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THE RIGHT AND LEFT ARM OF THE CAPITALISTS:

Fascism and the Peoples Front.

THE MORGAN - ROCKEFELLER CONFLICT.

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THE LEFT AND RIGHT ARMS OF CAPITALISM:  
PEOPLE'S FRONT AND FASCISM

The right and left arm of the bourgeoisie

The axis of our position starts with the premise that capitalism has outlived its usefulness, that it is a brake upon further progress, that it is reactionary and must be overthrown, and in its place we must establish communism through a transition period. On this basis every party that stands for the preservation of the capitalist system is REACTIONARY, no matter how its METHOD of control of the working class may differ from that of any other party. In the present decay stage of capitalism there can be no progressive liberal capitalists. Today the only progressive force in society is the proletariat.

Only that party of the working class that represents in its program and action the INTERESTS of the proletariat can be a progressive party. Does this mean that all other parties are reactionary? Yes! Does this mean we list all such parties as one reactionary mass? No! Such would be a mechanical, false conclusion. All parties that uphold the capitalist system are enemies of the working class. But they use different methods of controlling the working class. These different methods reflect above all the antagonisms within the camp of the exploiters, their relations to each other and their relation to the oppressed masses. The different methods of control of the working class are applied at different stages of the class struggle, of the class relations, to advance the exploiter's interests as a whole, to beat back the workers and to advance the sectional interests of the ruling group of the exploiters.

The exploiters use essentially two methods to control the workers. These are the "conservative" and "democratic" methods, or the "Fascist" and "People's Front" method. These two methods are the right and left arms of the bourgeoisie. In content there is no difference, in method there is a big difference. These two forms take on different aspects depending upon the stage of the class struggle within the country. Each method is represented usually by more than one party at one time. These parties represent sectional conflicts, changing tempos in the class relations, etc. All can be traced back to shifting economic conditions of the exploiters and exploited within the country in relation to the mode of production. At every stage of the class struggle both methods are in play ready for use. In the decay state, if the proletarian pressure increases, but the economic base of capitalism is strong and the leadership of the proletariat weak, the cheapest method to hold the workers in check is the "democratic" bourgeois one.

Only after the left arm fails to hold in check the proletariat is the right arm able to bring forth its solution. The bourgeois rule shifts back and forth from left to right in the upward spiral of the class struggle from the beginning of capitalism until the revolutionary situation brings out the highest form of both arms, the People's Front left arm and the Fascist right arm. Both methods go through an evolution in each country depending upon changing class relations.

The democratic bourgeoisie in the stage of developing capitalism (in the main) does not call upon the reformist agents in the workers ranks to help them in the political field in their struggle against the workers. In this stage these agents do their most effective work on the economic field. But in the decay stage, to the degree of the increased pressure of the proletariat the capitalists are forced to call into their political service the agents within the workers ranks. Their job is to hold in check the proletariat, when the exploiters are exposed and can no longer carry out this task as effectively as before.

The democratic bourgeoisie are able to control the masses by a special means. Whereas the secret of the Fascist "victory" is the winning of the middle class to be used for a decisive defeat of the proletariat in civil war, the People's Front or democratic bourgeoisie's victory is based upon a third force.

This third force is represented by the agents of the bourgeoisie in the ranks of the proletariat. The strength of these agents, the reformist leaders, in the ranks of the proletariat, rests upon their control of the trade unions, other workers organizations and "working class" political parties. Objectively, this third force, as agents of the exploiters in the workers ranks, is likewise reactionary.

The typical historical example of the three forces and two methods of rule are the British Conservative Party, Liberal Party and Labor Party. The left arm carries through the rule of the exploiters with sugar-coated methods, with crumbs for the exploited, while the right arm uses the strong arm method of domination of the exploited. The agents of the exploiters in the ranks of the exploited serve the capitalists through the democratic bourgeoisie.

