of Game Plan III of NEP were therefore largely the same as those of a decade earlier as well: In brief, following the implementation of NEP, corporate profits accelerated rapidly along a wide front to record new highs and a second major capital investment boom, even larger than that of the sixties, was set in motion in 1972. Detailed statistics on Corporate Profits and Depreciation Allowances (i.e. cash-flow), the Money Supply, and Capital Investment are available in an appendix attached at the end of this article for those who wish more specific figures. Most important, however, is that what this combined data illustrates is that in order to generate recovery from the 1970-71 recession and a rate of Capital accumulation roughly equivalent to the 1963-69 capital investment boom, a profits growth 2 to 3 times that of the previous period (1963-69) and an annual increase in the money supply rate of 13-14%, instead of 8-9%, was required to generate capital accumulation during 1972-74. To put it briefly, the costs of financing a given rate of capital accumulation in the seventies roughly equivalent to a similar rate in the sixties had increased tremendously. The consequences in terms of inflation were no less significant. But in order to determine how significant it is first important to understand how the process of financing and realizing the most recent capital investment boom contributed to the record inflation of 1972-74.

### **Inflation and Capital Accumulation**

An examination of the structure of inflation in the U.S. over the last few years illustrates unmistakably that probably around one-half to two-thirds of the total increase in wholesale and consumer prices can be traced *ultimately* to rising fuel, industrial commodities and food prices. Any analysis attempting to explain the relationship between inflation and capital accumulation/investment must therefore first take account of these three factors.

FUEL PRICES: beginning with fuel, the record shows that wholesale prices remained essentially unchanged over the first half of the sixties, rising to an average annual rate of increase of less than 3% over the second half and never exceeding 5.3% in any given year. In 1970, however,

a significant change in this trend occurred and fuel prices shot up at an annual rate of 15% in that year and continued to rise, on the average, at more than 10% a year from 1971 through the first half of 1973. This significant acceleration of fuel prices can be traced directly to the Capital accumulation and investment policies of the major corporations in the industry.

The fuel industry, which the major oil companies basically control and own, decided in the late sixties that the present decade of the seventies would be a period of massive capital expansion. For example, the Chase Manhattan Bank, the financial agency of several major U.S. oil corporations, reported in early 1970 the industry was beginning to experience a growing shortage of capital and would need to invest over \$500 billion (at 1969 prices) during the coming decade (i.e. more than double that of the sixties) to finance new supertankers, refineries, research and development, pipelines, equipment purchases, diversifications, etc. As Charles Levinson, Secretary of the International Chemical Workers Federation forewarned at the time: "The era of rising oil prices seems definitely to have arrived. . . . Price increases to supply planned levels of cash flow for investment will be the major preoccupation of oil management. New pricing and profit sharing agreements with the oil producing states . . . will undoubtedly be used to justify exorbitant price increases designed to augment the companies' cash flow and fuel their investments, not only in oil but chemicals, hotels, land development and so on".

Since the major oil companies finance their capital investment primarily through 'internal' sources (i.e. cash flow equals profits plus depreciation allowances) rather than through 'equity' financing (selling stocks and securities) or 'bank' financing (borrowing directly from banks and financial institutions), this meant that to raise internally the extraordinary funds required for their capital investment plans the companies had to secure extraordinary profits. In turn, to secure such profits the price of fuel had to rise at an extraordinary rate as well. As John Kercheis, chairman of the Mobil Oil Corporation, admitted back in 1970: "The industry has an insatiable appetite for Capital. . . . The bulk of the money will have to be provided from retained earnings of the international oil companies. Generating the required Capital in the current economic climate is, however, likely to prove impossible without higher prices".

From their point of view the most effective strategy to achieve these record prices and profits was to reduce the available supply of oil and fuel relative to its demand by slowly but progressively cutting refining capacity, secretly capping productive wells, stockpiling, re-exporting supplies, and so forth. By means of this classic monopolistic behavior they were able to drive up the price of oil and substitute fuel sources they had bought out as well. This strategy was implemented by the oil corporations progressively over the period 1970-73 and is effectively documented in several Congressional investigations and reports. With the onset of the Arab-Israeli war in October 1973 the above strategy and process, moreover, was accelerated under the cover and convenient scapegoat of the Arab oil embargo. But as the same government investigations and reports above reveal, the embargo itself did little to effectively prohibit the flow of oil. Rather the shortages were artificially created by the major corporations themselves to

justify record price increases and secure superprofits for their capital accumulation and investment plans. A rough estimate would be that rising oil and fuel prices reverberating throughout the economy were probably responsible, either directly or indirectly, for around 20-30% of the increase in wholesale industrial commodity prices between 1972-74.

**INDUSTRIAL COMMODITY PRICES:** A second major area is that of (nonfuel) industrial commodity prices. These cover goods produced by corporations in industries such as steel, rubber, metals, transport equipment, lumber, paper, textiles, chemicals, machinery, and so forth. These are also industries which, like oil and fuel, are highly concentrated and monopolistic. Corporations here are thus able to easily pass on their costs in higher prices and, in many cases, to manipulate supply and demand to raise prices as well.

The rise in industrial commodity prices (which comprise 75% of the entire wholesale price index) was especially rapid between late 1972-74. That is, during those years when the most recent Capital investment boom reached its peak as well. For example, after actually declining slightly on the average during the first half of the sixties, prices for industrial commodities rose at an average annual rate of about 2% in the second half, reaching a high of 4% in 1969. From 1970 through the first half of 1972 they maintained a steady annual increase of only 3.5% but began to accelerate rapidly in the second half of 1972 again. Throughout 1973 industrial commodity prices then rose at a 14.8% rate, accelerating to a 25.6% rate in 1974. This clearly accelerating rate of increase can be linked to the process of capital accumulation in a number of ways, some direct and some indirect.

First, it is important to note that the above industries are not only highly concentrated and monopolistic but are also highly energy-intensive. This means that sharply rising fuel prices undoubtedly had a major impact on the cost planning of corporations in steel, aluminum, chemicals, paper, transport equipment, and the like at the time: Given the monopoly power of these corporations, plus the record demand for their products between 1972-74, rising fuel prices were easily and frequently passed on in turn into the prices for the industrial commodities they produced. In short, it can be said that the process of capital investment in the fuel industry contributed indirectly, but significantly, to rising (nonfuel) industrial commodity prices as a result of the monopolistic price behavior and the energy-intensive nature of production in most of these industrial commodity producing industries.

