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THE CASE FOR A NEW COMMUNIST PARTY IN THE UNITED STATES

The case for a new Communist Party in the U.S. rests on two propositions: the need of the workers to overthrow American Imperialism, smash the capitalist dictatorship and establish the dictatorship of the workers over the capitalists; the need for a revolutionary party to organize the insurrection through which state power will pass into the hands of the workers.

I

American imperialism now, like world capitalism is in decay and cannot play a progressive role in any sphere of life. On the contrary it is a gigantic obstacle to the advance of millions of human beings to a better life and is capable only of deepening their misery.

The United States emerged from the world war of 1914-18 the strongest capitalist power on earth. That decides its role as the greatest single foe of the world's oppressed. Everywhere it throws its gigantic weight against the extension of the Bolshevik revolution of 1917. American imperialism alone saved German capitalism from collapse through the Dawes and Young plans. In the first weeks of the Spanish civil war when the workers threatened to seize power American imperialism demanded that the Peoples Front Government protect its interests,

Their great economic strength has enabled the American imperialists to limit themselves mainly to "peaceful" measures. The agony of German and Italian capitalism forces the ruling classes of these countries to resort to political, diplomatic and even military measures to maintain themselves against the world's oppressed. American imperialism is not visibly active and cloaks its hostility to social revolution behind a welter of hypocrisy about freedom, democracy and isolation, while lesser powers act as policemen against the world's workers and colonial peoples.

But if American imperialism emerged from the war as the strongest capitalist power it lacks for the profitable use of its giant productive plant and enormous capital reserves colonies and markets capable of supplying its needs for raw materials, investment and export. Italian capitalism, for example, lacks markets and colonies, too. But its needs are much less than the needs of American imperialism. The problems of Italian imperialism are bounded by the Near East and Northern Africa; their seat is the Mediterranean. The problem of Japanese imperialism is the conquest of the Far East. But the problem of American imperialism overshadows all the others. To live it must dominate the earth.

If the efforts of Italian and Japanese imperialism to escape their agony lead to military conquests in Ethiopia and China, then the attempt to solve the problems of American imperialism leads inexorably to world war. American imperialism is the biggest war monger in the world. Since the close of the last war American imperialism has been preparing for the coming war. All its policies, domestic and foreign, are shaped to this end.

Across the path of American imperialism stand two great opponents: The Soviet Union and the British Empire. The relations within this triangle and between its several parts and the rest of the world are the key to an understanding of world economy and politics and the policy of American imperialism.

The British Empire sits astride the world. England has what the United States needs. World domination for the U.S. means the destruction of the British Empire.

The Soviet Union, representing a new and higher type of society, can endure only if the world proletariat will overthrow world imperialism including American and British imperialism. The contradiction between the first proletarian dictatorship and American imperialism therefore is greater than the contradiction between American and British imperialism. Moreover, the Soviet Union is not Spain, it constitutes a tremendous market for capitalist exploitation, should the proletarian dictatorship be overthrown.

The threat or reality of world revolution might force British and American imperialism to relegate their differences to the background while they jointly strive to defeat the proletariat. Of course even in that case their united front would not eliminate their irreconcilable hostility. Within the framework of their co-operation the struggle against each other would continue. And it could be resolved only by world war.

But despite the civil war in Spain and the approaching struggle in France, world revolution is more of a potential than a real threat at present. An unbroken series of defeats of the world proletariat since 1918 has reduced the immediate dimensions of the danger from that direction.

The nationalist policies of the Soviet Union under the Stalinist government since 1923; the trend toward capitalism; the weakening of the proletariat; its exclusion from control of political and economic life; and the strengthening of the petty bourgeois and potential bourgeois strata of the Soviet population have abated the menace of the proletarian dictatorship to world capitalism and made it possible for imperialist powers to attempt economic, political and military alliances with the Stalinist government against their rivals.

The diminution of the danger from the world proletariat and the Soviet Union permitted the contradiction between American and British imperialism to come to the fore and occupy the center of the stage. This conflict ranges over the entire earth including the United States and Britain and its dominions and colonies. In their economic and diplomatic struggle American and British imperialism engineer uprisings, overthrow governments, bribe and corrupt whole strata of the population of other countries, force industries and governments into bankruptcy, debase currencies, incite war. From time to time the conflict breaks out into armed struggle as in the Gran Chaco in which American imperialism fought through Bolivia and British imperialism through Paraguay. But all the time it is moving toward its final culmination: war; world war.

The coming, imperialist, world war will be primarily a struggle between England and the United States for domination of the earth. That will be the issue regardless of the line-up. It may fall out

that the war, like the last one, may see the United States neutral for a greater or shorter period while England exhausts itself. And it is not excluded that the United States might again fight on the side of England against a threat from a seemingly victorious enemy. That would not alter the truth of what we say. "Peace" would be established on terms laid down by the U.S. essentially at Britain's expense or vice versa.

The secondary conflicts between Italy and England, and Germany and England are speeding the crack-up of the United States. That is the secret of American neutrality. It appears to be aloof while other forces are doing some of its work for it. Behind the cloak of this neutrality it supported the aggression of Italy in Ethiopia. Its "neutrality" permits Germany to defy England in Spain.