This third group of parties (Labor, Farmer-Labor, Socialist and "Communist") that present a non-Marxist program, a program contrary to the interests of the proletariat, are working class parties in form and bourgeois parties in content. In content there are only two kinds of parties - bourgeois parties and a proletarian party. Some are petty-bourgeois in make-up, but in content they are bourgeois.

At no time must the proletariat subordinate its organizations and its actions to the democratic bourgeoisie. At all times the independent action of the proletariat can be assured only upon the basis of the POLITICAL AND ORGANIZATIONAL INDEPENDENCE OF THE REVOLUTIONARY MARXIST ORGANIZATION. It is not Social-democracy and Fascism, or the People's Front and Fascism that are twins. In content they are the same, but their methods of control of the workers are different and the exploiter's agents in the workers ranks have control of WORKERS ORGANIZATIONS on the economic field that must be won by the revolutionists. The theory that there is one reactionary mass and the theory that there is one capitalist group, the democratic (vs. the Fascist) which the workers must support are two peas from the same pod. This ultra-leftism and opportunism has the same roots, representing two aspects of one basic error.

The two main methods of bourgeois rule are flanked on the left by an important bourgeois democratic sub-division - the "labor" parties of the Reformist agents within the workers ranks.

The economic conflict between Fascism and the People's Front. Strange as it may seem the basic economic antagonism between Fascism and the People's Front is not merely their group interests. A revolutionary crisis in decay capitalism reveals the inability of the democratic bourgeoisie to continue as the rulers of the exploiters, their inability to reorganize production to make profits, their inability to hold in check the proletariat. In this period their main difference revolves around how to save the economic system from complete collapse, how to hold in check the class struggle that flows from this economic decay.

In addition to this basic difference there remains the difference of group interest in this struggle. If the Fascists dislodge the People's Front from State power, the new group that takes over the state has new advantages. Furthermore the armed struggle or lack of armed struggle between these two arms of the exploiters depend upon the following, as was revealed by the contrast of the German Fascists struggle for power and the Spanish Fascists struggle for power;- 1-The degree of working class pressure against capitalism. This is fundamental. 2- The relation of the agrarian carryover to the country as a whole. 3-The concrete economic difference of the two contending capitalist groups. 4-The imperialist utilization of the struggle within the weak link for their own ends.

The political formula - Communism vs. Fascism - and not Fascism vs. Democracy in Germany, Austria and today in Spain flows from the economic axis dealt with above. The fight to save the capitalist system is fundamentally a struggle between Communism and Fascism, with the People's Front (democratic bourgeoisie) helpless in between the two main contending forces.

#### THE PEOPLE'S FRONT

- 1-Popular Front- a form of bourgeois rule.  
The Popular Front is a form of bourgeois rule, typified in content in the present decay stage of capitalism by the following forms: Provisional Government of Russia in 1917; 1918 Social-Democratic government in Germany; British Labor Party Government in 1925; Blum Government in France; and the present Spanish People's Front Government. The American form of the People's Front is the Labor and Farmer-Labor Party.
- 2-Instrument of democratic bourgeois to subordinate the proletariat. Through the People's Front the democratic bourgeois section of the exploiters using democratic bourgeois method are able to subordinate and control the proletariat and oppressed masses, thereby tied to Finance Capitalism.
- 3-People's Front a result of new class relations.  
The People's Front is the result of new class relations in decay capitalism. When the strength of the proletariat and oppressed masses push beyond the former bourgeois class controlled avenues, when the "old" methods no longer suffice to holding in check the proletariat, the left arm of the bourgeoisie is used as a METHOD OF CONTROL. This

is a negative reflection of a pre-revolutionary or revolutionary situation, whereby the increasing pressure of the exploited masses is momentarily safely canalized by the democratic bourgeoisie. The main purpose of the People's Front is to hold in check the rising proletariat, is to lull them to sleep, to disarm them to enable the exploiters to prepare for the decisive battle against the proletariat.

