

Fourth International

The Soviet Purge of Culture

Stalinism and the Intellectuals . . . *By E. Germain*



Mao Tse-tung's 'Revolution'

Report from Hong Kong *By Hsieh Yueh*



Herbert Aptheker's Distorted History

By J. Meyer



Money Utopias of the 'Welfare State'

By John G. Wright

December 1949

25c

Manager's Column

The national subscription campaign conducted during November by the Socialist Workers Party for **The Militant**, America's leading socialist weekly, gave an encouraging boost to the circulation of **Fourth International**, theoretical magazine of American Trotskyism.

A number of those visited by the sub-getters took advantage of the opportunity to get a combined subscription to both publications for \$4, thus saving 50c.

Los Angeles, which had the highest score in the campaign for **The Militant**, also came high in FI subs, sending in 11 during the month.

Minneapolis and Detroit tied with 7 subs each.

Chicago scored 6 and St. Paul 4.

Most of the other cities also showed a favorable increase in FI subs as a result of their work with **The Militant**. As Literature Agent Winifred Nelson of St. Paul observed: "We have gotten 4 FI subs during the course of the campaign, and we also have sold some literature in the course of going after subs. It always seems to work that way, doesn't it? A stepping up of one literature activity encourages the selling of the rest."


* * *

The August issue of **Fourth International**, which was devoted to one subject, "The American Empire," has been favorably received abroad.

Quatrieme Internationale, published in Paris by the International Executive Committee of the 4th International, had this to say: "This number of **Fourth International** is undoubtedly the best all-around study of American imperialism from the point of view of revolutionary Marxism and will be of great usefulness for the whole international revolutionary vanguard. We think we will be able to publish this entire number as a pamphlet in

FOURTH INTERNATIONAL

Volume 10 December, 1949 No. 11 (Whole No. 101)

Published Monthly by the  267
Fourth International Publishing Association

116 University Place, New York 3, N. Y. Telephone: ALgonquin 4-9330.
Subscription rates: \$2.50 for 12 issues; bundles, 20c for 5 copies and up. Foreign: \$3.00 for 12 issues; bundles 21c for 5 copies and up.

Re-entered as second-class matter May 27, 1948, at the post office at New York, N. Y., under the Act of March 3, 1879.

Managing Editor: GEORGE CLARKE

Business Manager: JOSEPH HANSEN

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French for the use of revolutionary militants."

* * *

That reminds us that extra copies of the August issue are still available. Literature Agents should check their stock and keep a sufficient number of this issue on hand. Like a pamphlet especially designed for the purpose, it constitutes an excellent introduction to the Marxist view of the role of American imperialism in the turbulent world of today. It is very timely.

Devoted to the drive of the Wall Street oligarchy toward domination of the entire world, the editorial staff assess the meaning of this ominous development to the American people.

From obscure records, John G. Wright assembles the facts revealing the startling increase in the size of the giant fortunes since Ferdinand Lundberg's book *America's 60 Families* exposed the enormous concentration of wealth in America in 1937.

George Clarke presents the slack record of Washington's foreign policy, while G. F. Eckstein points out why Big Business has launched its assault on basic democratic rights here at home.

Bert Cochran deals with the top labor bureaucrats as lieutenants of Wall Street in peddling the evil schemes of American imperialism abroad and keeping the labor movement tied to the capitalist political parties in the United States.

William F. Warde sums up 60 years of anti-imperialist struggle in the United States and outlines the possibilities of effectively opposing the power-mad dreams of the oligarchs.

If you haven't read "The American Empire" issue yet, send 25c for a copy. For one dollar we'll send you five copies. Your friends will appreciate a copy of this realistic, factual study of the tiny circle of multi-billionaires who rule America.

Literature Agents have been so occupied with **The Militant** subscription campaign that they have overlooked reporting on sales of the November issue. However, we took two orders that came in as a favorable omen.

Detroit ordered 100 extra copies. "We're going to attempt to sell them throughout the city on the scale done some six or seven months ago with the issue on the American labor movement," writes Literature Agent **Howard Mason**. "It was felt this would be an excellent issue to have our UAW contacts read."

Philadelphia ordered 50 extra copies of this issue.

Trade union militants in these two cities no doubt found the article by Irvin Marnin of special interest, "The UE Faces the Split." This dealt with the crisis of unionism in the electrical industry and gives a solid factual background of the internal struggle that preceded the ouster of the UE from the CIO.

* * *

J. S. of Saskatchewan, Canada, dropped a note to us: "I read **The Militant** and **Fourth International** and would not like to be without them. Perhaps my subscriptions are run out. If you let me know I will send in renewals."

Subscribers like J. S. are really appreciated! However it isn't generally necessary to write us to find out when your subscription expires. A notice is enclosed in your copy to let you know in plenty of time.

If your copy this month contained an expiration notice, make sure to renew promptly!

SUBSCRIBE TO

**Fourth
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FOURTH INTERNATIONAL

VOLUME 10

DECEMBER 1949

NUMBER 11

EDITORIAL REVIEW

BUREAUCRACY AND STALINISM IN CIO

The Cleveland CIO convention placed its seal on an already accomplished fact: the bureaucratic domination of the industrial union movement. The decay of democratic forms in society as a whole was transferred into the trade union organizations.

Under the banner of "democracy" a dictatorial regime was imposed on the CIO. The Stalinist opposition was tagged as "totalitarian" and expelled. That stigma, and the penalty for those so accused, does not apply to the Stalinists alone. In effect, a virtual system of thought-control has been established under the pretense of opposition to "totalitarianism." The Stalinists were outlawed for their refusal to go along with the *political* program of the top CIO brass i.e. support of Truman and the Democratic Party, support of the Marshall Plan and the Atlantic Pact. What rights then remain for those who oppose the bureaucracy on a strictly *trade union* basis and demand greater democracy in their unions or a more militant policy against the corporations?

Whatever ambiguity there may have been on this question was soon dispelled by the events in the National Maritime Union which followed hard on the heels of the CIO convention and bore its stamp of approval. An opposition representing close to a majority of the union membership has been driven from its elected position in the Port of New York by the use of kangaroo courts, strong-arm methods and with the active cooperation of the shipowners and the NY Police Department. Rank and file members have been bullied, intimidated and beaten and deprived of their union books which is equivalent to loss of their livelihood as seamen. All of this is occurring in the midst of a referendum to decide controversial and hotly-contested decisions of the recent union convention.

The opposition in this case was denounced as "totalitarian" not for opposing the Marshall Plan or the influence of the Vatican but for insisting on space in *The Pilot*, the union's paper,—a right that has been traditional in the union—and for resisting the appointment of a receiver over the New York Port. The "liberals" at the CIO convention who vehemently denied that democracy was to be denied to anyone but the "Stalinist totalitarians" have been conspicuous by their silence in the struggle. If anything, Reuther and Co. have probably been secretly advising Curran on the best means to put over his *coup*.

What is happening in the NMU is rather a harbinger than an exceptional, isolated incident. The ruthless meth-

ods of Curran and Co. are the result of their inability to cope with the problems of a sick industry. Shipping has fallen off drastically since the end of the war. There are almost a third more sailors than there are jobs. And the shipowners have been exploiting this competition for jobs by steadily undermining union conditions on the ships. Behind the issue of union democracy there loomed a larger problem with two clearly defined answers: either an aggressive policy against the shipowners and the government or the elimination of the "surplus" seamen and the creation of a job trust with friendly relations with the shipowners and just enough jobs to go around. Curran has chosen the latter "solution."

Every union in the country is bound to face a similar problem when the epidemic of decline spreads from one industry to another. The long-range purpose of the bureaucratic decisions of the CIO convention are aimed precisely at such an eventuality: the bureaucracy wants its hands free for the most far-reaching compromises with the corporations at the expense of the workers. Union democracy has no place in this scheme.

The triumph of bureaucratic leadership was not the result of a skillfully contrived plan drawn up long in advance and filed away until the appropriate moment arrived. It is the conclusion of a long process and a continuing struggle within the unions whose outcome was determined by two principal factors: the alliance and integration of the trade union leadership with the capitalist state, and the disorientation and paralysis of the left wing by the Stalinists. We have described this process several times in the past in the columns of *Fourth International*. But it merits repetition, if only in capsule form, on this occasion.

As the original surge of labor radicalism, which brought the CIO into being, receded, a bureaucratic leadership attempted to fasten its grip on the various unions and the national organization as a whole. This was no easy task. A conservative tendency among the more highly skilled workers, who had profited the most from the CIO victories, was willing to lend itself to the plans of the bureaucracy. But the current of militancy was still running too strong. The odious tradition of racketeer-ridden, machine-controlled and class collaborationist AFL unionism was fresh in the workers' minds. Every attempt to curb democratic rights met with fierce resistance. Uninterrupted factional struggles within the unions, seemingly obscure in origin and purpose, were the hallmarks of the conflict between the rank and file militants and the threat of bureaucratic dictatorship. Here and there the new labor barons suc-

ceeded. Ironically enough, outside the steel union, the tightest machines were organized in the Stalinist-controlled unions.

The outbreak of World War II decisively altered these conditions in favor of the bureaucracy. The unions, completely enmeshed with the government apparatus, lost their independence. Conflicts with the employers were regulated by agreement between the union leadership and government boards dominated by the employers. Without the right to strike, internal union democracy was rapidly becoming a fiction. The bureaucracy, armed with police powers by the government, was released from the pressure of the workers. Its actions took the form of decrees handed down from above.

This regimentation was not imposed without resistance. The revolt against the "No-Strike Pledge" assumed large and menacing proportions, particularly in the auto union and, but for the ending of the war, could have served as the basis for a new leftwing in the unions. In an indirect manner, the war-time insurgency found expression in the post-war strikes which temporarily jolted the security of the bureaucracy. But only temporarily. Through its intervention, the government circumscribed the limits of the strikes, thus permitting the union leadership to stay at the helm and to prevent the rise of any independent and left-wing tendency.