Capital investment contributed to inflation in industrial commodities through the process of financing investment in these industries as well. This occurred basically in two ways. First, to help finance much of the capital investment boom in these industries corporations had to borrow heavily in private money markets. This demand for investible funds, particularly short-term funds, served to drive up interest rates at a time when a number of additional forces were also at work driving up interest rates to record levels. To name just a few of the most important of these forces causing record highs in interest rates at the time: the collapse of the stock market in 1973-74 seriously reduced alternative sources of raising funds for financing capital investment; the generally high rate of inflation itself served to increase the demand for loanable

funds as corporations sought to borrow more to cover rising operating costs; this same high rate of inflation also increased the demand for money for use in speculative ventures; finally, the participation of the government sector in borrowing to finance rapidly growing deficits further increased the demand for money and raised interest rates as well. All of these factors served to drive up interest rates to record highs far above even those levels reached in 1969. Short-term rates up to 12-15% were not uncommon at the peak of the boom in 1974, whereas rates only around one-half these figures were common during the previous period of rapid capital accumulation during the late sixties. The main point, however, is that as in the case of fuel, the monopolistic and 'administered' pricing policies of corporations in these industrial commodity producing industries permitted them as a general rule to pass on the costs of sharply higher interest rates in the prices of their products.

Finally, financing capital investment affected (nonfuel) industrial commodity prices in yet another more direct manner as well. Specifically, the largest corporations like GE, U.S. Steel, and others able to rely more on 'internal' sources of financing behaved with regard to financing capital investment much like their monopolistic cousins in the oil industry. Here, however, instead of directly controlling supplies as a means for jacking up prices, they were able to manipulate the worldwide economic boom and rising demand for their products as a cover for raising their prices. Whether manipulating supply or manipulating demand, however, the outcome was basically the same: Superprofits, increased cash flow, and the necessary funds for financing capital investment. This process of financing capital investment in the industrial commodity producing industries, along with the impact of higher fuel prices on these industries, likely contributed another 30% or so to the overall increase of wholesale industrial commodity prices at the time.

### **Inflation, Devaluation and Speculation**

With regard to rising industrial commodity prices mention must also be made of the fact that the trade reform and devaluation policies of the Nixon administration contributed to inflation here as well. Designed to improve the terms of trade for U.S. corporations in world markets and thereby increase sales and profits, devaluation can also be viewed in relation to capital investment. Specifically, it can be viewed as a means for providing the necessary expansion of markets in which the increased output resulting from additional productive capacity can be sold. With regard to industrial commodities, many of the above industries are not only highly concentrated, monopolistic and energy-intensive but are also heavily dependent in many cases on imported raw materials. It can be said therefore that the devaluation of 1971 and 1973, which had the general result of raising import prices, resulted as well in sharply higher prices for imported raw materials. These prices in turn were subsequently passed on by U.S. corporations in these industries in the prices of the industrial raw commodities they produced.

For example, the price of imported raw materials increased on the average at an annual rate of 1.5%

between 1967 and the first devaluation of the dollar in late 1971. Following this devaluation the volume of raw material imports consequently increased in 1972 to more than five times the 1967-71 average. Simultaneously, the price of raw materials imports in 1972 also jumped more than 30%. Following the second devaluation in February 1973 largely the same process took place. The volume of raw materials imports in 1973 rose three times above that of the previous year and raw materials prices jumped a further 50% over 1972.

Apart from higher import prices, moreover, devaluation also led to increased exports of certain critical raw materials still available in relatively abundant supply in the U.S. at the time: the best examples here perhaps are lumber, coal, steel scrap, to name a few. But as exports of these raw materials rose rapidly between 1972-74 they consequently produced shortages of these items in the U.S.—thereby driving up their prices as a result. Under such conditions of growing shortages and rising prices, heavy speculation in these commodities also served to drive up prices still further.

As noted above, therefore, trade reform and devaluation can be integrally linked to the process of capital investment in today's environment of increasing competition for world markets. That is, if U.S. corporations are to be able to out-compete their capitalist rivals by producing at a lower unit cost as a result of investing in new and more efficient plant and equipment, then existing markets must be expanded and/or new markets secured in order to ensure that the greater volume of output can in fact be sold for profits. It was therefore no coincidence that both Kennedy and Nixon sought to obtain a relatively larger share of world markets and sales for U.S. corporations through various trade measures while simultaneously providing these same corporations with special incentives and tax cuts to expand capital investment. Meanwhile it can be said as well that just as measures directly related to stimulating capital investment produced significant inflationary pressures, more indirectly related measures such as devaluation also added to inflation in the category of wholesale food prices.

For instance, wholesale food prices comprise 25% of the wholesale price index. And just as the devaluations of 1971 and 1973 served to raise industrial commodity prices by increasing the cost of critical raw materials, so did these same devaluations contribute to a sharp rise in food prices at the time. There are two general areas in which U.S. corporations produce, on the average, more efficiently than their foreign competitors: one is producers durable goods (machinery and manufactured goods). The other is food. The devaluations of 1971 and 1973 greatly stimulated exports of food products made in the U.S., thereby causing shortages of these products and, in turn, higher prices for wholesale food and feed as result of these short supplies. In addition, as shortages began to occur and prices to rise, speculation in wholesale commodity futures (of food) began to intensify, thus driving up wholesale food prices even further.

This relationship between devaluation, expanding food exports, temporary shortages, decline in supplies relative to demand and rising wholesale food prices is evident in the following statistics:

	<u>Exports and Wholesale Food Prices</u>		1972	1973	1974
	Ave. % Chng. 1960-69	Ave. % Chng. 1970-71			
Total US Exports	7%	.02%	14.6%	44%	35%
U.S. Food Exports	4%	.003%	29.0%	97%	17.7%
Wholesale Crude Food & Feed Prices	1.5%	.02%	11.5%	41%	9.0%*

(\*After mid-1974 food exports fell off sharply as deepening recession abroad reduced demand, thus making available an oversupply in the US and a fall in wholesale food prices in the second half of 1974)

In brief, it is likely that up to one-half to two-thirds of the total increase in wholesale food prices between 1972-74 can be attributed to the devaluation of 1971 and 1973 and the commodities speculation which followed upon the increased exports, shortages and price increases resulting from these devaluations.

If at this point we now add up the impact of capital investment on wholesale prices for fuel, industrial commodities, and food in the various direct and indirect ways outlined above, then roughly two-thirds of the inflation in wholesale industrial commodities (which make up 75% of the total wholesale price index) and up to 50-60% of the inflation in wholesale food prices (which comprises 25% of the index) can be traced to the process of financing capital investment in one way or another. If the wholesale price index increased 47.8% during 1972-74 this would mean an estimated 32.2% of this figure was associated with financing capital investment in some way. This then leaves about 15.6% or around one-third of the total rise in wholesale prices between 1972-74 to be explained and accounted for by factors other than the impact of capital investment on fuel, industrial commodities and food prices in the ways outlined above. To summarize perhaps a bit more concisely:

These figures, it should be noted, do not represent exact percentages but are rather presented only to represent very rough proportions between these various elements related directly or indirectly to financing capital investment that have been responsible for a great deal of the inflation in wholesale fuel, industrial commodity and food prices in the period under consideration.

A good deal of the above increases in wholesale prices was or course passed on in turn into higher consumer prices for food, utilities, rent, transportation, clothing and so forth. But higher consumer prices cannot be attributed totally or solely to the pass-through of higher wholesale prices. At the consumer level factors such as speculation, profiteering and price gouging also play a significant role.