#### 4-Reformist role in the People's Front.

The section of the exploiters using the bourgeois democratic method versus the section using the reactionary method (Fascists, etc.) are able to subordinate the proletariat to the People's Front only on the basis of the opportunist (reformist and centrist) agents of the bourgeoisie in the ranks of the working class. They control large layers of the working class through the "working class parties," trade unions and other working class organizations.

#### 5. People's Front paves the way for Fascism.

The left arm of the bourgeoisie controls the proletariat through the People's Front, while the democracy of the exploiters is assured to the "reactionary" bourgeoisie who openly prepare for the seizure of power. The People's Front paves the way for Fascism.

#### 6-In revolutions the People's Front cannot hold in check the proletariat nor can it decisively defeat Fascism.

When the contradictions of the capitalist mode of production, in the weak link of the world chain, break out into a revolutionary situation the democratic bourgeois method of rule can no longer suffice. If capitalism is to maintain its rule over the exploited masses it must establish its open dictatorship. This brings to the surface a political revolution between the exploiters, between democracy and Fascism. But this is only a surface phenomenon of more fundamental antagonisms below. The revolutionary situation flowing from the breakdown represents a SOCIAL REVOLUTION? a struggle between the proletariat and capitalism as a whole. The main struggle is between Fascism and Communism. The revolution creates a condition favorable for the proletariat to break decisively from the People's Front, providing there is a revolutionary party capable of posing and leading in this task. In this three cornered struggle, the People's Front is unable to hold in check the proletariat, and is unable to decisively defeat Fascism. Therein lies the contradiction of bourgeois democracy in decay capitalism. Its usefulness for the exploiters rule becomes antiquated, because the system is OVER-RIPE for Socialism.

#### 7-Masses Behind the People's Front must "fight" Fascism to save themselves.

The masses under the domination of the People's Front, regardless of the "spineless" leadership must fight fascism in order to save their own hide. The effectiveness of their fight under such a leadership is a different question.

#### 8-People's Front, its agents, and the proletariat.

The People's Front has two aspects; its "democratic bourgeois" section and its agents in the ranks of the proletariat, and (2) the proletariat it controls, through Socialist "Communist" parties, trade unions, etc. (Spain, through the FAI and CNT). Revolutionists give no support to the People's Front. They carry on a policy, on the basis of political and organizational independence to win the proletariat and oppressed masses away from the People's Front and its agents. (See document on "March separately and strike together").

9-People's Front is the cheapest Bourgeois method of rule. In decay capitalism the cheapest method of bourgeois rule, depending upon the economic conditions and class relations, is the People's Front which controls the proletariat. When the capitalists are able to rule through the People's Front it reveals internal strength, when they are forced to change to the rule of Fascism it reveals internal weakness.

#### 1-Weapon of Finance Capit. FASCISM

Fascism is a weapon of Finance Capital forged out of the discontent of the middle class in decay capitalism to crush the proletarian revolution and to save the capitalist system through counter-revolution.

#### 2-The middle class and the proletariat.

Fascism must have as its base a strong middle class movement pressed between the conflict of capital and the workers; a middle class which has no faith in the proletarian solution of the crisis, and therefore strikes out for its own "independent" solution of the crisis.

#### 3-The role of the middle class.

The counter-revolutionary movement rallies the middle class and layers of the working class under the banner of the middle class only to serve the interests of finance capital. The middle class cannot lead in the class struggle. It must follow either the working class or the capitalists.

#### 4-Bourgeois democracy and Fascism.

Bourgeois democracy as a left method of capitalist rule becomes a brake upon the exploiters rule when the proletariat is storming for power. In such periods the ruling class must, beside its legal methods of holding the proletariat in check, use extra-legal methods. This takes on the form of Fascism in developed capitalist countries in the decay stage. When the struggle between capitalism and communism reaches its decisive stage bourgeois democracy can no longer suffice. If the exploiters are to continue their rule they must resort to an open dictatorship.

#### 5-A form of reaction.

Fascism is a special form of reaction, unlike the forms of reaction in developing capitalism, and other dictatorial forms in the present period. It is the final form of bourgeois rule over the proletariat, after accumulation has made rotten ripe the base for socialism and when the proletariat has not carried through its historical task.