The enactment of the Taft-Hartley law, in essence a moderate form of compulsory war-time arbitration, further redounded to the benefit of the union bureaucracy. Despite their vociferous protests against it, the new law quickly became a weapon in their hands against militant action by the rank and file and against radical opposition in the ranks. The preparations for the bureaucrats' offensive was being completed.

Under cover of the propaganda barrages of the "cold war," the union bureaucracy began its assault against democratic rights in the CIO with the aim of crushing all opposition and consolidating its own arbitrary rule. The offensive reached its climax at the CIO convention where the top leadership was invested with centralized powers unprecedented in the history of the American labor movement.

All of this was obtained at a price—a price paid by the workers in the form of deteriorating working conditions and in wages that lag far behind the cost of living. The same convention that celebrated the triumph of the Murray-Reuther-Carey machines approved the capitulation of this leadership in the fourth-round wage drive. Acheson's presence at the CIO Convention as its keynote speaker was especially symbolic. The State Department was the real victor in the internal struggle in the CIO.

To attribute this development to the strength of reaction—and let it go at that—is to resign oneself to a passive view of history and the class struggle. The great power of the monopolists, their fusion with the government machine, the unceasing torrent of anti-communist propaganda, the extended period of employment and "prosperity"—all of these were undoubtedly important factors.

They aided the bureaucracy but they do not account for its easy victory. Why was there no genuine left wing strong enough to stem if not halt the advance of the mercenaries of the State Department?

The democratic impulse and the tradition of militancy is far from moribund in the CIO. Time and again it breaks through the bureaucratic fetters as in the revolt against Curran in the NMU and in the seething opposition of the auto workers to Reuther's Ford contract. Paradoxically, the responsibility for the weakness of the opposition rests with the first victims of the purge—the Stalinists.

The measure of Stalinist betrayal can be gauged from the direction of the attack against them at the CIO convention. It came from the left! The Stalinists were pilloried for their strikebreaking at Montgomery-Ward during the war, for their proposal for a permanent no-strike pledge, for the miserable agreements signed by UE, for lack of democracy in their unions, for serving the interests of the Soviet foreign office rather than the American workers. Murray, Reuther, Curran, Baldanzi, Carey—the catspaws of the State Department, the menials of the Truman administration, the allies of the Catholic hierarchy—all of the arch-enemies of independent union action, and militancy and democratic methods in the unions were thus able to hide their own crimes behind the sins of the Stalinists.

The tragedy of the situation is not the ignominious defeat suffered by the Stalinists. That was well-deserved. It is in the blow received by the militant and radical wing of the CIO who now face a more powerful and entrenched bureaucracy. It is the penalty of thirteen years of Stalinist opportunism, class collaborationism, and bureaucratic methods.

The Stalinist defeat at the CIO convention is the

end of a long road which traverses the depression, the rise of the CIO and the Second World War. It was a period in which a great radicalization welled up in the ranks of American labor. Thousands of the best worker militants flocked to the Communist Party in search of a revolutionary answer and program to meet the degrading social crisis of American capitalism. The same development occurred in other layers of society as well, among the intellectuals, the professional groups and the students.

This dynamic force could have been the shock troops for the left wing of the new union movement and a strong revolutionary party. Instead their services were bartered by the Kremlin for the good-will of the Roosevelt administration. The history of that period might have been different *if* the Communist Party had been a revolutionary not a Stalinist organization. But that is a matter for speculation. The main prop of capitalism in the depression years were the New Deal reforms and the illusions they created among the masses. The services of Stalinism were not indispensable but they were extremely useful.

The CIO did not come into being like a hot-house plant. It was a turbulent, radical movement set into motion by old-line AFL leaders like Lewis, Hillman and Charles Howard of the Typographical Union but led from

below by radicals and revolutionists, by militants who did not hesitate to occupy plants and fight armed encounters with the National Guard, sheriffs and deputies, to flaunt their defiance at courts, mayors and governors. The top leaders of the new CIO tried to rein in the movement, to quench its rebelliousness and to put it in a reformist harness. In this endeavor the Stalinists aided mightily.

The Communist Party was not even a loyal left wing in this period. It was part and parcel of the administration forces in the unions. Its main activity was to help the top leadership curb independent actions and to prevent the formation of a left wing. Two principal methods were employed for this end. On the one hand, the Stalinists corrupted hundreds of revolutionary militants with a reformist distortion of Marxism—and with well-paying posts the CP apparatus was able to distribute. On the other hand they slandered, isolated and persecuted the dissidents and insurgents who could not be convinced or bought.

How many of those militants, following the Communist Party line of that period to its logical conclusion, have turned up in the camp of the top bureaucracy as enemies of the Stalinists! Why, after all, should the opponents of Murray and Reuther be accorded better treatment than the Communist Party had advised for the opponents of Lewis and Hillman? The Stalinists have been struck down with a weapon they themselves fashioned—slavish obedience to “CIO policy.”

The expulsion of the Stalinists from the CIO for opposing the domestic and foreign policies of a Democratic administration was strictly in keeping with the tradition the Stalinists had helped establish. They were the loudest Roosevelt-shouters. Even Lewis' angry criticism, that Roosevelt had connived with the Steel Barons in the smashing of the 1937 steel strike, was too severe for them.

Nor were their services confined merely to propaganda. They took the lead in breaking up all labor party movements or diverting them back into Roosevelt's “Popular Front.” The Democratic Party and its trade union allies could thank the Stalinists for saving their organization from catastrophe in at least two important states: by perverting the American Labor Party in New York into an adjunct of the Democratic Party thus preparing its eventual fragmentation; by merging the Farmer-Labor Party of Minnesota with the impotent Democratic machine, negating its effectiveness as an instrument of the trade unions.

The servility of the Stalinists to the foreign policy of the Roosevelt administration, their unabashed patriotism and jingoism during the war is too well known to need repetition here. This was their major consideration for fighting the left wing, for opposing an aggressive class struggle policy in the CIO, for breaking up all moves toward independent labor political action. Here too consistency is on the side of Murray and Reuther. They merely continued what the Stalinists began—at the expense of the Stalinists.

Yet there was a time, not so long ago, when all this was not so clear. Those were the balmy days of the “popular front.” The Stalinists luxuriated in the sun of “respectability.” They controlled a whole group of big CIO unions. They dominated city and state CIO councils in most of the major industrial centers. Their agents were planted in all the important policy making bodies right up to the top. Perfect harmony prevailed between them and Murray, R. J. Thomas, Curran, Quill and a host of lesser lights. They had positions in federal agencies, in state and city governments. Their fellow-travellers clogged up all the pores of the intellectual and professional movement which had turned to the left during the depression of the Thirties. This, they proclaimed was the “new dispensation,” the “American” road to socialism.

But there was nothing “new,” nothing especially “American” about this hoary form of class collaborationism and reformism. So too, it has suffered the classic fate of all opportunism, whose swollen power is built on the shifting sands of a temporary conjuncture of class relationships. Contrary to the popular misconception which conceives of a big all-inclusive reformist movement as a formidable challenge to “reaction,” opportunism grows at the expense of the revolutionary forces of the workers and not in conflict with the real interests of the bourgeoisie.

During its period of weakness the bourgeoisie and its labor lieutenants need a “revolutionary-appearing” agency to fend off and restrain the radical and dynamic mass movement. But this period does not last indefinitely. The period of reaction always follows the period of reforms because class collaboration flies in the face of all the laws of a society torn by class contradiction. Roosevelt and Lewis, and later Murray, needed the Stalinists during the stormy days of the CIO—they needed them as a safety valve against the pressure of the unorganized revolutionary left wing in the country. When Stalinism had served its purpose, the bourgeoisie found a new function for them, one in which their cooperation was unnecessary. Stalinism became the foil for the direct attack against the trade union movement as a whole. By their cooperation in this attack, Murray, Reuther and Co. expose the workers organizations to the same fate now being met by the Stalinists.

Fortunately the CP does not occupy a comparable position in this country to that of the pre-war German social democracy. Having saved Germany from revolution in 1919 and having propped up capitalism for a decade thereafter, Social Democracy prepared the road for the Nazis and itself wound up in concentration camps. The situation is not so critical in this country. Although there has been a general offensive of reaction on all fronts, although the Stalinist leaders have been sentenced to prison while their followers are driven out of the unions, there is as yet no major attempt to smash the labor movement or to institute a fascist dictatorship. The militants have time to ponder the lessons of the Stalinist debacle and so prepare themselves for the stormy struggles ahead.

The betrayals and zig-zags of the Stalinists have dis-

credited them with broad sections of active unionists and advanced workers. But it would be the greatest mistake to think that there was something "uniquely" Stalinist about these crimes or that they could be committed only by an agency of the Kremlin. The same opportunist course is being followed today by the Reuthers, the Dubinskys, the Murrays in opposition to the "foreign agency" of the Kremlin as it was followed in the past in collaboration with the Stalinists. The dangers are far more ominous. The life of the entire labor movement and its democratic rights are at stake, and not just those of a relatively small party. A left wing built on the solid foundation of a class struggle program and independent political action—built in opposition to the opportunists and the reformists—can not only avert this danger but open new vistas for the American working class.

The CIO convention marks the end of the road for the Stalinists. It can mark the beginning of a new road for the development of a genuine radical upsurge if these lessons are pondered and learned.

THE QUEST FOR CAPITALIST STABILITY

Paris, November 1949

When the first session of the Strasbourg European Assembly came to a close last September and its deliberations were made public, the capitalist press was unanimous in observing that it was "still far from its aims" and that the "big problems—the creation of a European currency and of a European central reserve bank, the development of the Ruhr, etc. . . ." (that is, everything that could contribute to a capitalist "unification" of Europe) had been "tabled." This was so because the antagonisms between the capitalist powers manifested themselves in the Assembly itself and because, even if a solid capitalist front could have been created, the problems involved do not lend themselves to capitalist solutions.