Perhaps the best example is retail food, where price increases generally outstrip even the rise in wholesale food prices. Moreover, a good proportion of the record increases in recent years in prices for medical care, recreation, and various other services—plus a good part of the higher costs of mortgages, automobiles and other major consumer durables—has been due to causes in addition to the pass-through of higher wholesale prices linked to capital investment.

#### Wholesale Prices 1972-74

47.8%...Total change in entire index  
INDUSTRIAL COMMODITIES (75% of entire index)

35.8% (ie. 75% of 47.8)

- 9.0%...Fuel prices (or 20-30% of total rise of index)
- 12.5%...Capital financing and fuel cost pass-through in non-fuel industries (or 30-40% of total rise of ind. commodities)
- 3.5%...Devaluation and Speculation (5-15% of total rise of ind. comm.)
- 10.8%...To be accounted for by other factors (or 30-35% of the total rise of industrial commodity prices)

FOOD COMMODITIES (25% of entire index)

12.0% (ie. 25% of 47.8)

- 6.0%...Devaluation (or 50% of total rise of Food Commodities)
- 1.2%...Speculation (or 10% of " " " " )
- 4.8%...To be accounted for (or 40% of " " " " )

On the other hand, in addition to the role of pass-through of wholesale prices in consumer prices, there is still yet another way by which capital investment has an indirect impact on rising consumer prices. But to understand this one must first understand the important relationship between the expanding government budget deficits of recent years and the overexpansion of the money supply which has to a significant degree been associated with these deficits.

### Inflation and Deficit Spending

An examination of government deficits and fiscal policy in general over the last ten years reveals several interesting and significant trends. For one thing, as the federal government has become increasingly involved in helping corporations finance capital investment through more and more tax cuts and other measures, there has occurred a decided long-run shift in the tax burden away from corporations toward workers. Secondly, the frequency and magnitude of budget deficits have increased as well in recent years—due largely to chronically high levels of defense spending but also to special credit support programs and interest payments on the national debt. Finally, to finance these persistent and growing budget deficits, the government sector has been required to borrow heavily in private money markets—thus making it necessary in turn for the Federal Reserve to overexpand the money supply in order to provide adequate funds to satisfy both corporate and government borrowing needs. It has been this latter development in particular, and specifically the overexpansion of the money supply, which ultimately is responsible for much of the remainder of “unaccounted for” inflation in wholesale and consumer prices referred to above. In other words, apart from and in addition to the specific impact of capital investment in recent years on wholesale fuel, industrial commodities and food prices and the pass-through of these prices to consumer goods, there is the more general cause of “too much money chasing too few goods” generating inflation as well. And to the extent that government assistance to corporations in helping them finance capital investment contributes to budget deficits (and this will be explained shortly), then that assistance and capital investment contributes to inflation in consumer prices as well in the form of “too much money chasing too few goods”.

To elaborate further, federal budget deficits are essentially the difference between what the government obtains in revenues and what it puts out in spending. When spending exceeds revenues the Treasury must go out and borrow the difference in private money markets (mostly from private banks). When deficits are particularly large

and when Treasury borrowing is expected to be heavy in order to finance these deficits, the Treasury notifies the Federal Reserve of its intentions. The Federal Reserve then pumps money into the economy to accommodate anticipated Treasury borrowing. But this action by the Federal Reserve produces an overexpansion of the money supply which generates “too much money chasing too few goods” and, in turn, the inflation referred to above. This process is evident as a growing trend in the following statistics on deficits and in those figures on money supply growth contained in the appendix attached.

This federal borrowing to finance budget deficits has accelerated as rapidly as it has largely on account of chronically high levels of defense spending, on the one hand, and a declining share of corporate income taxes to total federal tax revenues, on the other.

With regard to taxes, for example, as recently as 1967 the share of total revenues contributed by the corporate income tax was about 22.8%. Payroll taxes, which is a direct tax on workers, comprised about the same percentage, 22.4%. Individual Income taxes constituted about 41%, while highly regressive federal excise taxes made up another 9%. By 1974, however, this picture had shifted dramatically largely as result of the numerous tax cuts granted to corporations by the government to stimulate capital investment. Thus, while the share of Individual Incomes tax revenues and excise tax revenues to total revenues remained basically unchanged by 1974 at 44.8% and 6.3%, respectively, the share of corporate Income tax revenues to total revenues *decreased* significantly to only 14.5% in 1974 compared to 22.8% in 1967. At the same time the difference in this drop was made up by an equally sharp *increase* in payroll taxes which rose from 22.4% in 1967 to 29.0% in 1974. This shifting tax burden away from the corporate Income tax onto workers and payroll taxes promises to accelerate. Estimates for 1975 show that the Individual Income tax and excise tax will constitute 42.4% and 7.1% of total revenues—while corporate income taxes will continue to decline to 13.8% and payroll taxes to rise to 30.9% of total tax revenues.

The point here is that if recent corporate tax cuts aimed at providing incentives to stimulate capital investment (i.e. recall that the Tax Revenue Act of 1971 alone amounted to a \$90 billion tax cut for corporations) had not been granted and had US corporations been required to pay their fair share of taxes, the budget deficits of recent years could have been avoided. Consequently there could have been avoided as well the deficit financing, treasury borrowing, and the overexpansion of the money supply needed to accommodate this borrowing. Consequently as well in turn much of that part of the inflation of recent years stimulated by the overexpansion of the money

### Budget Deficits

	1955-59	1960-64	1965-69	1970-74
Average Annual Deficit	\$2.3 b 1/yr.	\$4.2 b 1./yr.	\$7.2 b 1/yr.	\$13.4 b 1/yr.
% Chng. over prior 5 yr. period	*	60%	71%	86%

(\*1955-59 cannot be compared with 1950-54 as different budget concepts prevailed)



## The Shifting Tax Burden

	1967		1974		1975	
	\$ value	% tot. rev.	\$ value	% tot. rev.	\$ value	% tot. rev.
Corporate Income tax	33.9 b 1.	22.8%	38.6 b 1.	14.5%	\$38.5 b 1.	13.8%
Payroll Tax	33.4 "	22.4%	76.7 "	29.0%	86.2 b 1.	30.9%
Individual Income Tax	61.5 "	41.0%	113.9 "	44.8%	117.7 "	42.2%
Excise Tax	13.7 "	9.0%	16.8 "	6.3%	19.9 "	7.1%

supply, deficit financing, etc.