American imperialism would like to wait until England is much weaker, for declining England is still powerful enough to encompass the defeat of American imperialism in the Far East, in the Gran Chaco, in Chile and other places. One of the main factors in determining how long the United States can wait will be its ability to dominate the whole of the Western Hemisphere to the south of the Rio Grande. Canada is already an American province in all but its political relationship to England.

Should the United States succeed in securing the requisite sources of raw materials and outlets for investment and export in Latin America and in bribing or forcing Latin American governments to do its will it will be in a better position to be neutral for a time. The "good neighbor" and reciprocal trade policies are instruments with which it is intended to facilitate the work of economic domination and political control. Roosevelt's unsuccessful South American trip to the Argentine, the heart of British strength in America, was in its real sense a preparation for war.

The so-called recovery which is taking place now demonstrates that American imperialism must go to war to attempt to get out of the crisis which has seized it. Production is soaring. In some branches it has exceeded all previous peaks. Profits are increasing. Dividends are going up.

But the peak is already in sight. Advisers to the bourgeoisie and some of its leading spokesmen are already warning that depression is again around the corner. It is.

The limitations of the domestic recovery impel American imperialism to seek a solution on the world market. Here the obstacles are gigantic: colonies in the hands of other imperialist powers; tariff barriers; exchange restrictions; export and import quotas; increased competition; forcible seizure of markets; civil wars; social unrest; class struggles; economy strained to the breaking point by stupendous war preparations.

Social unrest in Europe and Asia and the approach of war make the export of capital dangerous.

American imperialism can combat restrictions on its export trade only by increasing its import of agricultural products which conflict with the product of American agriculture. It is embarked on this

policy. The AAA program is designed to bribe the upper strata of the farm population into accepting the sacrifice of American agriculture to promote American industry. Of course the farm workers, sharecroppers, tenant farmers will foot the bill with their misery.

The other obstacles which are decisive can be overcome only by armed struggle.

The forces in American society driving for war are maturing the conditions for violent class struggles. The proletarian revolution is a definite perspective for the near future.

In investing billions abroad and subordinating entire countries to its economic might American imperialism has incorporated into its base the contradictions of the whole world. The rule of the American colossus rests on class peace and oppression in the six continents. Economic and political crises and social upheavals in Germany, Spain, China, Siam, Chile, Cuba interfere with the production of surplus profit for American imperialism in factories and mills, imperil bond investments in governments and trusts, affect the flow of raw materials to the United States and exports from it. In the United States the results are felt in terms of lower rates of production, lower wage scales, higher levels of unemployment, higher price levels and so on through the catalogue of misery which is the lot of the overwhelming bulk of the population of the United States.

The result of these results is to accelerate the factors in the United States which are deepening the domestic crisis, sharpening class relations and are driving American imperialism ever more imperiously to war.

The crisis which set in in 1929 rocked American capitalism to its foundations. 1929 marked the beginning of the decline of American capitalism, the coming of the permanent and insoluble crisis of world capitalism to the United States.

Millions of unemployed will now be a permanent phenomenon of American life. The present upswing which is falsely called a recovery is taking place on the basis of replacement of inventories, repairs and the modernization of existing plant equipment, not the expansion of the productive plant. Productivity is increasing but the means whereby it is achieved are laying the basis for even greater unemployment. And every year five hundred thousand young workers swell the ranks of the unemployed.

In agriculture there is no recovery. Here the crisis which antedates 1929 is deepening steadily. Things have come to such a pass that American cotton no longer determines the price of world cotton; its price is determined by the world market price. Efforts to recapture supremacy for American cotton through mechanization by such inventions as the mechanical cotton picker will result in economic and social upheavals involving the very existence of millions of cotton field workers and thousands of farmers who raise feed for the tens of thousands of horses and mules used in the South.

The professions are overcrowded. Education on the scale of the past has become an unnecessary burden for capitalism. To the thousand ground out by the educational mill capitalism offers a world without hope, a world whose horizons are contracting, a world which offers them only a life full of bitter misery culminating in self-annihilation in imperialist war.

The result is inevitable. Sharpening class struggles: farm holidays; strikes and demonstrations growing in scope, involving more and more workers; counter-attacks by the capitalists with police, thugs, vigilantes, the national guard, the military and naval forces, and, if necessary, Fascist hordes.

The United States is moving toward civil war. There is no way to avoid it.

To cope with the new situation created by the crisis and speed up the preparations for war the capitalist class called on Roosevelt and his spurious liberalism. The Roosevelt regime is not liberal because in the epoch of the decay of world capitalism there can be no liberal bourgeoisie as there was in Russia. All capitalist classes are reactionary. The program of Rooseveltian liberalism was to speed up the concentration and centralization of big industry and finance under the NRA; to reorganize America's productive plant; to reorganize agriculture to play its sacrificial role with the least social cost; to prepare in earnest for war.

To head off the workers from struggle new methods were used. The A.F. of L. craft union base for collaboration with the bosses was too narrow. Roosevelt fathered first Section 7A then the C.I.O. Through the C.I.O. and its "left" leaders the old routine of "progressive" leaders riding the crest of working class revolt in order to short circuit it back into channels harmless to the boss, was elevated to a new level. The strategy has paid. The chief instrument for the prevention of strikes and their betrayal when they break out now is the C.I.O. Wherever gains have been won as in the recent NAFI strike in Detroit the workers had to fight the C.I.O. agents of the bosses.