The problem, in effect, is one of resolving the economic imbalance between Europe and America which expresses itself on the monetary plane by the dollar shortage of Western Europe. Western Europe has shown itself incapable of paying for its vital imports from America, imports which exceed by far its exports to the dollar zone. Theoretically there are three ways out of this situation:

1. To continue the financing of imports with American credits, that is to prolong the Marshall Plan even after 1952.

2. To offset the deficit in dollars by conquering a corresponding sector of the American market.

3. To offset the deficit by conquering a sector of the colonial and semi-colonial market which would have the same relation to Europe that Europe has to America; in other words to conquer a sector which purchases more from Europe than it sells to it and has a deficit equal to Europe's deficit to America.

The first solution is not a solution: it does not grapple with the problem and, on the other hand, weighs down the American budget with a burden it cannot carry indefinitely. The third solution is unrealizable because it does

not take into consideration the contraction of the colonial market resulting from the upheavals which have occurred after World War II particularly in the Far East, and because of the grabbing of a more and more important section of what remains of the colonial domain by American imperialism, obviously at the expense of all the other imperialist powers.

There remains only the second solution. But here also the difficulty turns out to be of an organic character rather than merely commercial, financial, technical. The conquest of an important sector of the American market, to use the expression of a French journalist, entails raising the European productive machine from its present low stage to the next and higher stage, equivalent to the potential, technology and productivity of the American productive plant. The attainment of such an objective would require time and fundamentally different economic and political conditions than now prevail in Western Europe. Essentially it would require a real unification of European economy to allow for rational planning which is the only way to enable it to effectively compete with the American economy. But here it encounters the insurmountable difficulty of its capitalist structure whose antagonistic, competitive character rebels against all planning and exists on the international plane as well as internally in each country.

The force of these antagonisms expressed itself as strongly in the discussions held in the European Assembly at Strasbourg between the representatives of England and of Continental Europe in particular, as it had in the devaluation of the pound. In reality what has happened since the inauguration of the Marshall Plan can be summarized as follows: each European bourgeoisie, far from inclining to unification of Europe, has utilized its share of American credits (a share which it has constantly endeavored to increase at the expense of its European partners) to reconstruct its own productive apparatus and to conquer the largest possible part of the world market, in an unremitting struggle against all the others.

Up to now England has excelled in this race of autarchy and competition for two reasons: a) because it has benefited from the resources and customers of the Empire in an attempt to sustain the effects of American pressure within the framework of Empire possibilities; b) because, it would run the risk, in the event of the failure of this attempt, of losing everything and of being reduced to the status of a second-rate power.

The devaluation of the pound was a unilateral attempt by Britain to temporarily check the drain of its currency and gold caused by its dollar deficit, and by means of the new "combat rate" of the pound to capture a part of the world market from all the other capitalist powers including the United States. The ruthless devaluation of the pound has caused an almost general devaluation of all other currencies. In the disorder and confusion which followed in the wake of this "earthquake," the shaky scaffolding of the European Union erected in Strasbourg collapsed pitifully. They then laid the blame on "Perfidious Albion" who had suddenly "deserted" the continent and

had begun to engage in secret deals for privileged treatment from the United States.

However, it is not very likely that the devaluation of the pound will give England more than a breathing spell and, it will be demonstrated that it is in reality waging its last "fight" as a great capitalist power. Devaluation alone will not give England or the other capitalist countries any real advantage if it is not accompanied by wage-freezing and higher productivity. And even in this case, devaluation will result in a *redivision* of the world market in the interests of the most favored competitor and not at all in an *enlargement* of the market.

Up to now, everything that has happened since the institution of the Marshall Plan, has in reality benefited only American imperialism. The economic and military assistance which the capitalist countries were compelled to accept actually enabled the U.S. to gradually remove the barriers to the free circulation of its goods and capital throughout the world. England was the only capitalist power in a position to continue its resistance and to defend its Empire. It too had to yield. Before the advent of devaluation, it had been obliged, during the tri-partite parleys in Washington, to make a series of economic and military concessions in South-East Asia, in the Middle East and in India, which are nothing else in the "final analysis than the transformation of the British Empire into an American empire." (*Le Monde*, October 29)

At present, when the most serious organs of the capitalist press in the Atlantic Pact countries are unanimous in recognizing the "crisis of Europe and the Marshall Plan" (a crisis now manifesting itself in the collapse of European unity and of the European balance of payments) American imperialism, brandishing the threat of a wholesale reduction of credits and even of their suspension, will try to smash the last bulwarks which keep continental Europe and England itself from falling into its clutches.

It is not a matter of trying to "realize the utopian dream of the United States of Europe." (*Le Monde*, October 28) The countries involved would be satisfied merely with concluding "regional treaties" within the general framework of the Strasbourg European Assembly with the aim of facilitating "trade and exchange." Thus instead of a genuine economic unification of Europe which would permit rational planning, they substitute the shoddy alternative of European cooperation on the plane of trade and payments. What will happen to Europe in this situation?

The transaction will be made once more to the exclusive benefit of American imperialism which will find the means, as the champion of liberalism, to comfortably circulate its goods and especially to fruitfully place its abundant capital in the most solvent spots of European and world economy. An American satellite—with or without the label of "the 49th state," a label which European politicians and journalists no longer hesitate to apply—that is the capitalist future of Europe which will inevitably create a "social disequilibrium," which will make it necessary to appeal to "police authority" and to the

"strong state" in order "to maintain social order." (Conclusions of the poll in *Le Monde*, September 29: "Does Europe want to exist?") In the meantime the masses are required to pay at once, by a new and drastic reduction of their standard of living, the consequence of currency manipulation and the raising of productivity.

In reality, the disequilibrium they speak of is not a problem of the future but already exists and becomes more acute. It involves the totality of the capitalist world because it is basically an organic disequilibrium caused by the unequal development of capitalism and by the structural changes which have occurred particularly during the last war and the upheavals that followed. The American productive plant had far outdistanced that of ruined, impoverished, divided Europe while a number of colonial and semi-colonial countries have thrown off the direct yoke of imperialism and have entered the road of industrialization. On the other hand, the USSR has extended its control over a large part of Europe and Asia, thus removing an important sector of the world market from imperialist penetration and further aggravating the crisis of markets which constantly confronts every capitalist country in its attempt to expand.

The consequence of these changes is expressed in a fundamental and organic disequilibrium which capitalism will not be able to overcome. For the present, American imperialism can still allay the disastrous effects of this situation on its own economy by crushing the other capitalist powers, by expropriating them for its own benefit. But on this road it destroys at the same time those economic and social foundations on which its power in Europe rests and prepares the explosions which will blow up its own system.

In the face of a capitalist world ravaged by such disorder and such contradictions, the example of the USSR and the so-called "people's democracies" could have served by its very presence as the most powerful lever for the revolutionary struggles of the masses of the capitalist countries and the colonies. Unfortunately the policy of exploitation of the masses and the police terror practised by the Soviet bureaucracy in the USSR and in its zone of influence discredits communism and prolongs the death agony of capitalism. Desiring to perpetuate the exploitation of the countries under its influence for its own interests, the Soviet bureaucracy has opposed up to the present any unification of their economies and rational planning. Eastern Europe, aligned with the economy of the USSR could have constituted a living example, an irresistible attraction, a demonstration of what the unification of Europe would mean, and of the immense and immediate possibilities of a socialist economy.

More than ever is it necessary for every independent revolutionary organization to propagate among the broadest masses the urgency and realism of the revolutionary program of the Socialist United States of Europe against the disintegration and decay of capitalist Europe and against the perpetuation of a divided and exploited Eastern Europe under the heel of the Kremlin.

Mao Tse-tung's "Revolution"

By HSIEH YUEH

Following is the digest of an article which appeared in the first issue of the magazine *Fourth International* (published in Hong Kong), organ of the Revolutionary Communist Party, Chinese section of the Fourth International. The writer is one of the principal leaders of Chinese Trotskyism and one of the pioneers of the communist movement in the Far East. Although written some eight months ago, April 15, 1948, the article reports facts and trends in so-called Communist China which have been hitherto unknown in the West. The translation is from the French as it appeared in the October-November issue of *Quatrieme Internationale*.

Stalinist military victories in China have led certain people to believe that backward countries provide a fertile soil for the development of Stalinism. This is an empirical method of thinking. It is true that colonial countries are composed in their majority of petty-bourgeois and peasant elements, but this condition alone is not sufficient to guarantee the success of the Stalinists. The petty bourgeoisie is not isolated from society. Despite its numerical majority in certain countries, it cannot play an independent role in the epoch of capitalist decline. It must take its position in the struggle of the proletariat against the bourgeoisie, on the side of one class or the other. The Chinese Stalinists cannot march to victory by basing themselves solely on the petty bourgeoisie, a class which is incapable of resisting the pressure of the capitalists. This holds equally true for situations in which the proletariat has been crushed and the peasant movement isolated. Thus the peasant insurrection in the Kiangsi province in 1927-37 was defeated by the capitalist blockade.

Stalinism has been able to achieve great victories in China because, alongside the prostration of the proletariat, there took place a collapse of capitalism. The war of 1935-1947 weakened the material bases of capitalist power. The broadest masses, even those who normally support the bourgeoisie, turned against it. But the same historic conditions, which favor the growth of Stalinism, also create difficulties for it as its armies approach the major cities. The question for Stalinism is whether to ally itself to the proletariat or to the capitalists. The facts prove that it has allied itself with the bourgeoisie rather than with the proletariat.

The major cause for Stalinist military successes was the October 1947 agrarian reform. During the Sino-Japanese War the Stalinists abandoned agrarian reform and limited themselves to a reduction of rents accruing to the landowners. After the war, the CP was defeated by the Kuomintang in the struggle for control of the liberated areas. The Stalinist leaders themselves acknowledged that the peasants were not satisfied with their reformist policy and were demanding land. At the Central Committee meeting of May 4, 1946, the CP decided to execute a turn

toward agrarian reform in order to win the support of the peasantry in their war against Chiang Kai-shek.