Finally there is yet another way that the deficits, overexpansion of the money supply, and subsequent inflation could have been prevented; that is by simply cutting defense spending by as little as one-third (while eliminating it altogether would have permitted tens of billions of dollars to be spent on needed public works and services without worry of stimulating inflation). For example, in the years immediately prior to the Vietnam War defense spending averaged about \$45 billion a year. But with the War it rose sharply to \$80 billion by 1968, remained around that level through 1974, and is estimated to rise to \$100 billion in 1975. Moreover, such chronically high levels of defense spending are inflationary for a double reason. On the one hand, they contribute to budget deficits. But they are inflationary even if they did not contribute to any deficit. This is because defense spending releases into the economy money for which there are not corresponding purchaseable goods. Consumers do not buy jet aircraft or submarines. They do get paid for building them, however, and then subsequently spend this income on other consumer products which increases the demand for these products and creates the preconditions for profiteering and price gouging by business.

This above "deficit inflation" which has resulted largely from the shifting tax burden and chronically high levels of defense spending has also had a kind of 'feedback' mechanism contained within it. That is, as the above deficits began to accelerate in size and frequency in recent years the national debt, which is the accumulated sum of these deficits, has risen accordingly. Along with this increase the amount of interest payable on this debt each year has increased commensurably until these annual interest payments on the debt have now become a major factor contributing to the deficits as well. The 'cost' of paying the interest on the debt in recent years is indicated as follows:

To sum up, there is a 'base' or first level of inflation causation upon which inflation caused by the impact of capital investment on wholesale fuel, industrial commodity and food has been added. This base level inflation is derived from the significant overexpansion of the money supply. This overexpansion in turn has its origins in two major sources: First, a conscious policy by the Federal Reserve to provide credit to help finance corporate capital

investment; Second, expanding federal budget deficits which require the Treasury to borrow larger and larger amounts in private money markets—in response to which the Federal Reserve has had to increase the money supply even further. This deficit-inflation can be attributed largely to the shifting tax burden, chronically high levels of defense spending and rising interest payments on the debt. It is important to note in this regard that it is the process of financing the deficits and not the deficits per se which has been the cause of a good part of the overexpansion of the money supply in recent years and the inflation resulting from it. And it is this overexpansion of the money supply for the various reasons above which accounts for most of that 'unexplained' inflation in wholesale and consumer prices not directly related to the impact of capital investment in fuel, industrial commodities and food outlined earlier.

### Future Prospects

As this contribution has tried to illustrate, the process of financing capital investment in the highly concentrated and monopolistic industrial commodity-producing industries is a significant factor generating inflation in the U.S. This is especially true during expansionary periods of the short-term business cycle. And it is a factor which has generally been overlooked in our press and its analysis of inflation.

We are all aware of the heavy impact fuel price increases have on the economy and inflation in general. The source of this inflation is ultimately the oil companies' policy of securing for themselves record levels of cash-flow with which to finance capital accumulation. Not so readily known, though, is the fact that a similar process has been occurring in other highly monopolistic and industrial commodity-producing industries.

Not receiving enough emphasis as well is the influence of government tax and trade policies on inflation, or the role of these policies in relation to government efforts to assist US corporations in financing capital investment. There is a distinct and significant trend on the part of the State, in particular the federal government, to intervene more and more in the process of financing capital

### Interest on the Debt (in \$ billions)

1965	1969	1970	1971	1972	1973	1974	1975
\$10.3	\$15.7	\$18.3	\$19.6	\$20.5	\$22.8	\$28.0	\$45 (est.)

investment—mainly in the form of increasing business tax cuts and devaluation or export policies. And this is no accident. For in the present period of increasing inter-imperialist competition for world markets, plus rapid changes and innovations in technology, capitalists are finding it increasingly difficult to finance capital expansion on their own. This is especially true in some of the heavily capital-intensive industries. The rate of turnover of fixed capital has accelerated significantly. Competition is taking on more and more the character of competition in technology as well as in prices. This technological competition is highly expensive. Refineries, steel mills, paper and chemical plants, etc. all cost hundreds of millions of dollars apiece. And they become outmoded relatively soon as well. Given this situation, corporations have been calling more and more on the federal government to subsidize their investment efforts.

The direct result of this has been in turn a shifting tax burden as corporate and income tax provisions are watered down to stimulate capital investment. Investment tax credits, depreciation write-offs, DISC's, capital gains loopholes, etc. are all part of the same process. Meanwhile, workers and consumers are required to carry an ever-increasing tax burden.

In conjunction with chronically high levels of defense spending, this shifting burden has been reflected in accelerating budget deficits which have an inflationary impact in their own right. However, sight must not be lost of the fact that financing capital investment contributes to budget deficits as well through the medium of taxation policy.

Thus, by focusing more on capital accumulation and monopoly behavior with regard to inflation it is possible to consider more directly in an analysis of inflation the role of factors such as inter-imperialist competition, the State and technology. Finally, such a focus also permits an explanation of the fact that 'base levels' of inflation have been rising with subsequent short-term business cycles in recent years.

For example, in the recession of 1960-61 the rate of consumer prices increases was essentially zero while wholesale prices actually declined. This rate rose to about 6% for consumer prices at the peak of the capital

investment boom in the late sixties and to 4.8% for wholesale prices. It then declined, but to only 4% for consumer prices and 3.5% for wholesale prices in the 1970-71 recession. During the subsequent capital investment boom the rates rose to 12.5% and more than 20%. Finally, with the present recession these rates have receded, but only to 7-8% for consumer prices and slightly less for wholesale prices. A kind of 'ratchet-effect' is thus occurring with each subsequent boom and bust cycle, where in each recession following a boom the rate of inflation falls but to levels higher than in the preceding recession. This leaves a higher base level upon which more inflation is then added with each subsequent capital accumulation cycle. If we therefore think of this 'base-level' inflation as derived roughly from deficit spending and the remainder as resulting largely from financing capital investment in general, we may have an adequate conceptualization of inflation in the US which integrates capital investment, monopoly and deficit spending.

The US economy now stands on a threshold of a repeat of the inflation of 1972-74—but at a higher level. As oil company profits have fallen in recent months due to the world wide recession, oil and gas prices have begun to rise as these companies have attempted to maintain their cash-flow for investment purposes. The same basic process is occurring in Steel, Aluminum and other industrial commodity producing industries. Exports of food have once again begun to accelerate sharply, most notably as result of the recent grain trade. Not least, of course, there are the huge federal budget deficits looming on the horizon. Meanwhile as well, pronouncements and official trial balloons in recent days are immanent warning of yet another bonanza tax giveaway for US corporation to stimulate capital investment.

Should this occur and a new round of corporate capital investment begin, then together with government deficits the overexpansion of the money supply could prove catastrophic and of record proportions. Inflation could easily range in the 20%+ category. Should this possibility become reality, the strains on the financial system would certainly prove too much for certain sectors. 'Disintermediation' and bankruptcies would become widespread, and the economic and political repercussions would make the present recession appear most tame in comparison.