#### 6-Use of demagoguery.

Like all forms of reaction Fascism must use demagoguery, left phrases, and speak in the name of the working class in order to win large layers of the oppressed for the interests of the exploiters.

#### 7-Counter-revolution, not revolution.

Fascism is not a revolutionary movement; it is a counter-revolutionary movement. It does not create a new system; it preserves the decaying capitalist system.

#### 8-Capitalist structure and Fascism.

While only the embryo forms of the Soviet System exist under capitalism in Dual Power, the fully developed forms and structures of the Fascist system exist. Fascism only reorganizes secondary aspects of capitalist economy and its super-structure, while the Dictatorship of the Proletariat will change the basic mode of production and the whole super-structure.

#### 9-Fascism as a military fighting machine.

This reactionary movement does not present a new program, does not create new structures; rather it brings to the surface the forces

2 9-Fascism as a military fighting machine.

This reactionary movement does not present a new program, does not create new structure; rather it brings to the surface the forces existing in capitalist society, xccordinating them into a powerful political and military fighting organization of the exploiters.

10-After Fascism seizes power.

Once Finance Capital is successful in its struggle to establish Fascism, it begins to transform and strip Fascism of its middle class verbiage, aspirations and interests.

11-"Unity" of the nation.

The unity of the capitalists within the nation upon the basis of a decisive defeat of the proletariat, to replace the class struggle with "class peace" is the aim of Fascism in order to prepare more effectively for international competitions and war.

12-Fascism a brake upon further development.

In attempting to construct a corporate state based upon national self-sufficiency Fascism creates further discrepancies between the productive forces and national boundaries, and enlarges competition on the international arena, instead of eliminating wasteful competition. It extends an unproductive economy for war purposes. It checks and destroys necessary social development in the economic, political and social fields, becomes a check upon society and science, art, literature and social progress. It paves the way for a degeneration into barbarism.

## THE MORGAN-ROCKEFELLER STRUGGLE

It is well known that the Finance-capitalists of a nation carry on a struggle against the workers and oppressed masses within the country, and on an international scale against the workers and colonial masses of other nations. At the same time, within this framework, their position of domination demands an internal struggle against the other layers of the exploiters, as well as an international struggle against the exploiters of other nations. One of the most important aspects of the class struggle, in order to determine the role of the imperialists, is to unearth the inner conflict of the finance-capitalists within the country.

The most important inner-imperialist struggle in the United States, the main antagonism in the camp of the capitalists, is that between the Morgan and the Rockefeller groups. This antagonism has developed over the last forty years. Unearthing this economic conflict and its relation to the other groups will reveal the main lines of the inner and international antagonisms of American imperialism. This struggle is only one of the concealed antagonisms that flow out of the inner development of the capitalist mode of production in the United States.

### The Morgan-Rockefeller Financial Positions

The Morgan interests, nationally and internationally comprise by far the largest single unit of finance-capital, far larger than its main rival, the Rockefeller interests. Over 444 companies in which Rockefeller has no visible part or representation, with a capital of about 50 billion dollars, are under Morgan's control or influence. The Rockefeller interests represent 287 companies which they control or influence, with a capital of over 15 billion dollars in which no visible Morgan influence can be seen.

In Addition to these two domains there exists an additional overlapping capital in other companies of about 30 billions of dollars, of which the Morgan interests dominate about two-thirds. Almost every branch of industry is included in these investments, above all the basic heavy industries and most modern technical industries.

### Control By Finance-Capital

The finance-capitalists' control of these companies takes on different forms. Partners of Morgan or Rockefeller groups on the Boards of Directors represent one of the most important methods. Other companies include representatives of the financial interests on the board of directors; whereas, until other companies are tied up with the Morgan and Rockefeller groups by banking relations, either representing banking control or banking influence on decisive policies of the company.