However the effects of this reform in the areas initially controlled by the Stalinists were limited. The landowners received their share in the distribution of land and this share was often better than that received by the peasants. The rich peasants retained all of their property. But even this limited reform clashed with the resistance of the landowners who had penetrated into the ranks of the Chinese CP.

The "Open Letter to the Members of the Party," published in January 1948 by the Central Committee of the Shansi-Shantung-Honan region declared: "The present directives of the party are aimed at a section of the party membership which is composed of landowners and rich peasants who are protecting the property of their families and relatives." And the Stalinist, Nieh Yung-jin, in his work on "Renewal of Our Ranks" admits that "these elements (landowners and rich peasants) occupy most of the positions in our party." He even states that "considered in the light of agrarian reform, our policy appears to reflect the views of the landowners and the rich peasants."

Furthermore these documents give a very concrete description of the attitude of these landowner members of the Chinese CP. These elements were the chief opponents of agrarian reform but when it occurred they did their utmost to derive the maximum advantages from it for themselves. They conducted themselves "invariably in a very greedy way," even utilizing the armed forces to seize the best plots of land, most of the livestock, implements, homes and clothes, etc. These elements had already become "a group in opposition to the people," in opposition to the poor and landless peasants. And the document referred to above continues: "The poor and landless peasants are today in a worse situation than ever, for they don't have enough land to cultivate, not enough houses to inhabit, nor sufficient clothes to wear. They do not even have the right to speak in the village committees, let alone take a leading position in these committees... Formerly exploited by the landowners, the poor and landless peasants are now exploited by these bad party members."

Under pressure of this internal crisis in its ranks, as well as of the left turn of the Kremlin's foreign policy, the CP then made a new turn with its publication on October 10, 1947 of the "Program of Agrarian Reform." This was an appeal to the masses to complete the agrarian reform. But the limited character of this "orientation toward the masses" was apparent not only in the fact that the agrarian reform did not upset the right to buy and sell land confiscated from the landowners—thus favoring a new concentration of land in the hands of the rich peas-

ants—but also because it expressly permitted the free transfer of capital to commercial or industrial enterprises. It appeared further in the fact that the reform itself was rapidly brought to a halt.

In actuality, the bureaucracy was frightened by the rising waves of mass struggle. "The masses automatically fight the bad party members. In some areas members of the party were arrested and beaten by the people." This is the complaint of Liu Shaw-chi in "Lessons of the Agrarian Reform in Pinshang." In another important document, the CC of the Shansi-Hopei-Shantung-Honan district gives this summary of the conflicts between the peasants and the political line of the CP: 1. For the purpose of getting more land the peasants gave false information on the size of the landowners' property; 2. After the division they do not admit that the landowners obtained more land than themselves; 3. They want to confiscate the factories and enterprises of the landowners and rich peasants.

This clearly demonstrates the conflict between the revolutionary tendencies of the masses, who want to completely expropriate the owning classes, and the bureaucratic and conservative tendency of the CP which, in practice, protects the positions of these classes. The bureaucracy invariably accuses the masses of being "too far to the left" or of "left adventurism" in order to limit their actions which threaten the Stalinist line and its bourgeois allies.

It was soon obliged to halt all mass actions. On August 24, 1948, the New China News Agency (New China press service) issued the text of an article in the *West Honan Daily News* to the radio which officially announced: The agrarian reform must be halted and the peasants would have to be satisfied with a reduction of rent, taxes and interest to usurers.

Thus, agrarian reform which began on May 4, 1946 in areas previously occupied by the Stalinists was halted in August 1948 in the areas newly occupied by the Stalinists. An official document of the Chinese CP on February 22 indicated that in the "old and semi-old liberated" areas, the reform which was achieved by different norms had led to the constitution of three distinct zones:

The first is one where a small section of the landowners and rich peasants had acquired the largest and best properties. In this zone, the rich and middle peasants would comprise 50-80% of the village population and would possess on the average land double in area to that owned by the poor peasants. The CC of the Chinese CP says that distribution of land in this zone has been terminated.

The second zone is one in which the rich peasants and old landowners retained relatively more land than in the zone described above. Most of them, according to the CC of the CP, retained larger and better properties than the poor peasants and the same applies to most of the members of the party. The poor and landless peasants constitute 50-70% of the village population and "for most of them life has not changed much." Distribution of land occurred here but in an incomplete form.

Finally, a third zone has not yet experienced any distribution of land, and landed proprietors and rich peasants retain most of the land while the poor peasants have not received anything. This too is based on official information of the CC of the Chinese CP.

It appears from all the evidence that the "greediness" of the landowners and rich peasants, whether CP members or not, has been given free rein in this reform and that most of the elements whose lands were confiscated are already in the process of re-enriching themselves. The "middle peasants" in the first zone referred to by the CC include many exploiting elements and landed proprietors.

The so-called "old and semi-old liberated areas" constitute all of the territory situated at the north of the Hoang-Ho (Yellow River). Agrarian reform was and is still applied in this area in a varied manner. Here we encounter a typically Stalinist policy. To resist the pressure of the bourgeoisie, the Stalinists are forced to base themselves on the masses. But when the upsurge of the masses threatens to cause social upheavals, the Stalinist bureaucracy attempts to channelize these actions and, in its fright, makes a zigzag to the right, engages in negotiations with the bourgeoisie and orders a halt to the popular movement.

Industrial and Commercial Policy

The principal breach in the agrarian reform consists in the policy called "protection of industry and trade." It allows for the free transfer of the capital of the rich peasants to industrial and commercial enterprises even in the small towns and villages of the liberated areas. The factories and mines previously nationalized in the districts first occupied have gradually been transferred to private capitalists. Liu Ning-i indicates this clearly in his work on "Industrial Policy in the Liberated Areas" where he writes: "The government desires to strengthen the various sectors of heavy and light industry. For that all the people, including the big capitalists, must be mobilized, by utilizing all their strength and their complete cooperation."

To contribute to industrial and commercial development, the Chinese CP has proclaimed a tax policy to stimulate private initiative instead of the Kuomintang's tax policy which stifled the entrepreneur. But this has not resulted in a miracle of a rapid construction of heavy industry in the immense backward, agricultural areas. For the most part industrial and commercial enterprises in this area are of the artisan type. There is little heavy machinery. The organic composition of capital is therefore very low. But the propaganda of the Chinese CP declares that the main task in the field of industry and trade is (according to Lui Ning-i) "to develop the productive forces and to reduce the cost of production." The lower the organic composition, the greater is the part of variable capital, that is of wages, in determining the cost of production. Consequently the industrial and commercial policy of the Chinese CP leads in the first place to a lowering of real wages, the lengthening of the working day and to the super-exploitation of the working force by the well-known method of piece-work.

The Chinese CP has introduced these methods of exploitation in all the liberated areas. Here are the real facts about its much vaunted "wage policy." The documents of the Chinese CP openly speak of "too high wages." The working day has been lengthened to 10 and even 12 hours a day. Not only has the system of piece-work been introduced but the Stalinists have attempted to justify it theoretically. They explain that "in the system of piece-work payment, the workers obtain higher wages if they increase production; they will therefore increase production to obtain higher wages: this is a very reasonable and progressive conception of the rewards for manual labor." (Chang Per-la, "Policy on Labor and Taxes in Relation to Industrial Development.")

When the army of the Chinese CP entered the large cities it protected all private enterprise, Chinese or foreign. Only the old and "bureaucratic capital," i.e., enterprises directly controlled by the Kuomintang government, were affected; and even in these cases the investments of private capitalists in these "bureaucratic enterprises" were left intact. Thus the Stalinist policy in the cities is an extension of the Stalinist policy on the countryside. And just as the Stalinists, under pressure of the national bourgeoisie, sacrifice the interests of the workers and the poor peasants, they will take similar measures under pressure of imperialism.

Transfer of Power

Let us now, after having examined the economic facts, go over to the political situation. Before the agrarian reform in the areas originally occupied, power had already slipped into the hands of the rich peasants and landowners without the poor or landless peasants having any voice in the party or any organization of their own. After the introduction of agrarian reform, the Chinese CP began to form *Committees of Poor Peasants* for the purpose of mobilizing mass support for its policy. These committees unified the poor on the countryside and accelerated the realization of agrarian reform. The Committees of Poor Peasants gave rise to the *Congress of Peasant Delegations*. At the time of their formation, the Committees of Poor Peasants were already fulfilling the role of genuine *peasant soviets*: they confiscated the land of the landed proprietors, levied the taxes and other services on the village families.

The Congress of Peasant Delegations replaced the Committees of Poor Peasants by *Peasant Committees* to which exploiting and wealthy peasants also belonged. In fact the documents of the Chinese CP complain that "some of these Peasant Committees do not even include the medium rich peasants." It should be noted that the CP does not scientifically differentiate between the various peasant strata and often considers rich peasants as "middle peasants." Moreover, the party membership always consists of rich and often even exploiting elements. This explains the constant complaints of the bureaucracy about the poor and landless peasants who "always want to control everything," who "violate the property of the medium rich peasants."

Upon the completion of agrarian reform, the bureaucracy especially insisted on the dissolution of the Commit-

tees of Poor Peasants; the most it would allow was a "commission on poor peasants" in the Peasant Committees. For their part, the Peasant Committees were established only for certain economic purposes. The bureaucracy made every effort to prevent them from establishing any political authority. This power was to pass from the Congress of Peasant Delegations to the Village Congress of People's Delegates who were to create the political authority in the village. It is expressly stated that this Village Congress of People's Delegates should "embrace all democratic classes, including workers, peasants, artisans, the free professions, intellectuals, entrepreneurs and enlightened landowners." (Speech by Mao Tze-tung at the CP Congress in the Shansi-Shuiyun area) This is therefore an organization of power based on *class collaboration* and replaces the authority of the poor peasants.