## APPENDIX

### Corporate Profits & Depreciation Allowances

(in \$ billions and annual % changes)

	Ave. % Chng. 1960-61	1962*	1969	Ave. % Chng. 1962-69	1970	% Chng. 1970	1974	Ave. % Chng. 1973-74	
After-tax Profits	-2.3%	27.2	44.8	8%/yr.	39.3	-12.3%	85.2	29.2%	
Profits + Deprec.	1.4%	53.5	96.8	10.1%/yr.	95.2	-1.7%	161.9	17.5%	

Money Supply and Bank Credit  
(in \$ billions and annual % changes)

	% Chng 1960	1961*	1965	Ave. % Chng 1961-65	1969	% Chng 1969	1970	% Chng 1970	1971	1972	Ave. % Chng. 1971-72
Money Supply (M3)	5.0%	314.4	462.6	9.4%	593.5	2.9%	642.8	8.3%	728	823.2	14.0%
Bank Credit	4.6%	197.4	300.1	10.0%	401.7	2.7%	435.5	8.4%	485	556.4	13.9%

Capital Investment  
(in \$ billions and annual % Changes)

	1960	1961	Ave. % Chng 1960-61	1969	Ave. % Chng 1963-69	1970	% Chng 1970	1971	% Chng 1971	1974	Ave. % Chng. 1972-74
Total	36.8	35.9	-2.4%	75.6	13.8%	79.7	5.4%	81.2	1.8%	112.3	12.8%
Manufacturing	15.1	14.3	-5.3%	31.7	15.2%	31.9	.6%	29.9	-6.2%	45.8	17.7%
Non-Manuf.	21.7	21.6	-.4%	43.9	12.9%	47.8	8.8%	51.2	7.1%	66.5	9.9%

\* refers to January 1 of the year indicated; all other years refer to a December 31 date.

## A CHALLENGE TO THE INTEGRITY OF THE PARTY

by Barry Sheppard

August 1, 1975

In *Discussion Bulletin* Vol. 33, No. 7, Comrades Peter Graumann, Gerard Guibet, Berta Langston, Jim Morgan, Celia Stodola, Alan Wald and Bob Langston have submitted to the current preconvention discussion a copy of a letter sent to the National Committee on August 15, 1974. This letter was originally signed by the above comrades and Ralph Levitt. Levitt has since been dropped from membership by the Oakland-Berkeley branch for consistent and prolonged inactivity.

The ostensible purpose of the August 1974 letter was to protest the "expulsion of the IT." Its real purpose was to justify the utter disloyalty and indiscipline of the IT, and its splitting action directed against the party. The main argument presented by Langston *et al.* is that whatever the IT did was justified, because the objective basis of party loyalty and the very authority of all party bodies from the 1973 convention on down have been destroyed by action of the SWP. Before taking up this grave charge and its implications, I will discuss some secondary points raised by these comrades.

The August 1974 letter presents a version of the IT split that does not conform to the facts. The report of the SWP Control Commission, and the document Bob and Berta Langston submitted to the secret IT discussion bulletin which is appended to that report, refute the August 1974 letter, as comrades can see for themselves (newer comrades

may want to refer to the Control Commission report, contained in SWP *Internal Information Bulletin* No. 6 in 1974). There is no need to review those facts here.

### Factional Gangs or Combat Party?

Before proceeding to their main point, the authors of the August 1974 letter raise two additional questions. On the first, they write: "Nevertheless, it should be noted that the comrades of the CC [Control Commission] express an opinion in their report which, if it should be adopted by the party, would render any statute on the rights of organized minorities incoherent. For they wrote: 'But an organized faction can circulate its own internal discussion bulletin only on the condition that it receive the prior approval of the party and that its bulletin be made available to the party.' (It should be stressed that this is only an opinion, for although the comrades of the CC present it as a gloss on the 1965 resolution, *The Organizational Character of the SWP*, and although they claim for it the dignity of a 'principle of Leninist organization,' it is not at all implied by anything in that resolution nor has it, as far as we know, ever been incorporated into the statutes of any democratic centralist organization.) But what conceivable sense could be made of a statute that would, on the one hand, grant factions the right in general—without anybody

y's prior permission—in the words of the CC 'to meet privately' and 'to circulate drafts of proposed documents among faction members for the purpose of preparing material for presentation to the party as a whole,' and yet would, on the other hand, deny this right to privacy when faction discussion was transferred from meetings to paper and would permit *comments* on the proposed drafts to be circulated among faction members only with the prior approval of the leadership?" (Emphasis in all quotations through this article are in the original.)

Perhaps the authors of the August 1974 letter find the Control Commission statements "incoherent" because they have falsified the facts to cover up for the IT. The discussion in the IT leading up to their May 1974 convention was not at all an exchange about "proposed drafts" to be submitted to the party. The bulk of the discussion was about how and when to split the SWP and what line the IT as an independent organization would carry out. It was these discussion documents that demonstrated that the IT had been set up as a rival organization to the SWP. That's why they were kept secret from the party. What political drafts there were, for example the trade union resolution, were not proposed drafts to be submitted to the party, as proposals to guide party work—they were drafts to guide the work of the IT, in for example the trade unions, *in opposition to the party*, and were proposals to be kept *secret* from the party.

Factions have the right to discuss their drafts of articles or resolutions *to be submitted to the party as a whole*, their tactics in the factional struggle, etc., including through discussions "on paper." But this does not give them the unconditional right to determine their own conduct inside the party. Contrary to Langston *et al.*, this is spelled out in the resolution, *The Organizational Character of the Socialist Workers Party*, which states, ". . . to grant such demands for special license to organized minorities would strip the party of the right to regularize its internal affairs and would undermine its whole democratic-centralist structure. . . . The party would become converted into an all-inclusive federation of autonomous factions; it would degenerate into a political jungle where perpetual factional warfare prevailed . . . the party is therefore entitled to organize its internal discussion and determine its forms and limits." The resolution makes it clear that it is the party through its democratically elected leadership bodies that determines the time, place and extent of all internal discussion, not any grouping or individuals within the party. A grouping cannot decide to get around this provision by unilaterally opening its own discussion. If the IT, for example, had this right, it would have to be extended to all other groupings. A majority faction would have this right, too. Thus, if every tendency or faction had the right to hold its own secret internal discussion, the provision that the party as a whole has the right to regulate discussion and decide on its timing, forms and limits would be circumvented. The purpose of this provision, which is that we discuss in order to decide and act, would not be realized. The party would be reduced from a democratic centralist organization, which acts as a single organism following decision through democratic discussion in the *whole* party, to a perpetual talk shop.

Further, if each faction were to conduct its own secret discussion, the discussion in the party as a whole would be subverted. In place of the open presentation of all points of view before the entire membership so that it can decide the

disputed questions, the real views within each faction would be kept secret from the members of opposing factions. Real debate of differences would disappear in the party as a whole. The possibility of resolving differences through the test of events would be reduced. Factional lines would harden. Permanent factionalism would take over, as the real discussion would take place in the factions and not in the party. "Perpetual factional warfare" would certainly describe such a situation. The party would be destroyed as a democratic-centralist organization. It would not only become a perpetual talk shop, but also a permanent federation of cliques and currents.