The false liberalism of Roosevelt is used by the C.I.O. and other boss agencies to deluge the workers in a great wave of chauvinist propaganda. As a result the government is able to speed up its war program with popular support.

The need to speed up the preparation for war under the remorseless pressure of the crisis favored the Rockefeller capitalist group in its struggle against the dominant Morgan-Mellon bloc, since the struggle with England is acutest over oil. Under Roosevelt the Rockefellers have had the inside track. Much of Roosevelt's liberalism has been a cloak for the blows of the Rockefeller group against the Morgan-Mellon bloc. Thus the Guffey coal bills were aimed at the control of bituminous coal by Morgan-Mellon. The electric power program is aimed at the Morgan controlled utility trust. What there is of "encouragement" to the workers to organize and strike in the Roosevelt program is directed against Morgan interests.

The C.I.O. tries to confine strikes to Morgan industries. Thus it strove to confine the present auto strike to the Morgan controlled General Motors.

Roosevelt's "liberalism" is a specie of bourgeois reformism. In the days of its ascent capitalism was able to grant reforms. Today in its decay it can no longer grant them. That is why Roosevelt's reformism consists of blows at the workers disguised with honeyed words. If the objective condition of world and American capitalism are

removing the basis for the granting of reforms the Roosevelt and C.I.O. brand of reformism are exhausting what little margin is left. The present strike wave shows clearly that the value of the C.I.O. is nearly spent. The workers are breaking through its restraints and taking to the path of the class struggle. Sooner than we expect the final issue between the working class and their masters may be joined in great battles.

If war breaks out before revolutionary upheavals, which is likely, it will not enable capitalism to escape the revolution. It will lay the basis for social convulsions at its end or during its course. The workers will learn that the only way they can terminate the imperialist war in their interests which are at the same time, the interests of all humanity is to convert it into an international civil war to overthrow capitalism. Defeat of "our" army and navy which results from revolutionary propaganda and actions among the armed forces and mass actions behind the front will accelerate the transformation of the imperialist war into civil war. The capitalists will call this treason. It is treason to them. But it is loyalty to the working class and the revolution.

Civil war is inevitable. "The bourgeoisie cannot be defeated without civil war", said the Communist International in Lenin's day. Civil war in itself, however, solves nothing. The present civil war in Spain has been converted into a struggle in the interests of conflicting imperialist powers.

"Nor is it possible", said the International, "to conduct civil war successfully without the organization of the proletariat as the ruler of the country; that is to say, the organization of a proletarian dictatorship". The Spanish workers have not learned the lesson which the Russian workers proved by their experience. The American workers must learn that lesson. Our civil war must result in a proletarian dictatorship.

For that a revolutionary party is needed.

(EDITOR'S NOTE - The above article, the first of a series of two, was written in response to a request by V.F. Calverton, editor of the semi-Socialist, semi-liberal Modern Monthly. The second was to deal with the question of the existing parties in the field and their relation to the problem of building a revolutionary party. Calverton rejected it in the name of the editorial board of the Modern Monthly on the ground that it did not fulfill the promise of its title and did not prove its case. The majority of the editorial board are Socialists of one shade or another. Calverton said in his letter that he agrees with us that a new Communist party is needed).

ON THE QUESTION OF THE SLOGAN OF SEIZING POWER IN SPAIN TODAY

The workers in Spain are confronted with the same problems which the working class in Russia confronted in 1917. Both countries were semi-imperialist monarchies, that is while they exploited colonies of their own, they in turn were dominated by Anglo-French imperialism. The February Revolution in Russia, and the overthrow of Alfonso in Spain didn't change the semi-imperialist nature of either of the two countries. Just as the Octobrists-Cadets in Russia were the new agents of Anglo-French imperialism, so today the Peoples Front in Spain, is the agent of Anglo-French imperialism.

There are important differences between Spain today and Russia of 1917. But these differences are those of form due to national peculiarities and are not fundamental. The fundamental class LINE of the proletarian revolution cannot be different. Insofar as Lenin's class LINE in Russia in 1917 is concerned, it applies to Spain today.

In 1917 the Mensheviks and Social Revolutionists tried to give the impression that there were only two forces in Russia (the forces of revolutionary democracy and autocracy; today the Socialists and Stalinists try to create the same impression in Spain.

Where Lenin fought against this concept in Russia, today the Revolutionary Workers League raises high the Leninist concept that there are three forces; (1) the monarchist-fascist forces, (2) the Spanish "Republican" bourgeoisie and landowners supported by the Stalinists, Socialists, Anarchists and the POUM, (3) the proletariat. Just as Lenin considered the talk of "the will of the peoples instead of class struggle" as "worthy only of the most stupid petty bourgeoisie", so does the R.W.L.* And just as Lenin in struggling against Kornilov refused to support Kerensky, and instead raised the slogan of creating the proletarian militia, and All Power to the Soviets, so did the R.W.L. ever since the beginning of the Spanish Civil War.

In Russia, however, the Soviets which had been weakened by the Kerenskys, Dans, Liebers, Tseretselli, etc., became stronger after Kornilov's attempted march on Petrograd, but in Spain the organs of dual power established by the working class became weaker due to the treachery of all the parties of the Peoples Front and the lack of a revolutionary party after the forces of Franco were halted at the gates of Madrid. This brings us to the question of the seizure of power, which the R.W.L. correctly raised from the early days of the Spanish Civil War.