The heads of "the liberation army" demonstrated the same conservative and reactionary spirit when they entered the big cities. In their attempt to reconcile the factions of the former Kuomintang government, the Stalinists considered the "peace of Peiping" as the model for the transfer of power. Thus they demonstrated to the bourgeoisie that what counted was only the winning of the confidence of the Kuomintang bourgeoisie and not that of the working class which would have destroyed the bourgeois state structure in the cities. The Chinese CP also maintained in effect in the cities the existing means of repression among which is the infamous principle of collective responsibility. (If the police cannot find a "trouble-maker," they can arrest a member of his family as a hostage.) The Stalinists have abolished the right to strike and instituted compulsory arbitration. Just as the power of the poor peasants was wiped out in the interests of class collaboration, so the first efforts of the workers to create an independent organization in the cities was stifled by the bureaucracy.

Trade unions have traditionally served the workers' movement as a school of class struggle. The Chinese Stalinists have changed this formula. For them the trade union has become "a school of production which encourages the productive and positive characteristics of the proletariat." The task of defending the interests of the workers is dubbed "leftist adventurism."

In private enterprises, the capitalists have retained unlimited power. In nationalized factories—formerly the property of "bureaucratic capital"—power is to be invested in a *control committee*, with the manager of the factory acting as president, and consisting of representatives of the former owners, representatives of the supervisory personnel and representatives of the workers. But the workers have only *consultative* rights, the director retaining the final say in all decisions.

As a result of this anti-working class policy, as was recently admitted by the *North East Daily News*, "members of the party working in the factories lacking an understanding of the point of view of the masses, believe that the manager should take responsibility for all important decisions without asking for the opinion of the party and the trade union, and believe that the *control committee* is superfluous and the trade unions are only

meddlers." The paper continues: "It will not be possible to long maintain the positive attitude of the workers if we do not protect them by methods of democratic management. Besides the manager, the engineers and the supervisory personnel, the *control committees* must include a majority of the workers. These workers should be elected by the unions or by the Congress of Workers' Delegates." (On March 16, 1949, the New China News Agency reports from Mukden an article in the *North East Daily News*: "The democratization of the management of the enterprises is an important measure in raising production.")

This quotation indicates that *control committees* in the nationalized factories are not even universally established in the old areas originally occupied by the Stalinists. Wherever they do exist, they are purely administrative organs separated from the working class and have, in fact, become dictatorial organs in the service of the directors. But wherever the *Congress of Workers' Delegates* exists it serves, like the unions, as a consultative body.

Character of the "People's Power"

The analysis made above provides us with important material on the character of the so-called "People's Power" of the Chinese CP and its further development. The advance of the armies from the countryside to the industrial cities had gradually lifted the CP from an unstable regional power with an isolated agricultural base to a power based on a relatively stable, urban, economic foundation. This transformation has been accompanied by a class collaboration policy. The closer the Chinese CP comes to national power, the further it is removed from the workers and the poor peasants and the more it succumbs to the pressure of the bourgeoisie. Mao Tse-tung pretends that his power will be "the popular democratic dictatorship led by the proletariat allied to the peasantry." But in explaining what classes form the basis of this power, he frankly states that its structure rests on "workers, peasants, independent artisans, the liberal professions, intellectuals, 'free' capitalists, and 'enlightened' landowners who have broken with their class." We, Marxists, are not deceived by this formula; we understand that it is nothing but an embellishment of bourgeois power.

Today, when the armies of the Chinese CP are conquering the big cities, this power is still in evolution and is being extended from the countryside to the city. The victories of the CP could not have been won without the armed support of the peasantry, which resulted from a compromise between these armies and the bourgeoisie. We can recognize, however, from its conservative attitude toward the working class and the poor peasantry and from its fear of mass actions, that the CP is moving towards a military dictatorship. Almost all the cities have been placed under direct military control. To the degree that the bureaucrats disengage themselves from mass organizations, they can only base themselves directly on the army, the police and the secret service. Of course this process is still far from completion. It is only in its preliminary stages but its further development can already be anticipated.

Perspectives of Chinese Stalinism

A number of important consequences will flow from the developments in China:

1. On the countryside:

a. In the "old or semi-old liberated areas" where agrarian reform has been carried out or is in process of completion, the newly rich peasants and landowners, among whom are party members who have acquired numerous privileges, constitute the main elements in the Village Congress of People's Delegates while the Peasant Committees, in those cases where they had any real power, have been subordinated to "coalition governments" on a village scale. The poor and landless peasants, eternal victims, will express their discontent and indignation against the power exercised by local members of the party and rich peasants who have arisen from the new differentiation.

b. Agrarian reform has been halted in "newly liberated" areas. The former rich peasants and the landlords are considered the principal components in the formation of the "coalition government." The poor and landless peasants, unable to satisfy their needs, will continue the class struggle as before thus introducing friction in the ranks of the Stalinist movement itself.

2. In the cities:

These differentiations and contradictions are leading to the formation of numerous oppositionist tendencies in the Stalinist movement but they are still on a regional scale, isolated, individualist and often of a peasant type. They are condemned and crushed as manifestations of "leftist adventurism" and "Trotskyism." A large number of workers will join the CP after the Stalinist armies enter the cities but the anti-labor policy of the bureaucracy will give rise to discontent among the proletariat. Their resistance will aggravate the class struggle in the ranks of the Stalinists themselves. The educated worker elements will tend to form political opposition groups. This will mark the beginning of the collapse of Stalinism in China.

3. On the national scale:

The Chinese CP is moving toward power on the basis of a class collaboration policy. It will acquire power by maintaining the old social base of China and will find itself face to face with all the old difficulties. To resolve them on the economic as well as on the political plane, the bureaucracy will not be able to confine itself to small partial reforms (like the sacrifice of "bureaucratic capital" and a part of the interests of the landlords). It will not receive adequate aid from the Kremlin. The Kremlin's reputation is already at a low point among the Chinese people: it demands services for which it gives nothing in return. The only road open for the Chinese CP is the utilization of the national bourgeoisie as an intermediary to beg for assistance from imperialism. While less capable of resisting imperialist pressure than Tito, Mao Tse-tung will more quickly enter into conflict with Stalin's "internationalism" (read: Great-Russian nationalism).

The inevitable crisis toward which Chinese Stalinism is evolving will benefit the Chinese section of the Fourth International. At the same time it will create a broad and favorable base for the development of the revolutionary forces of the proletariat and peasantry, forces which can only be unified by the Revolutionary Communist Party.

Its main task, now and in the future, is to struggle on the side of the poor and landless peasants and on the side of the workers in the cities against imperialism, the bourgeoisie and their agent, the Stalinist bureaucracy. It will prepare all the conditions for entering on the morrow on the field of battle now being matured by history.

Purge of Soviet Culture

By ERNEST GERMAIN

On August 14, 1946, the Central Committee of the Communist Party of the USSR adopted a resolution officially condemning the line of the Leningrad literary periodicals, *Zvezda* and *Leningrad*. Thus began the post-war purge of the intellectuals, a purge which in the space of three years has embraced all the natural and social sciences, as well as all fields of art and ideology.

The fundamental origins of this purge are to be sought in the bureaucratic regime in the USSR and in the position of the intellectuals in it. Its immediate origins can be reduced essentially to three factors: decline of the ideological level of the Russian CP during the war; relaxation of the ideological control of the bureaucracy during hostilities; increased contact of important sections of intellectuals with "Western civilization."

At the 18th conference of the Russian CP, held in February 1941, there were 2,515,481 members of the party and 1,361,404 candidates for membership. On May 1, 1946, the membership of the Russian CP had risen to 4,599,000 with 1,427,000 candidates. Thus, because of enormous losses suffered during the war, and because conditions for admission to the party were considerably eased, the number of those, at this time, whose membership dated from before the war amounted to only two million. Two-thirds of the members and candidates today were recruited since the outbreak of the war, that is, under conditions where educational work was almost at a standstill. This resulted not only in a lowering of their resistance to "foreign ideas" (i.e. those contrary to the interests of the ruling caste) but even in the inability of the ruling circles to distinguish between what corresponded to "Marxism-Leninism-Stalinism" and what did not as it is understood by the Soviet bureaucracy. For as iron-clad a regime as that of the Stalinist dictatorship, such a situation was a terrible mortal threat which it had to eliminate post-haste.

The Kremlin had done everything in its power during the war to conceal the ideological class character of the conflict. Russian soldiers were not sent to the front to fight capitalism in the name of the October Socialist Revolution; their leaders incessantly pounded into them that they were defending their fatherland against the foreign aggressor. "The great patriotic war" was the central theme not only of governmental propaganda but also of the propaganda of the Communist Party of the USSR. All fields of ideology

were pervaded by "patriotic" considerations. Writers, artists, journalists, scientists expunged all references to "Marxism-Leninism" from their writings and presented them as contributions to the cause of the fatherland. By tying patriotism to the line of the "world anti-fascist war" and "unity of the great allies," the People's Front vocabulary was introduced *in the USSR* itself for the first time in the history of Stalinism.

Since the close of hostilities, the contradictions between the Soviet bureaucracy and American imperialism have obliged the former to apply the brakes in the ideological field so as to neutralize as far as possible the effects of the confusion it itself had created.

However, these brakes were applied under particularly difficult conditions. Thousands of army officers, functionaries, intellectuals had suddenly come into contact with Western capitalist civilization which proved itself eminently superior to the USSR from the material as well as the scientific point of view. There is nothing horrible about that for a Marxist. Because it was handicapped with enormous backwardness as compared to the advanced capitalist countries, the USSR, which has already achieved considerable progress, will not however be able to surpass the higher levels of capitalist civilization without merging with the victorious revolution in the more advanced countries: socialism can only be victorious on a world scale. Stalinism, which bases itself on the theory of socialism in one country and on the absurd declaration that socialism has already been realized in the USSR, cannot admit the still immense superiority of capitalist technology. At the very moment when the dropping of atom bombs on Hiroshima and Nagasaki demonstrated this superiority in the form of a terrible warning, the bureaucracy, following the logic of its theories if not that of the historic process, multiplied its efforts to "convince" the Soviet masses of the superiority of "Soviet civilization" in all fields.