Private discussion, including written exchanges, within a faction to help prepare material to be submitted to the party as a whole at the proper time, is not the same thing at all as a faction arrogating the right to itself to conduct its own secret discussion to keep its views hidden from the party. Any decision to allow a faction to have its own discussion bulletin is exceptional and must be made by the party as a whole, and such a bulletin must not be kept secret from the party. Despite Comrades Langston *et al.*, this is not an "incoherent" position but a consistent one, based on the principle that it is in front of the party as a whole that the political issues will be debated so that the membership can intelligently decide disputed questions, and it is the party as a whole that regulates the proper time, place, forms and limits of the discussion.

### **International Democratic Centralism and the Myth of Higher Bodies**

A second series of points raised in the August 1974 letter concerns the relation between the SWP and the Fourth International. After noting that the statutes of the Fourth International are not binding upon the SWP, because the SWP is prevented by reactionary legislation from affiliation with the Fourth International, the authors claim that if the SWP were a section, it would have had to follow a different procedure than the one it did in the case of the IT. They cite Section VII, Subsection 29, Paragraph (h) of the International statutes, that "Members facing disciplinary action are entitled to know in advance the accusations brought against them, to present their defense and, except where it is geographically impossible, to confront their accusers."

If the SWP were not barred from being a section of the International, the SWP and the SWP alone would still decide its own statutes. No "higher body" can do this. Each section must decide on its own statutes, in light of the general principles of democratic centralism, based upon its own stage of development, the conditions under which it is operating, etc.

The SWP constitution does provide a trial procedure that does in fact parallel the section of the International statutes quoted by Langston *et al.* This is the procedure utilized by the branches in most cases of violations of discipline, etc. But there is another procedure, which is not at all in contradiction to the International statutes, in cases involving the Control Commission. It was this procedure that was followed in the IT case, and for good reason.

On May 11, 1974, the IT members in those branches where they existed carried out a breach of discipline as is documented in the Control Commission report, in connec-

tion with demonstrations against the repression in Chile on that day. This was a nationally coordinated action by the IT, and not a case of individuals or groupings within particular branches violating discipline on their own. The IT leadership took full responsibility for it. The Political Committee therefore decided to refer action on this deliberate breach of discipline to the National Committee, which had already scheduled a plenum in June, rather than advise the branch leaderships to bring charges against the IT members for breach of discipline and hold trials in the branches where IT members existed.

The National Committee plenum concurred with the view of the Political Committee that more was obviously involved in this case than a breach of discipline, and requested that the Control Commission investigate the whole affair.

### The Control Commission's Discoveries

The procedure outlined in the party Constitution for Control Commission investigations is as follows (Article VI):

"Section 1. A Control Commission of five members shall be elected as follows: the Convention shall elect four members and the fifth member, who shall be a member of the National Committee, shall be designated by the National Committee. The Control Commission shall have full authority to investigate any individual or circumstance which it may deem necessary, and shall have power to delegate any of its authority to representatives.

"Section 2. The Control Commission, on completion of its investigation in each case, shall present its findings and recommendations to the Political Committee for action. Action shall be taken by the Political Committee, or by the National Committee, in those cases referred to it by the Political Committee.

"Section 3. In those cases where the Control Commission finds it necessary to intervene, its authority shall supercede any local investigation or trial.

"Section 4. It shall be obligatory on every member of the party to furnish the Control Commission or its authorized representatives with any information they may require."

The Control Commission thus has wide powers of investigation, although no power to take action. The Political Committee is designated as the body which takes action upon the Control Commission findings, except when it decides to refer these findings to the National Committee for action. Given the fact that the May 11 actions by the IT were a deliberate political action by the IT on a national scale, the Control Commission investigation was the indicated procedure to get to the bottom of the situation—which it certainly did. It was then up to the Political Committee to take whatever action necessary in the interests of the party—which it also certainly did.

The Political Committee action of July 4, 1974 was not taken primarily for the acts of indiscipline committed by the IT that the Control Commission found (and there were many of those—one example is the fact that the IT faction included a sizable proportion of nonmembers, a gross violation of the elementary norms of the party). The Control Commission discovered that the IT had set itself up as a rival organization to the SWP, and this explained the pattern of IT indiscipline. The only possible question of fact involved was whether or not the IT secret discussion

bulletins were in fact just that. It was clear that they were genuine. Upon receiving the Control Commission report, it was the duty of the Political Committee, acting with the authority of the National Committee, to take the steps necessary to protect the party in view of the political reality of the existence of the IT as a rival organization out to destroy the SWP.

Langston et al. challenge whether the IT could in fact be called a rival party to the SWP. "The comrades of the CC did not, however, claim to be in possession of any evidence indicating any preparations to undertake any public activities in the name of any group distinct from the SWP and YSA," they write. The key question here is not the name of the IT or whether they have succeeded in forming a stable public group. *The Organizational Character of the Socialist Workers Party* points out that a "tight-knit faction, however, is qualitatively different from an ideological tendency. It tends to become in effect a party within the party, with its own program and its own discipline." A prerequisite for maintaining party unity in a factional situation is that loyalty to the party must be placed above loyalty to the faction. Otherwise, the tendency of a faction to become a "party within the party" not only culminates *in fact* with just that happening, but this party within the party simultaneously becomes a *rival* party to the SWP. That is, its members *render loyalty and discipline to the faction over and above loyalty and discipline to the SWP*. This is exactly the situation the Control Commission uncovered with respect to the IT.

As Langston et al. correctly state, "party loyalty is not merely an abstract idea but a standard of political conduct." But loyalty to the IT was placed over and above loyalty to the SWP. Discipline to the IT was placed over and above discipline to the SWP. The IT determined its own areas of work inside and outside the party, and included a sizable portion of non-party members. The fact that this formation has blown apart subsequent to the July 4, 1974 action of the Political Committee striking members of the IT from the rolls, only confirms what most members of the SWP already knew—that the IT was an unprincipled combination from the start, did not have a coherent line or perspective, and could never become a stable political organization.

The procedure followed in this case was not unprecedented. The Burnham-Shachtman-Abernites were suspended by the National Committee and expelled by a subsequent plenum-conference without a trial. The Morrow grouping was expelled by a convention after a control commission report, without a trial, for disloyalty. The leaders of the Cochran-Bartell grouping were suspended from the party and the party membership reregistered by action of the National Committee after they challenged party authority. The subsequent convention expelled them. The leaders of the Robertsonites were suspended by the Political Committee after a Control Commission investigation, and then expelled by the National Committee, without a trial, for disloyalty. The leaders of the Wohlforthites were suspended by the Political Committee without a trial for violating party norms, and then subsequently expelled by the National Committee. Arne Swabeck was suspended by the Political Committee and then expelled by the convention for attacking the party in correspondence with an opponent, Gerry Healy.

The action taken by the Political Committee on July 4, 1974 was reviewed and upheld by the May 1975 plenum of

the National Committee. The question is now before the convention, which has the final say in the matter, as the highest body of the SWP.