Lenin, who had raised the slogan of "All Power to the Soviets" as soon as the Czar was overthrown, temporarily gave up this slogan when the Mensheviks and Social-Revolutionists had shown that they were afraid to take power in their own name, and when "this slogan

* Revolution of 1917-Book 1, page 29, International publishers.

** Page 142 Towards the Seizure of Power -Book 1- Intl. publishers

would spread the illusion that to seize power, the Soviets even now have only to wish or decree it". (P.45 Lenin-Towards the Seizure of Power-Back 1-Intl.Pub.)

As long as the relationship of forces in the dual power favored the proletariat, Lenin raised this slogan. But when the dual power no longer favored the working class, due to Kerensky, Chernoff, Lieber, etc., having "virtually handed over power to the counter-revolution represented by the Cadets" (Russian Azanas and Company's) by introducing the Death Penalty in the Army, removing the revolutionary troops from Petrograd, etc., Lenin withdrew this slogan. The slogan of All Power to the Soviets is a slogan telling the working class to take the decisive offensive against the bourgeoisie. Such a slogan is correct only when the conditions are favorable to the working class. To raise this slogan when the conditions favor the enemy (the capitalists) can only lead to disaster for the proletariat.

To raise the same slogans (slogans of action) today, as we did from July to October in Spain would be false because the class struggle is at a lower tempo than it was in the early days of the Spanish Civil War when the workers were constantly coming into conflict with capitalist property, (when embryo soviets were being created, when the streets were patrolled by the workers' militia, etc.).

In the class struggle, as in any conflict, we must know how to retreat as well as attack. Lenin realized that the withdrawing of this slogan was a step-back, but it was necessary to do that in order to lay the basis for the future offensive, which the Bolsheviks took when they had captured a majority in the Soviets.

Just as Lenin relinquished this slogan (temporarily) so, today, the R.W.L. must relinquish the slogan for the immediate seizure of power and instead must patiently teach the working class of Spain to create their organs of dual power (Soviets), workers militia, and above all their revolutionary party so that they will be prepared to seize power from the Peoples Front, the next day.

Now is the time to build and strengthen the working class organs of dual power (the proletarian militia separate from the capitalist army), and the Soviets, while struggling against Franco. It isn't the Soviets which are unnecessary in fighting against Franco, it is the Peoples Front. The working class of Spain must either choose between the alliance with the peasantry and colonial masses, by seizing the property of the Banks of Spain at home and abroad; or defending the Bank of Spain, against the workers seizure of factories, and against the peasantry and colonial masses who are hungry for land at home and abroad. Alliance with the millions of oppressed is the path of Lenin and the only path that can lead to victory. Alliance with the discredited "liberal" bourgeoisie who have no strength of their own and who ally with Hitler and Mussolini to form a blockade against the Spanish workers, (the path of Stalin and Blum) can only lead to disaster.

The 2nd and 3rd Internationals, the Anarchists and the P.O.U.M. have gone over to the class enemy. A new international, a revolutionary international, with a clean banner, the Communist 4th International must be created in Spain and all other countries, including the Soviet Union.

READ!
READ!

Eyewitness
Account

Sixth Anniversary
of the
Spanish Republic
in
BARCELONA

By
E.H. Oliver

1c

THE
Worker's
ANSWER

TO

BOSS

WAR

5c

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Chicago, Illinois

TITANS IN STRUGGLE: ROCKEFELLER VERSUS MORGAN

In the last presidential election thousands of workers, under the influence of the "communist" and "labor" parties, voted for Roosevelt in order to defeat the forces of reaction- Landon and Knox. The truth is that the Roosevelt election was a victory of the capitalist class over the working class, and within this framework, a victory of the Rockefeller interests over the Morgan interests. Capitalist elections only decide which group of capitalist exploiters will rule the working class for the next four years.

The contradictions of the anarchy of production and distribution under capitalism can never be eliminated, because anarchy is inherent within the capitalist system. This system is based on profit. But due to the continually falling rate of profit the struggle within capitalism becomes sharper; 1.) between the capitalists and the workers, 2.) Amongst the capitalists themselves.

The main struggle in society is between the capitalists and the working class and not the struggle amongst the capitalists.. The working class can gain nothing by supporting one section of the capitalists against another but instead must carry on an independent LINE at all times, regardless of how small in number the revolutionary forces may be.

ROOSEVELT AND HIS "REFORMS"

Reforms obtained under capitalism are always given by the capitalists in the interests of the capitalists and not in the interests of the working class. The capitalists grant reforms to hold back the class struggle and in order to get a breathing spell. At the same time such "reform" measures, while their main weight is directed against the working class, are often used to aid one section of the capitalists at the expense of another section. One of the best examples of this is the New Deal policies of Roosevelt.

The NRA, the AAA and all of Roosevelt's "reforms" were not made for the benefit of the working class but were created in order to hold back a second strike wave which threatened to exceed the first one.

The wage codes of the NRA were highest where the trades unions were strongest; in the south where the organizations were weakest the codes were lowest.