Against Cosmopolitanism

The purge of the Soviet intelligentsia was unfolded under the banner of "the struggle against cosmopolitanism." We recognize here again the special features which distinguish the ideology of the Soviet bureaucracy. In the years immediately following the October Revolution, the

Bolsheviks, and Lenin first of all, were always on the alert for any connection between any form of Russian patriotism or messiahship with the defense of the conquests of the revolution. Lenin pitilessly described the terrible weaknesses and backwardness of Russia in relation to the advanced capitalist countries and he mercilessly reiterated: "We should go to the school of capitalism." He wrote in an article in 1919 which now assumes burning actuality:

...there (in Poland) the workers are being scared by statements to the effect that the Muscovites, the Great-Russians, who have always oppressed the Poles, want to carry their Great Russian chauvinism into Poland in the guise of Communism. Communism cannot be imposed by force. When I said to one of the best comrades among the Polish Communists, "You will do it in a different way," he replied, "No, we will do the same thing, but better than you." To such an argument I had absolutely nothing to object. We must give them the opportunity of fulfilling a modest wish—to create a better Soviet government than ours. (Selected Works—"Period of War Communism"—Vol. VII. p. 345.)

That was said not for the United States, nor for Great Britain, nor for Germany, but for a small, relatively backward country like Poland! All of Lenin's genuine internationalism is embodied in these words. All of the reaction represented today by Stalinism is contained in the clumsy Cominform joke which compares Yugoslavia to a "cur-snarling at an elephant"—and this for the crime of pretending to do the same thing as is done in the USSR.

For the theory of the world socialist revolution, the bureaucracy substitutes the theory of Russian territorial expansion. Consequently it replaces the perspective of the proletariat assimilating and surpassing world capitalist civilization after the victory of the international revolution by the gratuitous affirmation of an already existing superiority of Soviet civilization. And just as the theory of socialism in one country finds its logical continuation in the theory of the permanent superiority of the Russian people, so the theory of the superiority of Soviet civilization over capitalist civilization finds its logical continuation in the theory of the superiority of Russian civilization, past and present, over foreign civilizations whether capitalist or not. These are the ideological roots of the campaign against cosmopolitanism.

It is now high treason in the USSR to *admire* the culture of a foreign country. We learn this from an article in Pravda devoted to the thirtieth anniversary of the GPU:

The capitalist ferrets are trying to discover isolated (!) individuals in the USSR who still show signs of bourgeois or proprietary ideology. The spying agencies of the capitalist countries are always seeking to utilize the attitude of submissiveness to and admiration for foreigners and bourgeois culture which unfortunately still prevails among certain backward (!) sections of the intelligentsia.

"The party has been obliged to undertake an energetic struggle against various manifestations of servile admiration toward Western bourgeois culture, an attitude which is current in certain circles of our intellectuals and which constitutes a survival of the cursed past of Czarist Russia." These are the terms in which Malenkov outlined his cam-

paign against cosmopolitanism in his report to the Central Committee of the Russian CP in September 1947.

The following directive has been issued for all fields: to deny the "progressive" influence of the West on Russian culture, present and *past*; to show Russia at the pinnacle of progress not only under the Soviet regime but also in the past.

In *painting*, it is necessary to combat "certain artists... disciples of modern art... (who) join in chorus with the modern cosmopolitan of Western Europe and the United States, who are contemptuous of the great heritage of Russian art." (*Sovietskoye Iskustvo*, September 25, 1948)

In *music*, "it is necessary to vigorously attack the music critics... who exaggerate the influence of the West on Russian composers like Glinka and Tchaikovsky." (Professor Igor Belsa in *Soviet Musical Culture*)

In *literature*, Koltanov acclaims the resolutions of the Central Committee which "have put an end to the attempts of certain foreign ideas to penetrate Soviet literature and art." (*Pravda*, October 11, 1946)

And even in *philosophy*, Alexandrov, although in charge of the agitation-propaganda section of the Russian CP, under whose direction the purge of the Russian intelligentsia was conducted, was severely taken to task for having shown a "servile adulation toward Western European thought" in his book on the history of philosophy.

The only reason the bureaucracy has found for this "servile admiration of Western bourgeois culture" is that it is a survival of the Czarist past. This is nonsensical. In order to combat a "survival of the Russian past" they are rehabilitating the *entire Russian past* which left its imprint on old Russian culture. But the Stalinist arguments do not hold together even from the factual point of view.

The bourgeoisie was by no means the only social force in old Russia which admired Western culture. All the classes of old Russia, as soon as they acquired consciousness, sought for those particular currents in Western culture which corresponded best to their own historic position. Czar Alexander I and the upper Russian nobility fell under the influence of German pietism. The "enlightened" nobility espoused the constitutional ideas of Montesquieu and the English philosophers. The petty-bourgeois intelligentsia became the enthusiastic protagonist of western petty-bourgeois radicalism. And the Russian proletariat attained self-consciousness only to the degree that its leaders succeeded in "admiring" and in assimilating Marxism, the legitimate offspring of all classical Western thought. For an entire century "admiration of Western culture" dominated all of Russian cultural life, thus reflecting the considerable backwardness of Russia in relation to the Western capitalist countries.

There was, however, a current of ideas in old Russia which also hurled the charge of "servile admiration of Western culture" against all the "cosmopolitan" elements. They were the *Slavophiles* who, at the beginning of the second quarter of the 19th century, were distinguished by their violent attack against the "decadent West." They traced the origins of this influence in Russia in a critique

of the reforms of Peter the Great, whom they accused of not having understood the particularities of the Russian people. Although the Slavophiles played a certain role in the Russian revolutionary movement, notably in certain populist tendencies, Marx waged a merciless struggle all his life against these particularist ideas which represented the most reactionary mystical current produced by 19th century Russian society. The present-day Stalinist theoreticians cannot be very proud of such a heritage.

Great-Russian Chauvinism and Anti-Semitism

It is not astonishing that in travelling the full road of this tradition, along with the worst tendencies of Great-Russian chauvinism, the bureaucracy revives the glorification of the submission of peoples neighboring the Muscovite state and an ill-concealed anti-Semitism. Professor N. Korobkov (*Trud*, September 2, 1947) explains that the formation by the Czars of a centralized and strong pluri-national state constituted historic progress and that "Moscow's correct policy facilitated the rallying of economic, military and administrative elements whose task was to defend" this state. This is nothing more than a justification of the piratical wars carried on by Czarism against the neighboring peoples of the present USSR. And Alexander Fadayev does not hesitate to draw this thought out to its logical conclusion in his attack (*Pravda*, June 30, 1947) on the cult built up by Kazakstan writers to the national heroes of the time of struggle against Czarist invasion. He writes:

"... We want them to understand the historic necessity and the progressive character of the incorporation of a whole series of peoples into the Russian state."

Under such conditions there is nothing astonishing in their denunciation of the "bourgeois nationalism" of the Ukrainian writers (*Pravda*, September 2, 1946), of "the idealization of the past", among the writers of Tajikstan, Uzbekstan and the Bashkirs, nor in their compelling these neighboring peoples to participate in a campaign of delirious Great-Russian chauvinism, nor is it astonishing that the candidates for baccalaureate in the Ukrainian city, Kiev are given this kind of theme: "Throbbing, mighty, invincible, my Fatherland, my Moscow, you are most beloved!" As Lenin said in his *Letter to the Workers and Peasants of the Ukraine*:

"That is why we, Great-Russian Communists, should fight with the utmost vigor in our own circles, the slightest manifestations of Great-Russian nationalism: a real betrayal of communism..."

Anti-Semitism leaves its mark over the whole path of the "campaign against cosmopolitanism." On February 17, 1949, N. L. Gussarov, Secretary of the White-Russian CP, declared: "Only one theatre in the White-Russian Republic, the Jewish theatre, presents patriotic plays where they boost American life." *Einikeit*, the only Yiddish paper published in Russia, was discontinued on December 20, 1948. Renowned Yiddish authors like Pfeffer, Markish, Bergelson and others, have been arrested.

In the Soviet zone of occupation in Germany and Austria, several Jewish officers who occupied leading jour-

nalistic posts, were removed from their positions. One of them, Major Solomon Feuerstein, editor-in-chief of the Vienna *Volksstimme*, committed suicide. Another, Colonel Rafael Shumonowitz, editor-in-chief of *Der Abend*, was arrested and deported to the USSR.

Literary critics attacked in the USSR were publicly denounced because of their Jewish origin. *Literaturnaya Gazeta*, February 12, 1949, speaks of an "evil and decadent story written by the homeless cosmopolitan Melnikov (Mehlman)" and of the "cynical and impudent activities of B. Yakovlev (Holtzmann)." Finally the campaign against the sports critics culminated in the following denunciation of a series of journalists who had unmistakably Jewish-sounding names:

It is not surprising therefore that the anti-patriotic cosmopolitans have laid their dirty hands on sporting literature... They are vagrants without passports, suspicious characters without any ancestry who work hard to put over the customs and tastes of the foreigners on Soviet athletes... It is high time to clean out all these enemies of the Socialist fatherland... (*Komsomolskaya Pravda*).

Revision of the History of Science

Science is universal in the sense that every step forward achieved in one country rapidly becomes the common property of all nations. Consequently the bureaucracy is obliged to follow its "anti-cosmopolitan" road to its ultimate conclusions: "Western" science has contributed nothing of importance to Russian science which has achieved all the important progress in the world history of the sciences.