Two members of the IT were granted permission by the 10th World Congress to be fraternal observers at meetings of the IEC. Presumably, they would have been elected as regular members of the IEC if the SWP was permitted to affiliate with the Fourth International. The authors of the August 1974 letter imply that if the SWP were permitted to so affiliate, then the SWP could not have stricken these two from its rolls. Not true. Only a World Congress could expel a member of the IEC from that body, but this says nothing about membership of any IEC member in a section. Whether or not the SWP was permitted to affiliate with the Fourth International, the SWP and the SWP alone would determine its own membership. There are no "higher bodies" than the sections themselves who determine the membership of the sections.

Along the same vein, the authors of the August 1974 letter state that "The political foundation of the SWP as an organization is its relationship to the Fourth International; *politically* it is the continuity of the Fourth International in the United States, even though it is prevented by reactionary legislation from affiliating to the FI." This is not accurate. The political foundation of the SWP is its *program*. This program of revolutionary Marxism is internationalist through and through and includes the necessity of constructing the World Party of Socialist Revolution based on this same revolutionary socialist program. But the definition of Langston et al. tends to be narrowly organizational.

The SWP is prevented by reactionary legislation from affiliation with the Fourth International. This prevents SWP representatives who attend meetings of bodies of the Fourth International from casting decisive votes, and prevents the SWP from having any financial relations with the Fourth International. In *all other ways*—for example in its handling of the IT split—the SWP has acted exactly as it would if it were permitted to be a section.

### Langston Makes the SWP Disappear

The points however, are not the main argument put forward by the authors of the August 1974 letter, and in fact are irrelevant to it. Stated briefly, their thesis can be summed up as the assertion that the SWP has been converted into a faction; therefore the decision of its leading bodies are in reality binding only on members of the faction and not on SWP members who are not members of the faction; therefore *no matter what the IT did or did not do*, the party no longer exerted any legitimate authority over the IT.

Early in their letter, Langston et al. lay the basis for this charge through an exercise in sophistry, attempting to prove that the "procedure" followed in the IT case "*strictly implies that the expulsions were programmatic in character.*"

"Moreover, the expulsion procedure implies that it is the *IMT* positions which conflict with the programmatic basis of the SWP. For some of the expelled comrades had not supported the IT's counter political resolution before the August Convention but only, before the December Convention, the documents which the IT shares with the IMT as a whole."

Their reasoning is as follows: The PC expelled "All those

comrades who had declared their support to the documents that constituted the platform of the Internationalist Tendency before either of the last two SWP conventions." Therefore, the PC must have expelled these people *because* they supported certain documents. Moreover, since some of those expelled indicated support to the IMT documents presented to the December 1973 convention, and had not indicated support to the IT documents for the August 1973 convention, the IT was expelled for supporting the IMT programmatic positions.

This syllogism is coherent; it fails on the level of correspondence—that is, it has nothing to do with the facts, and for materialists, this is decisive. The Political Committee instructed the branches to strike from their membership rolls *all known members* of the IT for the reasons outlined in the Control Commission report which had nothing whatever to do with the IMT documents or the political resolution submitted by the IT to the August 1973 convention. How was it decided who were members of the IT? Those who had declared themselves members of the IT were presumed by the Political Committee to be members of the IT, unless they had informed the party to the contrary. Eight members, those who signed the August 1974 letter, had so informed the party that they had resigned from the IT and so were not included. This fact, admitted in their letter, destroys their syllogism in and of itself. Langston et al. also try to make something of the fact that certain of those stricken from the membership rolls "didn't consider themselves members of the IT" although they hadn't so informed the party. Not one of these "innocents" however protested to the party that they had been mistakenly included as members of the IT, or appealed to be re-admitted on that basis.

The action of the Political Committee was not based on the documents of the IMT or the IT—that is, on those documents submitted to the party as a whole. It *was* based on the secret IT documents that exposed its whole split operation, and which were based on the IT's real political view that the SWP was degenerate and worthless. Our authors' sophistry is designed to bolster the false charge that the SWP has decided that programmatic agreement with the Leninist-Trotskyist faction is a condition of membership in the SWP, and that agreement with the positions of the IMT is incompatible with such membership. This charge serves two purposes. It covers up the real reasons why the IT was stricken from the membership rolls by diverting attention to an alleged decision by the SWP to make agreement with the LTF a condition of membership. More important, it serves to bolster the charge that the integrity of the SWP has been destroyed.

"On August 9, 1973," Langston et al. assert, "the SWP leadership took a step that violated this principle of the distinction between party and faction by solemnly affirming that it would turn the Party organization as such into an instrument of factional struggle. Since that date, it has made no effort whatever to correct that error. On July 4, the SWP leadership again violated that principle by taking an action that in fact imposes a factional platform as the programmatic basis of the Party. . . ."

"Last August 9, the 25th National Convention adopted, at the behest of the party leadership, a motion approving the general line of the PC's World Movement Report. The heart of that report was a declaration of factional war on the majority of the leadership of the Fourth International. Of five points singled out by the motion for special

emphasis the last was:

"5. The convention instructs and empowers the incoming National Committee to use all the forces and resources at its command to struggle for a democratic world congress and a Trotskyist Fourth International."

### Rewriting the Record

Since this quotation from the motion passed by the 1973 convention doesn't quite suit the purposes of Langston et al. they reinterpret it for us: "With no change in meaning at all, point five of that motion could have been phrased: 'The convention instructs and empowers the incoming National Committee to place all the forces and resources at its command at the disposal of the soon-to-be-declared Leninist-Trotskyist Faction for use in its factional war on the majority of the leadership of the Fourth International.'" "

Comrades can read the World Movement Report adopted by the 1973 convention in *Internal Information Bulletin* No. 7 in 1974. The situation we faced at that time was that we had discovered, through receiving a copy of a letter from John Barzman that the IT circulated, that there was a section of the IMT that was out to split the SWP and the Fourth International) and that the IT supported this split wing of the IMT. This news came on top of a series of events that occurred since the 9th World Congress, that had demonstrated that a section of the leadership of the Fourth International, by that time the leaders of the IMT, had engaged in a number of secret factional maneuvers behind the backs of the elected leadership of the International and its sections that endangered the unity of the International. This violation of Trotskyist norms was compounded by the fact that the IMT was pressing for a quick World Congress without adequate preparation and discussion, and without even translation of key articles into French. Against this drive towards an undemocratic World Congress and split, drastic action had to be taken.

The IT was given clear warning by the convention to reverse its disloyal course; unfortunately, this advice was ignored. The SWP noted that the IMT was a faction, and urged them to openly declare themselves as such, and recommended to the Leninist-Trotskyist Tendency that in the light of these factors it consider converting itself into a faction to fight the splitters. This was the convention decision for the simple reason that all our experience has convinced us that at a certain point, openly declared factions, disciplined and under a recognized leadership, can help curb more provocative elements and help stabilize the situation so that the political struggle can proceed in a responsible manner.