The fusion of industry and banks through industrial companies, with banks behind them, represents one of the highest forms of the finance capital's control. Control separated from stock ownership has been developed to a high art by the Morgan interests, and the banks' penetration of industry gives finance capital the decisive control on major policies.

Stockholders who elect the directors are the technical owners of the corporations, while the bondholders are the creditors, but in real



life the stockholders most frequently are nothing but a rubber stamp.

### The Development of the Morgan Empire

The development of the Morgan group reveals constant inner struggle of other United States exploiters and exploiters outside of the States, for domination. In 1873 the bankruptcy of the Jay Cooke interests in the crisis placed the Morgan firm as the leading bankers in the country. From then on the Morgan empire grew, intertwining its holdings within the United States and the British empire. Morgan took up the demand for the open door in China, and was for American expansion in the 1898 period. In 1892 the Morgan interests promoted the General Electric Company. In 1902 Morgan became the fiscal agent for the Panama canal. Morgan endeavors today to carry on a parallel policy in Great Britain and the United States but has used the American structure as the base, and where conflicts developed between these interests has favored American as against British interests.

Before the world war, the backward financial position of the United States forced the Morgan interests to rely upon the British structure, but after the world war and ripening of American imperialism the main Morgan interests proceed with the development of American imperialism. However, through its London firm the House of Morgan has a solid base in the British Empire. In England the leading Morgan partner is E.C. Grenfell. They are represented by Sir Thomas Cito in India.

In 1912 when Morgan was "investigated" by the Pujo Committee the total assets were over 10 billions; today the Munitions committee "investigation" of Morgan reveals various degrees of control over 77 billion.

The Morgan firm has been banker for the following countries in the post war period: Great Britain, France, Belgium, Italy, Spain, Austria, Germany, China, Cuba, Mexico, Argentina, etc.-- after completing the task of main banker for the Entente in the war. A few high lights reveal that the Morgan interests control United States Steel, General Motors, the largest utility empire of the country, 35 banks, 60 non-financial corporations insurance companies. The National City Bank of New York City is its main financial base. Seven railroads with a total investment of over 6 billion are controlled by the Morgan interests.

In every large city the Morgan and Rockefeller interests have their positions. In Chicago, the Continental Illinois National Bank and Trust Company and the First National Bank are Morgan dominated, etc. Rockefeller also has an interest in the First National Bank in Chicago.

### The Rockefeller Empire

The Rockefeller interests, although the second largest, do not compare with the Morgan bloc. They have the largest single oil bloc in the country and represent the American side in the most important international oil war against British Dutch Shell. The Chase National Bank of New York is its banking center. Like the Morgan interests, they have entered all of the other most important industries in the United States, and a similar structure to that of the Morgan group can be presented, although not with such great ramifications.

### International Aspects

The most important aspect of the finance-capitalists' international role is their role of bankers for governments and private investments in Europe and in all parts of the earth. The financial loans carry with them control or important influence in shaping policies, as well as profits. The Morgan role in the war period, in the post war period, and its role in financing reactionary governments to put down threatening proletarian revolutions, shows the power of the American bankers in international affairs. Their financial role in the South American Republics reads like a dime novel on refined pirating.

### Unity and Struggle

The struggle between these two powerful financial groups is a process of unity and struggle. Each struggles for supremacy, each endeavors to replace the other group where their economic interests are in conflict, but both unite on many issues against other forces, and in those spheres where their interests run parallel. In some spheres the battle line is open and well defined, in other fields the battle line shifts, now open, now concealed, in still other fields blocs are formed today and broken tomorrow depending upon interests, etc. In those companies where both have interests there is a constant struggle for supremacy, while at the same time there is a working agreement in the struggle of these companies against competitors, except where such unity runs counter to other holdings.

Above all, there is more unanimity when it comes to fighting the proletariat and colonial masses, and the other imperialist groups. Unlike some so-called Marxists, these finance-capitalists know when to make a "united front" and when to break a "united front."