Never has a work of falsification reached such dimensions. Prepared for this task by its precious experience in the falsification of the history of the Bolshevik party and of the October Revolution, the bureaucracy attacked from the first the history of the sciences in their entirety. Why recognize that Trotsky played a "certain role" in the formation of the Red Army when he has been declared to be an agent of imperialism beginning with 1927? It is better to explain that he had always been a "foreign spy." Why admit that Western civilization has achieved some modest invention in some applied science of a secondary nature? Better to boldly declare that *all* the inventions of modern time are the product of Russian genius! Such in effect is the ambition of the Stalinist publicists who have taken up this task with a courage worthy of a better cause.

These grandiose Russian discoveries are set forth in innumerable articles in the Soviet press devoted to this question, in a big 1,100 page volume which has just been published. And since the present Soviet encyclopedia *Balsbaya Sovietskaya Entsiklopedya*, which had taken 21 years of painstaking effort to compile, ignores all these high points of the Russian past, it must be rewritten from beginning to end so as to prepare a new 50-volume encyclopedia which will have the same relation to scientific truth that Stalin's incomparable "Short History of the Russian Communist Party (B)" has to historic truth.

The work of falsification, so colossal in scope, turns against itself and covers its authors with ridicule. The Stalinist dictatorship, like all police tyrannies, had to vir-

usually lose all sense of humor for the leaders of the USSR not to be aware of the terrible discredit they have brought upon themselves.

It seems that in 1748 Lomonosov discovered the law of the conservation of energy which has been commonly attributed to von Helmholtz, Mayer, Joule and Lord Kelvin in the middle of the 19th century. It seems that Alexander Mojaisky was the first to fly a plane in 1882 above the suburbs of St. Petersburg. Undoubtedly he forgot to land because this flight remained unknown until 1903 when the Wright brothers made their flight. It seems that the first steam locomotive was run in Russia in 1806 by the Cherepanov brothers. It seems that the Russian Polotebnov invented penicillin, the Russian Popov the radio, the Russian Gregory Ignatev the telephone, the Russian Dalachynov water electrolysis, the Russian Blinov the caterpillar tractor. This goes as far back as the famous spinning machine, one of the machines upon which the industrial revolution was based, which it appears was manufactured in Russia 17 years before it was seen operating for the first time in Great Britain. The Russians solemnly declare that they were the first to have discovered the planets Mars and Venus, the former in 1709 and the latter in 1761, although the Western world attributed their discovery to Galileo during the 16th century. In face of these exploits it is useless to speak of the adding machine, anesthesia, the telegraph, the gun, the diesel engine, synthetic rubber, radar and jet propelled planes, all of which were stolen by unscrupulous Western scientists from their real Russian inventors.

This could all be the subject of endless sarcasm were it not so profoundly tragic. The first workers' state in history has become the object of universal derision. What progressive "Western" scientist, professor or student can still retain any confidence whatever in the declarations of the Soviet leaders after this pitiful demonstration? Never before has Stalinism appeared as such a wretched caricature of Marxism as it does in this monstrous work of the falsification of the history of the sciences.

Triumph of Obscurantism and Hypocrisy

However it is not enough for the bureaucracy to exercise the sinister influence of the foreigner from all domains of culture. It has still to regiment all intellectual activity, to prescribe to artists and to scientists the line of thought to be avoided or to be imitated, to imprison creative effort and research in a rigorous code of preconceived rules. "Soviet realism" in vogue for almost twenty years, is periodically redefined to suit the needs of the moment. A laconic remark dropped by Stalin becomes the canon of plastic beauty and the auditory reactions of Molotov define what harmony is and what it isn't.

The Bolshevik party in Lenin's time took a more prudent attitude toward these questions of artistic and scientific "doctrine." *"Far from wanting to chain the initiative of the workers' intelligentsia in the field of artistic creation, the Central Committee desires on the contrary to create the healthiest and most normal surroundings and to*

give them the possibility of expressing themselves in the most fruitful fashion in all fields of artistic creation."

This was written in the letter of the Central Committee of the Russian CP (*On Proletcult*, December 1, 1920). These years were also marked by remarkable artistic achievements especially in the field of literature, the theatre, the cinema and music. Even after the opening of the Stalinist era—which brought with it the obligation for all artists to buy themselves into good graces by paeans in honor of the *Vožd*, the father of the people who was sung, sculpted, banqueted, painted and reproduced innumerable times—the artists still retained a certain freedom of expression as far as their means of expression were concerned. Among other things the new post-war purges are designed to liquidate these inexplicable remnants of a "rotten liberal" past. In a series of decisions and resolutions, the Central Committee itself has laid down the technical rules which are henceforth to guide artists and publicists in all fields.

The expression of feelings of pain and discouragement are henceforth proscribed in *poetry*. The editors of two periodicals were removed from their positions for having permitted the poetess Akhmatova to express "the emotion of loneliness... foreign to Soviet literature." (Report by Zhdanov on the periodicals *Zvezda* and *Leningrad*)

In *prose*, the fable, eternal refuge of writers during epochs of dictatorship, will henceforth be denied to the public. For having made the hero of his work ("Adventures of a Monkey," say that he lived better in the zoo than at freedom (Stalinist), the writer Zostchenko was subjected to the worst persecutions.

In *music*, the most important composers in the USSR, Shostakovich, Prokofieff, Khatchaturian, Miaskovsky, Shebalin and Popov were severely criticised for having written "formalistic" works. This criticism was joined with their removal from the positions as secretaries of the Union of Soviet Composers or professors in the Moscow Conservatory. Their works were withdrawn completely or in part from operatic and concert repertoires.

In the field of *cinematography*, the great Eisenstein, who was literally driven to his death, was the target of violent attacks for being at variance with "historic truth" in the second part of his film, "Ivan the Terrible." It appears that he had not sufficiently emphasized the progressive character of this somber tyrant. Pudovkin, the other famous Soviet producer, is alleged to have falsified historic truth in his film "Admiral Nakimov" by presenting the "hero" of the Czarist fleet as a habitue of "balls and dance halls."

As for the *circus*, henceforth it will have to return, according to Nikolas Barzilovich writing in *Sovietskoye Iskustvo*, to the "healthy principles... of optimism and utilitarianism," thus becoming "the real expression of the spiritual force of the peoples of our great fatherland."

In all fields, the artistic requirements of the bureaucracy are compounded of the same type of repugnant hypocrisy. To extol the fatherland, to simulate the joy of living, to describe life in rose-colors—that corresponds to the letter to what the bureaucracy wants to have the

masses think. So-called "socialist realism" consists in presenting to the masses a picture of a better society remote from Soviet reality. To describe life as it is, is the worst crime a Russian artist can commit. "The Soviet man does not know loneliness." "A Soviet citizen does not desert his wife." "There are no conflicts in a classless society." These are some of the specimens of "literary criticism" which in scarcely concealed terms tell the artists that any work is sinister which describes those elements in Soviet life that the bureaucrats prefer to remain silent about.

Is there anything surprising in the fact that this mentality is also reflected in scientific endeavors? With one stroke of the pen, the supervisors of the Central Committee, universal specialists in all fields of science, have condemned as "retrogressive, reactionary, decadent and rotten" the biology of Morgan, wave mechanics ("it reduces matter to a mathematical formula"), bourgeois nuclear physics and psychoanalysis, "a shallow police and espionage ideology." (The honor of having contrived this truly genius formula does not this time go to a Russian but to the editors of the French *L'Humanité*. It is their "modest contribution to Marxism-Leninism-Stalinism.")

Here too in Lenin's time, the leaders of the Communist Party acted with far greater caution with these explosive materials. In an admirable text, Leon Trotsky endeavored to outline the responsible attitude of a revolutionary leader on questions relating to the natural sciences:

What are the metaphysicians of a purely proletarian science going to say about the theory of relativity? Can it be reconciled with materialism, or can it not? Has this question been decided? Where and when and by whom? It is clear to anyone, even to the uninitiated, that the work of our physiologist Pavlov is entirely along materialist lines. But what is one to say about the psychoanalytic theory of Freud? Can it be reconciled with materialism, as, for instance, Karl Radek thinks (and I also), or is it hostile to it? The same question can be put to all the new theories of atomic structure, etc., etc.

It would be fine if a scientist would come along who could grasp all these new generalizations methodologically and introduce them into the dialectic materialist conception of the world. He could thus, at the same time, test the new theories and develop the dialectic method deeper. But I am very much afraid that this work—which is not like a newspaper or journalistic article, but a scientific and philosophic landmark, just as the "Origin of Species" and "Capital"—will not be created either today or tomorrow, or rather, if such an epoch-making book were created today, it would risk remaining uncut until the time when the proletariat would be able to lay aside its arms.

Written in 1923 in *Literature and Revolution*, these luminous phrases retain all their freshness today in face of the obscurantist Stalinist efforts to decide the scientific validity of a theory in terms of a scholasticism which distrusts not only elementary scientific rules of scientific research but even the fundamental bases of Marxism.

Where Is the Soviet Intelligentsia Going?

Strange is the fate of the Soviet intellectuals! This "new intelligentsia" which, in the words of Molotov "marches at the head of the people on the road to Communism," finds itself showered with material privileges and yet is the prisoner of a Byzantine tyranny which has no

parallel in history. During the first years which followed the strangling of the Bolshevik party and the establishment of the Stalinist dictatorship, the economic upturn in the USSR offered thousands of intellectuals the possibility of "abandoning politics" and finding an escape in scientific, and artistic activity or in industrial management. Certain fields in research, just opened to young Soviet students, still allowed free development of theoretical thought, an activity which was only slightly hampered by constant bureaucratic surveillance.

Today things have changed radically. The idea of total control of all social activity has become a veritable obsession for the bureaucracy. Because of the explosive matter always accumulating in Soviet society, any independent activity, critical thought, free inquiry in scientific research is considered by the ruling caste as a usurpation of its functions, as a direct threat to its entire system. The postwar purge and the real hysteria of the ruling circles at the time adequately demonstrated that they felt themselves threatened by the last remnants of scientific and artistic freedom in the USSR. These remnants are now eradicated. Already, it is acknowledged by Soviet critics themselves that no great artistic works have made their appearance for many years. It will not be different in the field of scientific research. The attempt to regiment the activity of the scientists threatens all of Soviet science with sclerosis at the very moment when the existence of the USSR itself in the decade to come will depend in all probability on the forward leaps of science.