The price codes were created to help destroy the pesky small independent manufacturers and shopkeepers. That Roosevelt's policy has helped big capitalists rather than the small ones can be seen by the fact that "over 20,000 companies of smaller size went into receivership during the last 30 months." (N.Y. TIMES, Feb. 1937)

The price codes also favored Rockefeller over Morgan. For example, where the Morgan controlled U.S. Steel had granted lower

prices to the American Can Co. (also Morgan-controlled), the NRA forbade this. This placed Morgan's chief competitor in this field (the Lehman Bros. controlled Continental Can. Co.) on a more favorable basis.

Instead of being retarded, the concentration of industry has increased under Roosevelt. This lays the basis for getting out of the crisis for the large capitalists, but at the same time paves the way "for more extensive and more destructive crises." (Communist Manifesto).

"Since 1929 at least 2,250,000 jobs have been eliminated in our (capitalists) industries by a general increase in productivity amounting to 10%." (Statement by Wm. Green, Pres. AF of L, in the N.Y. Times of Feb. 8, 1937). Where the capitalists have increased their production 48% since 1932, the number of workers employed have only increased by 15% due to speed-up and longer hours.

The best barometer of the increasing concentration of industry is the bank, for we live in the epoch of imperialism, where industrial capital and finance capital are fused. Whereas in 1926 the 100 largest banks had 85% of the total deposits of all banks, in 1936 the 100 largest banks (6.7%) had 54% of all the deposits, while 99.3% of all the banks had only 46% of all deposits. Since Roosevelt's election in 1932 the total bank deposits of all banks have increased from almost 40 billion dollars to over 51 billion, or an increase of 25%. But the ten largest banks have increased their's from 7.6 billion dollars to 12.2 billion, or an increase of 65% (figures computed from Rand McNally's Monthly, Feb. 1934).

While this concentration of industry and finance increased from 1929-33 by 24% the rate of wages fell 14% (p.151*), and total wages fell 58%. (**). Since Roosevelt came in the rate of wages fell another 4%. (**). But including the cut caused by the 59 cent dollar, the fall in the rate of wages since Roosevelt came into power would be 43%, or more than 3 times the rate that wages fell under Hoover from 1929-33.

Although the capitalist class as a whole has gained by Roosevelt's "reforms", the group that has gained most centers around Rockefeller. Where Morgan had the inside track with Hoover, Rockefeller has it with Roosevelt.

NOTE: Most of the references in this article come from Anna Rochester's Rulers of America. Instead of continually repeating the name of this book, I will only name the page. *

** Computed from Moody's Manual of Investments 1936.

ROCKEFELLER versus MORGAN

In the U.S. there is a struggle between 1. the Morgan group, 2. Rockefeller group, 3. Kuhn and Loeb group, 4. Lee, Higginson & Co., 5. Kidder, Peabody and Co., etc. The main struggle, however, is between the Morgan group (allied with Mellon, Dupont, etc.) and the Rockefeller group (allied with Ford, Lehman Bros., etc.)

The struggle between these two sets of titans takes place on all spheres; inside of some corporations and between corporations. For example, the struggle between Morgan and Rockefeller takes place not only between the Rockefeller bank (Chase National) and Morgan's (Guaranty and National City); but the struggle between Morgan and Rockefeller also takes place within these institutions. The same also holds true within the Standard Oil Co. and between Rockefeller's Standard Oil and Mellon's Gulf Oil:

The struggle between Morgan who controls (directly and indirectly) over 67.7 billion dollars, (p.73) and Rockefeller who control (directly and indirectly) over 25.1 billion dollars (p.73), did not begin with the election of Roosevelt. The struggle between the two most powerful groups of American capitalism has been waged for 40 years (p.72).

THE POLITICAL STRUGGLE BETWEEN ROCKEFELLER and MORGAN.

The struggle between the Morgan group and Rockefeller group takes place not only on the economic field but is reflected on the political arena as well.

Mellon, who had refunded income taxes to the capitalists when he was Secretary of the Treasury (\$400,000 of which went to his own personal account, p. 71), found that the new Roosevelt regime had prepared a case and was offering public proof that Mellon had defrauded the government. In Pennsylvania, Roosevelt's right hand man Earle, and Guffey (the latter an oil man whom Mellon had squeezed out of the rich Texas oil fields), placed a tax of \$705,000 on Mellon's Oil Co. (N.Y. Times, May 9, 1936).

In New Jersey, however, Morgan through his puppet Governor Hoffman, placed a heavy tax on the Standard Oil Company of N.J.

STRUGGLE OVER SUPREME COURT

The present struggle being waged over the "nine old men", is one of the best examples of the struggle between Morgan and Rockefeller. Roosevelt's plan to remove all those over 70 years of age and increase the number to 15, is aimed at Morgan. Roosevelt is trying to displace the Morgan men with Rockefeller men.

In order to prove that the struggle between Morgan and Rockefeller on the economic sphere is reflected within the Supreme Court it is advisable that we go back to 1911, when the Standard Oil Co. was "dissolved" by the Supreme Court.

One of the reasons for this "dissolution" was the deal which was then pending between Rockefeller and General Barco in Colombia. Standard Oil was placed on trial for having violated the Sherman Anti-Trust Act, and by "dissolving" the Standard combine, Morgan and Mellon were able to bloc this oil grab by Rockefeller. On the other hand, when Mellon was in the Treasury, he utilized the aid of the Government to obtain his Gulf Oil Company and the Morgan-controlled Carib Syndicate, the valuable Barco concessions in Colombia. (p. 67). Again McKenna, White, Holmes and Devanter, four Morgan agents who had voted for the dissolution of Rockefeller's trust, voted against the dissolution of the Morgan controlled U.S. Steel in 1920.