As the motion quoted by Langston, et al. plainly states, the convention instructed the National Committee to fight for a democratic World Congress and Trotskyist norms in the Fourth International, against the splitters. All Trotskyists, whatever their positions on the disputed political questions, should have welcomed this move and joined with the SWP on *this* question.

The reporter to the convention, speaking as a leading supporter of the Leninist-Trotskyist Tendency, explained, "The purpose of this faction (the Leninist-Trotskyist Faction) will be to declare war on the entire split pattern that is evolving willy-nilly. We won't put our heads in the sand while the world movement is being driven by wild horses to a split congress, a congress that can't solve any of the big questions at issue. A split would be worse than a tragedy. It would be a crime. And history would brand as

criminals those who unnecessarily speed it along and those who flinch from doing whatever is necessary to stop it.

"We in the leadership who support it will organize the supporters of the faction in the SWP. They will be organized to help finance the faction in the SWP. They will be asked to give contributions out of the ordinary—over and above their normal sustainer pledges to the party, which they must not lower. . . ."

The fight for a democratic world congress and against a split, which was supported by the party through the vote on the motion, Langston et al. quote, did succeed at least to the extent of ensuring the translation of the key documents, and preventing a split at the 10th World Congress.

But point 5 did *not* do what Langston et al. claim. It *did not* place the "forces and resources" of the party at the disposal of the LTF. The LTF which was formed in the SWP raises its own funds from membership pledges over and above their pledges to the party.

### No Loyalty

Basing themselves on their false and arbitrary interpretation of the motion adopted by the 1973 convention, our authors proceed to deduce that the authority of the party has been destroyed, and the objective basis for party loyalty no longer exists. Following are some of their assertions:

"Adoption of that motion inserted an element of corruption, in the most literal sense, into the Party. Although the 1965 resolution on organization correctly insists that party loyalty is not merely an abstract idea but a standard of political conduct, adoption of that motion overthrew that objective standard. For thenceforth it has been impossible, logically impossible, for any comrade to answer for himself or herself the question, If I act in this particular way, am I being loyal or disloyal to the Party? . . ."

"And with the overthrow of that objective standard of political conduct that constitutes party loyalty, there occurred, in certain essential respects, a collapse of leadership authority.

"Since that day [the 1973 party convention], every dime paid in Party dues or sustainer has inescapably raised the question: Is this dime going to be used to build the Party or is this dime going to be used to build the LTF? Every assignment to sell the publications of the Party has posed the question: Are the contents of these publications really intended to agitate, educate and organize for the socialist revolution or are they intended to win some purely factional gain for the LTF?

"Thus the comrades of the CC completely misunderstand the situation when they write: 'If permitted to continue, the actions of the IT would result in the total breakdown of the authority of the units of the SWP.' Since last August 9, little that the IT comrades did or could do could lead to a breakdown of the authority of the units of the Party. That breakdown occurred at the 25th National Convention when the Party leadership took a step that immediately caused the collapse of its authority into a merely factional authority. From that moment on, the units of the party—as distinct from the units of the LTF have been functioning without any authority at all . . ."

No comrades, you cannot arbitrarily interpret convention decisions in your own way, utilize you warped

interpretations to deduce that the "objective basis" for party loyalty has been destroyed, and thereby justify the actions of the IT. There is no justification for their actions. Convention decisions are binding upon every member without exception, whether they agree with them or not. Party loyalty remains a standard of conduct, whether formalistic sophists try to reason it away or not. Langston et al. do a disservice to those comrades in the SWP who are not members of the Leninist-Trotskyist Faction, but who are loyal and hard working builders of the party.

To accept the method of Langston et al. would destroy majority rule. Any minority, on any question could arbitrarily interpret convention decisions to mean that the party had been "converted" into a "faction" because the majority line was being implemented, and then proceed to assert that party loyalty no longer applied and party authority no longer existed for them.

The authors of the August 1974 letter top off their charges with an ultimatum to the party. "Under these circumstances," they say, "it is hard to see how there can be even the beginning of the restoration of the badly mutilated integrity of the Party, of the reestablishment of that standard of political conduct which is party loyalty, and of the recovery of the authority of the Party leadership must have if it is to lead the Party and *not merely a faction*, without these first steps: . . ." Among these steps is the following: "The retraction by the SWP leadership of its slanderous accusations against the majority of the leadership of the Fourth International." No retraction—no loyalty.

The "slanderous accusations" referred to are contained in the statement issued by the Political Committee on July 4, 1974 (*IIB* No. 6 in 1974). The evidence presented by the Control Commission proved that the leadership of the IMT had full knowledge of the split course of the IT. But they did not inform the leaderships of the SWP or of the Fourth International of this fact and seek common action to prevent it. That was disloyal to the SWP and the Fourth International, and made the IMT leaders complicit with the IT split operation. The IMT acted behind the backs of the elected leaderships of the SWP and the Fourth International in this matter—this is not a "slander" but cold fact disputed by no one. In fact, Langston et al. admit this, by again "justifying" the IMT actions, asserting that to act behind the backs of the SWP elected leadership was "*the only way open to*" the IMT leadership because of the "self-induced collapse of the authority of the SWP leadership as a *party* leadership."

More important than their justification for the actions of the IT, which has been bypassed by events, the positions contained in the August 1974 letter call into question the attitude and loyalty to the party of those who now have submitted this letter to the pre-convention discussion. When these comrades, together with Ralph Levitt, submitted their letter to the National Committee last year the leadership chose to ignore it. These comrades had resigned from the IT, and it was better to give them the benefit of the doubt in hopes that they would move back toward the party. But now they have re-introduced the same letter into the party pre-convention discussion, one year later, with the explanation that this letter represents their "attitude." This is a deliberate and thought-out act to reassert the position contained in the letter.

In their letter, these comrades state: "One mistake, though, we did not make. We did not go to the Party leadership with any of our apprehensions about the possible implications of the IT's development." They did not do this, they assert, because to have done so would have made them "simply and solely informers for the LTF wing of the SWP."

This was disloyal to the party. They justify this disloyalty with essentially the same argument that they used to justify the disloyalty of the IT—the argument that the SWP had been transformed into a faction. In this instance, they apply this justification to themselves as well as to the members of the IT, as indeed would be logical. If, in the opinion of Langston et al., the party has been functioning "without authority at all" since the 1973 convention, if the party has overthrown the objective standard of political conduct which is party loyalty for all members of the SWP who are not members of the LTF, then we must conclude that they do not believe that party loyalty and the authority of the party bodies apply to them at the present time. If these comrades should act on this belief, they would place themselves outside the party. If the view of the party expressed in the August 1974 letter were held by anyone outside the party, this would preclude them from being accepted for membership in the party.

Finally, we must assume that the view of the SWP contained in this letter is the view of the IMT. The IMT made parallel charges in September of last year (*International Internal Discussion Bulletin* Vol XII No. 2). Langston et al. are supporters of the IMT, and their introduction of this letter into the discussion at this time indicates that these views represent the considered judgement of the IMT.