### Financial Groups and Blocs

Besides these two powerful financial giants there are several other important groups that must be taken into consideration. The powerful Du Pont group, the Hearst group, the late Mellon group, Kuhn, Loeb and Company, Lee, Higginson and Company, Dillon Reed Company, Guggenheim, Vanderbilt, Brown, Harriman and Company, the Ford group, Lehman Bros., Giannini group in California, the Duke Estate, the John D. Ryan interests, etc.

Morgan has a working relationship with the major forces of these groups. Although these groups function as independent empires they bloc up on many important economic and political questions where their interests run parallel. The Morgan-Du Pont-Mellon bloc functioned well on many occasions. Hearst, although more independent and often fighting, has many times been associated with the Morgan bloc. Other Morgan allies are Lee, Higginson and Company; Kidder, Peabody and Company; National Sharnut; Old Colony Trust, etc. The Giannini California group has worked with Morgan on numerous occasions, and often they were on the same side fomenting "revolution" in Mexico and other South American countries. Insull was with Morgan until Morgan and Wall Street gave him the skids.

The Rockefeller bloc is not so broad. The Sinclair-Blair-Rockefeller combination worked in Consolidated Oil. Ford has worked with Rockefeller more than once. When Wall Street and General Motors push Ford

too hard, he looks for allies. Lehman Brothers have also worked with the Rockefeller interests.

#### Political Activity of these Groups

The aim of the different financial groups is to obtain control of the city, state and national government. Each foothold in a city, section of the state, or region of the country is used to further their economic interests and their political needs nationally. They have all learned that the two party system is ideal for their secret maneuvering, that they can work through two parties far more easily than one party. Their aim of course is to control the party, but when they obtain the upper hand in the Democratic or Republican party they by no means loose their hold in the other party. They push forward in both to the best of their ability.

Outstanding examples of the control of the parties and in turn the control of the states are the Anaconda Copper Company and the Montana Power Company, which controlled both parties in their state; the Rockefeller interests in Colorado, which dominated local governments and most often controlled the state, etc. Du Pont, Rockefeller and Morgan contribute to both parties. In 1926 Insull gave the democratic candidate, Deneen, \$10,000 and the Republican candidate, Brennan, \$15,000 in the campaign. The Du Pont control of Delaware is a classical example.

The Morgan-Rockefeller struggle is concealed behind the two-party system. Through this method they are able to organize a bloc all the way from the finance-capitalists, through the industrialists, through the petty-bourgeoisie and down to layers of the workers. The "progressive" Republicans and the "conservative" Democrats, vs the "progressive" Democrats reveals part of the clever utilization of sectional interests, and illustrate the American forms suited to imperialist needs.

#### The War and Post War Period Of The Struggle

During the world war, the "unity" of the Morgan-Rockefeller groups outweighed the struggle aspects of the bloc, although by no means did it eliminate the struggle. The national unity of the bourgeoisie enabled them to reap a harvest internationally as well as nationally. Even in the post war period there was plenty of room for exploiters for expansion and profit. In the post war period of Harding-Coolidge and Hoover, the Morgan-Du Pont-Mellon bloc held the inside track. The Morgan-Rockefeller struggle continued, but all were living in the "golden age" so the conflict was momentarily modified.

The Dawes Plan, the Young Plan, Morrows' work in Mexico for Morgan and the other imperialists, the Morgan loans to governments and private companies are samples of the plumbs picked.

But the crisis of 1929 placed a premium on expansion and the depression tightened its grip and narrowed down profits. This again intensified the struggle between these American giants, the other financial groups, and the imperialists of other nations. They did everything possible in unity to shift the burden onto other sections of the exploiters and especially onto the workers and the colonial masses, but even this was not sufficient to save their "golden age." This unity against other

classes was accompanied by a bitter struggle at the top to maintain their status against one another.

The Hoover regime did everything possible to aid the bankers. The measures started under Hoover helped all of the capitalists, but in the main the finance-capitalists, and above all the Morgan bloc.