THE N.R.A.

Morgan has fought against the New Deal policies because they aided his greatest rival. Rockefeller, on the other hand, realizing that the resources of his group are not as great as those of Morgan, has sought to broaden his base, and line up the working class behind him, using it as a pressure against Morgan.

Section 7a, the right to collective bargaining, etc. was created for this reason as well as to behead the threatening strike wave which might go beyond Roosevelt's desires of keeping the workers' discontent within Morgan channels.

It is common knowledge that section 7a has been one of the forces most instrumental in spreading company unions. When a wave of resentment arose in the ranks of the working class against the demagoguery of section 7a, Roosevelt introduced the Wagner bill. This bill aims at having the government (the executive committee of the ruling class) be the "impartial" force that will compel both the bosses and the workers to arbitrate.

With the Wagner bill, as with the Labor Boards, Rockefeller through Roosevelt and his administration would not only bring pressure (force if necessary) against the working class, but could also bring pressure against the Morgan controlled corporations.

This policy is not new for Rockefeller. In 1916 when Woodrow Wilson was President, his policy was the same.

In order to ride the wave of resentment against the Ludlow massacre that he had engineered, Rockefeller concocted a statement about workers' liberty and proposed to unionize the camp so as to prevent genuine organizations of the working class. Today, just as in 1916, John D. Rockefeller, Jr. "is still lord of the company union offensive, which has been renewed for the undermining of workers' resistance in the present crisis-depression". (P62).

No better example of how Rockefeller's tools in the government strike hammer blows at Morgan can be given than the struggle over T.V.A., St. Lawrence River Project, etc.

Governor Pinchot of Pennsylvania, at a conference of Governors in French Lick, Indiana, on June 2, 1931, said that the Morgan and Mellon group controlled 57.12% and Insull 10.6% of all electricity production in the U. S. Since that time Morgan has smashed Insull and in that way now controls about 68% of electricity production.

In order to break the power of Morgan in public utilities Rockefeller through Roosevelt comes out for government control of such public utilities as will compete with Morgan. (Rockefeller has also succeeded in doing the same thing in Mexico to the more powerful Shell Oil Co.).

The T.V.A. is a blow aimed directly at the Morgan controlled Alabama Power Co; in the north the St. Lawrence Project is another blow at the Morgan-Mellon controlled Niagara Hudson Power Corp.

A more recent victory of the Rockefeller group over Morgan was the Supreme Court decision of March 29, 1937 on the tax on the Columbia River basin dam. Due to the pressure that Roosevelt has brought against Morgan's Supreme Court, Rockefeller through Roosevelt was able to split the Morgan forces so that only two Morgan men (Butler and McReynolds) voted against the decision.

The unanimous March 29th Supreme Court decision in regard to "collective" bargaining on railroads was another blow at Morgan. The retreat of the Morgan group on this issue was made in order to cut away the basis for Roosevelt's cry for the necessity of increasing the number of the Supreme Court. In this manner Morgan seeks to give the impression that his judges are not anti-labor. But when it comes to something of importance, or when Roosevelt tries to follow this "victory" up with another blow Morgan will have his lackeys in the Supreme Court sing a different tune.

Under no circumstances can the workers support "reforms" advocated by the capitalists or reformists. For, in this manner, they try to derail the class struggle. Instead we must expose the true nature of such reforms. For example, in 1931 the Rockefeller oligarchy urged bank reforms which struck directly at the Morgans. (Corey-Divide of American Capitalism-P.404). In 1933 Aldrich demanded the same kind of banking reforms. But where he failed in 1931 due to Morgan having the inside track with Hoover, Aldrich did succeed in having these reforms passed by the Special Congress called by Roosevelt in 1933. This "reform" enabled John D. Rockefeller, Jr. to have his brother-in-law, Mr. Aldrich, supplant Wiggins (Morgan man) as the head of the Chase National Bank. This was only one of the steps taken by Rockefeller in a wholesale displacing of Morgan's lieutenants with his own. (P.73).

SENATE INVESTIGATIONS

Where in 1917 the U.S. could join England against Germany because her loans to the Allies almost equalled all of Wall Street's foreign investments, today the interests of Yankee imperialism are diametrically opposed to those of Great Britain.

In Jan. 1936 Morgan was put on trial at the Senate Munitions Investigations. This was not the first time that Senate Investigations had been arranged by Roosevelt against Morgan. In 1933 Mitchell, the head of the (Morgan) National City Bank was placed on trial, and the "favorite" (bribery) lists made public.

In the Munitions Investigations it was brought out that Morgan had made 30 million dollars in the World War through loans to the Allies. These facts were brought out here in order to expose Morgan's pro-British tendencies. But that was not the only purpose of the trial. One of the main purposes, if not the main, of Rockefeller was to have the government threaten to take over the munitions industry, pointing the knife mainly at Morgan's U.S. Steel and Dupont's Chemical Works.

In the Naval Contract Roosevelt again delivered a blow at Morgan. Roosevelt's demand for the 40 hour week was not made for the benefit of the working class, but against Morgan. Here also Rockefeller attacked Morgan as pro-British by saying that U.S. couldn't get steel because Morgan was helping Great Britain arm herself.

The struggle between Morgan and Rockefeller doesn't take place in the 48 states alone. Where Morgan and Dupont are allied with the British Chemical trust (Imperial Chem. Ind.-I.C.I.), Rockefeller and Ford are allied with the German Chemical Trust, which is more powerful even than the British Chemical Trust or DuPont in America; and is superior to the German Steel Trust with which it has connections. (P.192).

Although Morgan's investments are greater outside as well as inside of the U.S., than are Rockefeller's, nevertheless where all of Rockefeller's interests are diametrically opposed to those of Great Britain, a great percentage of Morgan's interests run parallel with those of Great Britain. This was one of the reasons the munitions investigations were held. For if Rockefeller is to obtain the leadership of the American bourgeoisie, he must show that his interests and those of his class as a whole are identical, while the interests of Morgan and the capitalist class as a whole are not.

TEA POT DOME

The struggle between Morgan and Rockefeller even has its effects on the Soviet Union. In 1923 the Soviet Union gave the old Nobel Oil concessions, (which had been purchased by Standard Oil) to Harry F. Sinclair. The S.U. thought Sinclair had more power in Washington than Rockefeller. In return for this, Sinclair promised to have the

Friends Pres. Harding. Mr. Fall

and other cabinet members (see America Conquers Britain by Ludwell Denny, P. 286).

In order to spike these concessions Rockefeller, who had organized gangsters to break the pipe lines and burn the wells of his British competitors and who was responsible for the Ludlow massacre, suddenly came out for higher business ethics, and was instrumental in bringing about the Tea Pot Dome Investigation.

The leader of the investigation was Senator Walsh of Montana who was the representative of Standard Oil Co. Through this trial Rockefeller compromised the Harding and Coolidge Administrations who were puppets of Morgan. At the same time by way of this exposure Rockefeller blocked the Sinclair concessions. The Soviet Union in return cancelled the concessions given to Sinclair in the Baku and Sakaline regions because Sinclair couldn't obtain recognition for the Soviet Union.

The A.F. of L. versus C.I.O.

The struggle between Morgan and Rockefeller is also reflected in the struggle between Lewis and Green.

Where Morgan is for the old, conservative methods against the working class and Roosevelt is "progressive", so in the trade unions Green is for conservative trade unions while Lewis is a "progressive" who is for industrial unions.

Roosevelt and Lewis both seek to keep the struggle in Auto and Steel within the framework of opposition to Morgan. They, however, only want to use the workers as a means of weakening Morgan. Neither wants strikes because they may get out of hand, and may be directed not only against Morgan but against Rockefeller as well. Because Lewis permitted the struggle against General Motors to get out of hand, he was rebuked by his boss, Roosevelt. This action by Lewis, placed Roosevelt in an awkward position and brought down the wrath of the whole capitalist press.

In the General Motors strike it was obvious with whom the A.F. of L. bureaucracy stood. They openly stated that they were supporting General Motors against Lewis. Here Green was carrying his loyalty to the Morgan group into action, just as he had when he promised President Hoover that the A.F. of L. would wage no strikes.

In order to help keep the struggle within Morgan channels, Lewis agitates for the NRA, Wagner Bill, etc. Lewis today as yesterday is a labor lieutenant of capitalism in the ranks of labor. Where yesterday he carried out policies favorable to the Morgan interests, today carries out policies favorable to the Rockefeller interests. He stands for industrial unionism, as against craft

unionism. But like Green his policies are class collaborationist through and through.

CONCLUSION

In the early days of American capitalism, the Democratic Party represented the large plantation owners against the growing capitalist class. Today, however, the Democratic Party and the Republican Party both represent the capitalists; and in many places the same capitalist group controls both.

In Montana both the Republican and Democratic Parties are controlled by Morgan. For a long time this was also the case in Philadelphia, for the "Democratic Party was a section of the Republican Organization" (p. 126).

Just as Morgan, Rockefeller and other capitalists fight inside and outside the various corporations, so the struggle between the capitalists takes place within the Republican and Democratic Parties. For example, John W. Davis, the Presidential candidate of the Democratic Party in 1924 is a Morgan man and is on the board of directors in the Guaranty Trust Co. of N. Y. Coolidge who was Davis' opponent in 1924 was also a Morgan man. In other words, in this case, Morgan would win regardless of who was elected. Aldrich is a Republican, a Rockefeller man, as is the Democrat, Guffdy. That is why it is a common procedure for the capitalists to contribute to both political parties.

The two party system has been a clever method whereby American capitalism has fooled the working class, year after year. When the workers are disgusted with the Republicans they give them a Democrat and vice versa.

Instead of supporting one capitalist or reformist party against the other, as the Stalinists did in the 1936 elections, on the grounds that Landon was a Fascist, the working class must carry on an independent struggle against all the capitalists and their lackeys. The only solution for the working class is the overthrow of capitalism and the establishment of the Dictatorship of the Proletariat. To do this a new, world revolutionary party must be created, the party of the Communist Fourth International.