#### The Roosevelt Period of the Struggle

The Roosevelt period carried out the same GENERAL LINE, of saving the exploiters, of tightening the grip of finance capital over a tottering structure, but to do this the ~~NEW~~ METHOD HAD TO BE CHANGED, and with the change in method there was a shift in the relations of the imperialist groups at the top.

The Rockefeller group obtained the inside track and the Morgan bloc had to fight harder for their ends. The "conservative" METHOD of holding in check the classes was changed to the "Democratic" method due to the shift in class relations flowing out of the economic crisis and depression. Again it must be understood that ALL the imperialists continued to gain at the expense of the exploited masses, but within the finance-capital camp, the Morgan bloc was at a disadvantage. The Roosevelt government, like the Hoover government, was a government of, for, and by the capitalists.

It is always a two-fold relation. Against the exploited masses the "conservative" and "democratic" groups rule for the exploiters; but different groups of imperialists who obtain state power, in ruling for the capitalists as a whole, give themselves (through their office boys) the most favorable and best opportunities to make profits.

The main line of the Roosevelt regime was government subsidies for the capitalists, greater centralization of government and business, small concessions to the lower divisions of the exploiters to use them against one group of imperialists and against the exploited masses, and a few crumbs to the masses to hold them in check, and to use them against the more powerful bloc of imperialists. At the same time it extended its "democratic" method into international politics and carried out just as deadly and vicious an imperialist policy as the previous regimes, but cloaked in new phrases and presented with more capable imperialist tactics.

Main aspects of the Morgan-Rockefeller struggle were reflected in Washington in the munitions investigation, the banking investigation, the monetary policy, the labor policy (Lewis vs United States Steel and General Motors), the utility fight, the Dickstein-McCormack investigation, the Supreme Court fight. All of these were capitalist measures against the working class, but within this framework, were blows delivered at one group of imperialists for the benefit of ANOTHER GROUP OF IMPERIALISTS, carried out under the cloak of the slogan, "the People vs Wall Street." A blow at the Morgan bloc is "objective" support of the Rockefeller group.

The main line of this fight reveals the following: the Roosevelt office boys fought the Morgan bloc for the Roosevelt bloc, but only where a struggle against the Morgan bloc WOULD NOT WEAKEN AMERICAN IMPERIALISM ON AN INTERNATIONAL SCALE. Where the Morgan bloc holdings extended out against imperialists of other nations and where the Morgan bloc holdings did run parallel the needs of the imperialists in

power, the Capitalist government at Washington SUPPORTED THE MORGAN BLOC NEEDS. This reveals the seemingly contradictory pattern presented by Roosevelt's acts, but once the question is posed on the basis of its two-fold relation the answers can be obtained.

The Morgan bloc by no means bowed to the pressure. All along they have been putting up a battle that has forced the Roosevelt regime to retreat. In reality the imperialists with the main forces of the government in their hands have lost more battles to the imperialists who have only part of the government in their hands. The investigations only hindered, but did not stop the Morgan group. The Supreme Court fight still leaves the reactionaries in control. The Utility struggle has resulted in further capitulations to the Morgan bloc. The Banking and tax revisions, to say nothing of the other struggles, shows the Morgan bloc still making inroads. Roosevelt's second term, compared to his first, reveals a shift in the imperialist forces behind the government, a shift that is strengthening the Morgan finance-capitalists' hold rather than weakening it. The acts of the second Roosevelt term are a right shift and an open move in behalf of Big Business. With increased class pressure again Roosevelt will use more demagogy.

Likewise, the finance-capitalists and their industrial allies behind Roosevelt were afraid that "things may get out of the hands" of the office boys in Washington. They were afraid that the "reforms" might go to far. The Landon drum beating was part of this struggle and although Roosevelt had the "people" the Morgan bloc came out of the election STRONGER behind the scenes with greater capitalist consolidation behind its demands. The People's" victory again proved hollow.