Read

YOUNG WORKER & FIGHTING WORKER

AN OPEN LETTER TO THE MEXICAN TROTSKYISTS

(The following letter has been received from R. Garza. We reproduce it verbatim)

Comrades:

I have been in Mexico City trying to have a talk with the leaders of the League to which I thought I belonged, because of the work which I developed in the Northern part of the country and the correspondence I had with the Secretary of the Organization.

On the eighth day I presented a document to the Secretary of the organization outlining my position, and after having a talk with him, he, together with other comrades promised me to study the document which I handed over to him, to speak to me when he would be ready to discuss the document. Fifteen days passed. I went to their headquarters on the night of March 31, 1937 to see if he was ready to continue our discussions. Categorically he refused this to me in the presence of other comrades who were there, and with a show of indignation told me that he refuses to discuss the points I presented because they were no more than attacks against Trotsky.

But the truth is that the comrade secretary uses the same tactics of the Stalinists whenever a comrade tries to raise an argument. Thus it reached the stage that he wouldn't allow me to distribute a letter addressed to the members of the League, which I am sending therefore to you for publication.

TO THE MEMBERS OF THE COMMUNIST LEAGUE

R. Garza

Comrade:

I was a member of the Communist League. I have been working for your organization in the Northern part of the country.

Since the arrival of Trotsky in Mexico, I noticed a change in the political line of the League. I came here to Mexico City to have a talk with the League. The leaders of your organization promised me that I will have a talk with the Executive Committee, but never did it take place.

Why are they afraid to discuss principled questions of Marxism?

I ask the members of the League that they demand of their leaders to have a discussion in front of the membership.

Comrades: The points which I have presented to your leaders are of the greatest importance for the revolutionary movement.

Since the bourgeois Cardenas government has granted asylum to Trotsky your organization has stopped attacking it. The last issue of your paper, Fourth International, March 1937, gives indirect support to the government.

In an article dealing with the question of how to combat the high cost of living, your paper says: "The government must put a stop to

the abuses of the capitalists." Your organization is asking the government which represents the interests of the capitalist class to do nothing less but fight the class it represents!! How is that possible? In the first place this gives the idea that the government is something apart from the capitalist class. In the second place this puts illusions in the minds of the workers that it is possible for a capitalist government to fight against the capitalists. Isn't this a complete revision of the Marxist conception of the State?

Your paper goes then into further opportunism: "The passivity of the government must be combatted." May I ask, since when is a bourgeois government neutral or passive? Isn't it a fact that the very same Cardenas government is responsible for the high prices? Your organization is asking this government to fight against a thing for which it is responsible!

But your paper goes on into further revisionism. Says your paper: "We have asked the government to take effective measures." Since when does a Marxist ask a capitalist government to "take effective measures?" We have always thought that the only effective measures against the high prices could be undertaken by the working class, which will be forced to struggle against the government. Why does your organization put illusions in the minds of the workers that the government can take effective measures? If your organization didn't believe that the government can lower prices, why does it ask of the government to do it? Where is the explanation of your organization? When the workers begin struggling against the high prices, by means of strikes, boycotts, etc, then the government will immediately use its force against them. But your organization does not explain this to the workers.

The Cardenas government today has the confidence of the masses. Instead of exposing the govt openly in its use of left phrases, while it is in reality a tool of American Imperialism, your organization helps to hide the role of the govt. The explanation of the authorities for the high prices is: that the fascist Spaniards, Germans, and Italians, in Mexico, have raised the prices as a retaliatory and repressive measure against the govt for sending arms to the anti-fascist workers of Spain. This cry on the part of the govt is a perfect means of throwing on the shoulders of the foreigners. Instead of explaining that in reality the Cardenas govt and Yankee Imperialism are at the base of these high prices, your organization helps the govt hide the real situation, and also repeats in its paper "that the Spaniards in Mexico, agents of Mola and Franco, have raised the prices as a means of reprisals against the govt for sending arms to the anti-fascist workers".

Your organization says that the Cardenas govt sent arms to the "anti-fascist workers" in Spain. In reality the govt is sending arms to the capitalist Peoples Front govt, which will use these arms to drown the workers in blood should they try to struggle for Soviet power. It is clear that the Cardenas govt is sending arms to the Peoples Front govt of Spain in order to make itself popular in the eyes of the Mexican workers and in this way tie them more easily to the

chains of Yankee imperialism. Your organization does not expose the manoeuvres of the government, but helps it to repeat the same demagogy.

The blame for the high prices does not fall upon the foreigners allied with Franco, but upon the Mexican bourgeoisie represented by the Cardenas government and aided by American imperialism. Only this analysis can lead the workers to a correct struggle. The enemy is at home--our own capitalist class, now represented by the Cardenas government. To struggle against the high prices means to struggle against the government.

The line of your organization is one of capitulation to the government. Haven't I the right, therefore, to suspect an agreement between the leaders of your organization and the government, promising not to attack the government if it gives asylum to Trotsky? Your organization is sacrificing Marxism in the name of protecting the "leader of the Russian Revolution".

The Cardenas Government is the
PUPPET OF YANKEE IMPERIALISM!
FOR A NEW REVOLUTIONARY PARTY AND A
COMMUNIST FOURTH INTERNATIONAL TO
FREE THE OPPRESSED MASSES AND
OVERTHROW AMERICAN AND
WORLD IMPERIALISM!