#### Relation of Conflict to the Class Struggle

The struggle between the Morgan and Rockefeller blocs flow out of the contradictions of the mode of production in the United States, and in the main represent a unity of action against imperialists of other nations on an international scale, even though they struggle over policy and methods of handling the international obstacles. Likewise, the imperialist groups within the country that struggle among themselves for greater shares in the shrinking markets, confront in unity the proletariat and oppressed masses.

The struggle among the imperialists internally and internationally is the subordinated aspect of this two-fold antagonism, in which the class struggle ~~is~~ between the exploiters and the exploited is the main aspect. It is the changing class relations and the pressure of the exploited that lays the basis for the shifts and maneuvering ability of the different sections of the exploiters at the top.

#### The Propaganda of the Morgan-Rockefeller Struggle

All class conscious workers realize that the Capitalist class controls all the decisive avenues of expression, not to speak of the economic, political, and military forces. But the Morgan-Rockefeller blocs within the capitalist class control the decisive aspects of the capitalist avenues of expression. Here, too, there is "unity" (against the other classes) and struggle (among themselves for supremacy). The most important big motion picture studios and the movie chains are under their control. The radio, to say nothing about the newspapers, and universities ~~is~~ are also dominated by them.

The Dickstein committee obtained information (which they suppressed) on the Morgan bloc's financial support to the reactionary and semi-fascist organizations in the United States (the American variety in opposition to the Italian and German "foreign movements"). The foreign reactionaries and fascists can help, but the Capitalists want an American brand to lead. Morgan's men, Morgan's partners, were financing and are still financing a half dozen anti-labor nationally known "popular" reactionary organizations. Of course Hearst, Gianninni, John W. Davis and others are also tied up with this as Morgan men and allies.

Strange as it may seem, Father Coughlin, on the other hand, was tied up with the Rockefeller-Ford brand of reaction against the workers. Their line AGAINST THE WORKERS is to blast Wall Street and the finance-capitalists, which means the MORGAN BLOC. This type of attack on the workers (propaganda) is the most effective method of holding in check and fooling the working class.

#### American Imperialism

America's foreign investments in 1900 amounted to a half billion dollars, which was increased to two and a half billion dollars in 1913 on the eve of the world war. By 1930 this foreign investment had reached 16 billion, apart from the 10 billion in government loans to the war allies. Morgan's bloc has been able to ride the wave of this foreign investment. The Rockefeller group has followed oil, but has not shared the main part of the other booty. Oil is a prize of its own and drives American imperialism in bitter struggles all over the world with England (Dutch-Shell vs Standard Oil).

#### Charity

The Rockefeller group uses interesting method of control which gains it tremendous favorable publicity, that is its so-called "Charity" interests. This method is simple: stocks of bonds are set aside into a fund; the interest or dividends of this fund go to keep up the so-called Charity. Two things are thus accomplished; 1- the Rockefellers (and most other capitalists, too) are able to deduct these ~~high~~ gifts to charity from their taxable income, thus saving almost what they would have to give up in taxes, and at the same time, 2- maintains control of the corporations in which the Rockefellers are interested. The Rockefeller Charities have directors in many corporations; in this capacity they serve the Rockefeller capitalists direct.

Morgan's is far more an international empire. Rockefeller's empire is international too, but there is a big difference when compared to the Morgan empire. Morgan's empire has large holdings in British and German fields, while Rockefeller's holdings are important in Germany but are anti-British. A summary of the two empires reveals that the Rockefeller holdings run parallel the needs of the American capitalist class as a whole to a far greater extent than do the holdings of the Morgan group. The Rockefeller type of Americanism and the Morgan type of Americanism will reveal this important difference in needs and propa-

Note: This thesis does not attempt to give detailed facts and figures of the Morgan-Rockefeller holdings and points where there are struggles. It gives only a few examples for each aspect of the problem presented. Detail material on these two empires and the finance-

capitalists who make up their blocs can be had at almost every library. We have confined our material, in the main, to the theoretical aspects of the Morgan-Rockefeller struggle.