However it would be erroneous to conclude from these facts that Soviet art and science have entered a period of decadence or decrepitude. The Soviet bureaucracy constitutes a parasitic brake on artistic and scientific development just as it does on an economic upturn or the flowering of a genuine proletarian democracy in the country. The overthrow of the bureaucracy remains the precondition for further progress in all fields. But not all the parasitism of the bureaucracy has been able to prevent the progressive economic system from bearing its fruits in a substantial development of the productive forces. Similarly, not all the Stalinist decrees will be able to prevent hundreds of thousands of young scientists, coming from the people and entering the laboratories and the research centers for the first time, from clearing a road, despite all obstacles, toward conscientious and richly promising work.

Just as the conquests of October have created the basis which will permit the harmonious integration of Soviet economy into the economy of a Socialist Europe, so the elimination of illiteracy and the development of technical and advanced learning have permitted the USSR to overcome part of the backwardness which separates it from the advanced Western countries.

The international revolution, which will liberate the Soviet proletariat from its bureaucratic dictatorship, will likewise liberate the arts and sciences of the USSR from absurd Stalinist ukases and permit them, to raise themselves to the levels which Communist Europe and America will attain on the morrow.

September 20, 1949.

Herbert Aptheker's Distortions

By J. MEYER

In the last article, "Stalinism and Negro History," (*Fourth International*, November 1949) we showed: 1) that from 1826 to 1831 the Negro people, slave and free, being locked in mortal combat with the slave-owners, were the driving force of what became the political movement of Abolitionism; 2) that Herbert Aptheker's whole account shows that he sees the historical role of Negroes essentially as predecessors of the National Negro Congress and other Stalinist Negro organizations, that is to say, as groups whose sole function was to organize Negroes as appendages to the anti-slavery coalition. Thus Aptheker reverses completely the political relation of the Negro slaves and free Negroes to the other revolutionary classes.

This becomes absolutely clear when he touches what he calls "The Pre-Civil War Generation" (*The Negro in the Abolitionist Movement*). He lists conventions, meetings, articles, speeches, etc. that occupy three pages (pp. 36-39). Never once is there the slightest reference to the political perspectives or political line of any one of these organizations, groups or individuals. Just as the Stalinists view the function of the Negroes (and the proletariat) today as being one of abandoning all independent political activity and being simply "anti-fascist," following docilely behind the CP, so it is sufficient that the Negroes in those days were "anti-slavery," following docilely behind the Abolitionists.

We must follow Aptheker's account closely. First, the Negroes meet and organize Negro resistance. Then, in addition to this, they organize "encouragement and assistance for progressive forces." Thus we are told that certain Philadelphia Negroes, only two months after the launching of the *Liberator*, met and pledged their support to it, to which is added: "Such gatherings were common in various cities throughout the paper's life." The *Liberator* and the Abolitionists over here; the Negroes over there, pledging support. Under the heading of "United Struggles," we read that Negroes "did not, of course, restrict themselves to independent work but struggled side by side with white people in the common effort."

How did the Negroes struggle side by side? These Negroes "wrote many letters to Garrison, giving not only moral stimulation but also... money and subscriptions." We are informed that "contributions by Negroes in that paper and other Abolitionist publications were exceedingly common." Again we can see here the sharp division between the *Liberator*, Abolitionism, and the Negroes.

Now Aptheker takes a leap. He gives us examples of what the Negroes wrote. "The *Liberator* for February 12, 1831, gave a third of its space to articles by two Philadelphia Negroes, a call to an anti-Colonization mass meeting in Boston." Aptheker notes an account of a similar meeting held earlier in New York. He then informs us

that these contributions of Negroes to the paper are "fairly typical of the entire thirty-five volumes of the paper."

The observant reader cannot help being startled and can very well ask himself: Is this all that Negroes wrote about in a paper that lasted from 1831 to 1864? He need not be disturbed. Aptheker's account is an incredible falsification. But let us continue with more of it. He says that the record of the proceedings of the Abolitionist organizations "is studded with accounts of, or contributions by, Negroes." Aptheker is always making statements of this kind. But the moment you examine what he says concretely, a different picture appears.

Here, for instance, are the examples chosen at random by Aptheker. The 1849 meeting of one of these organizations was opened by an invocation by the Reverend Sam R. Wood and "the entertainment was furnished by the four Luca boys, Negro youngsters, who sang an anti-slavery song called *Car of Emancipation*." Then Aptheker describes for us a Negro lady at a meeting who said that she had heard of the Abolitionists as inciters to violence, knaves, fools, etc., but she had been sitting and listening and "she knew the Lord would bless them for they were good and righteous folk." It has been necessary to give almost word for word Aptheker's account. For it represents as vicious and subtle a piece of anti-Negro historical writing as it is possible to find and infinitely more dangerous than the chauvinism of the Bourbon historian.

The Real Facts of History

Any unbiased person who spends a few hours looking through the *Liberator* and other Abolitionist papers, and the accounts of Abolitionist societies will see that they are studded with innumerable political contributions by Negroes to some of the greatest political conflicts that have ever taken place in the United States.

Here are only a few taken at random.

On June 8, 1849, Frederick Douglass made the open call for a slave insurrection in the South. Garrison, the pacifist, was sitting on the platform. The whole speech appeared in the *Liberator*. At the World Convention against Slavery held in London in June 1840, among the delegates representing the United States were Garrison and Charles Lenox Remond, a Negro. The World Convention objected to women being seated and Remond with three other American delegates sat amongst the rejected women and fought the issue through to the end.

During the intense excitement generated by the 1850 Compromise, the anniversary meeting of the American Anti-Slavery Society fell due. The notorious Captain Isaiah Rynders, with a band of hoodlums who had the backing of the metropolitan papers and official society,

sat in the gallery determined to break up the convention. Garrison's incendiary speech started the disturbance. Rynders shouted from the organ loft and then marched down the aisle, followed by his band. But as Garrison's biographer tells us, on that first day, Rynders and his men were "quite vanquished by the wit, repartee and eloquence of Frederick Douglass, Dr. Furness and Reverend Samuel R. Ward whom Wendell Phillips described as so black that 'when he shut his eyes you could not see him.'"

In the *Liberator* and other Abolitionist papers and in Abolitionist proceedings, you will find the great debates upon the U. S. Constitution, the reports of tours at home and abroad by Douglass, Remond, Wells Brown, Douglass' defense of having purchased his freedom, the question of political action versus "moral suasion."

At the May 1855 meeting of the American Anti-Slavery Society, Douglass attacked Garrison's theory of the U. S. Constitution. The New York *Daily News* reports the meeting as follows: "A grand and terrific set-to came off between Abby Kelley Foster, Garrison and Frederick Douglass, who defended the Union while claiming rights for his people. He was insulted, interrupted and denounced by the Garrison Cabinet, but stood amid them and overtopped them like a giant among pigmies."

At the end of the Civil War, when Garrison wanted to disband his society, Douglass, Remond and Wendell Phillips led the attack against him and insisted that the Society should continue until at least the Negroes got the vote.

We cannot go here into the history of the Abolition movement. But enough has been said to show the political mentality of a writer who in this mass of material selects a call for a meeting as typical of thirty-five years of Negro contributions to the *Liberator* and finds that Negro parsons giving invocations, Negro boys singing, and old Negro women blessing Abolitionism are the most characteristic aspects of Negro contributions to the struggle.

Subtle Form of Prejudice

This is no ordinary racial prejudice. It is something far worse. It is a political method which *compels* the writer to place the Negroes in a subordinate category and at whatever sacrifice of historical fact *keep them there*. Whatever does not fit into this scheme must go out. Aptheker cannot escape the consequences of his political ideas. Any history of the Civil War which does not base itself upon the Negroes, slave and free, as the *subject* and *not the object* of politics, is *ipso facto* a Jim Crow history. That is why even the Negro writers, with all the good work that they have done and their subjective desire to elevate the Negro's past, seldom escape paternalism or apologies—both of them forms of white chauvinism: paternalism, an inflation, and apologetics a deflation of the subtle chauvinistic poison. But these and the carelessness or traditional ignorance of liberals can be fought and corrected. You cannot correct Stalinist history without destroying Stalinism.

To keep his history within the confines of his politics, Aptheker must not only omit, he must falsify. We cannot

pursue *all* his falsifications. What we have to do, however, is to show the thoroughly reactionary anti-Negro, anti-proletarian and even anti-liberal ideas which stage by stage emerge from the encomiums to the Negroes with which he plasters his writings.

One of the greatest lessons of the Abolitionist movement is the way in which (despite constant accusations of racial chauvinism) the political representatives of the classes, while in perpetual conflict with each other, achieved a racial unity, cooperation and solidarity unknown in the United States up to that time and afterwards, until the formation of the CIO. While it is possible formally and for special purposes to separate Negroes from whites, any account either of whites or Negroes in the Abolitionist struggle is totally false unless it shows this integration. Aptheker, while perpetually talking about the "united struggles" of Negroes and whites, destroys this precious heritage.

In his attempt to show how Negroes contributed to "the progressive forces," he cites the fact that in the first issue of a popular annual called *Autographs For Freedom*, there is a sketch of a Scottish Abolitionist John Murray and a sixty-seven page history of a slave rebellion aboard the domestic slave trader *Creole* by Frederick Douglass. He adds that the second issue of *Autographs* also had *five* articles by Negroes. This sounds innocent and can be used as an example of progressive historical writing. But what are the real facts?

When Douglass toured in England, he made a vast number of friends for the movement and for himself as a representative of it. Money was subscribed to pay for his freedom, and a substantial sum was given him for the purpose of starting a paper of his own. He finally did so, but the expense was great, he had to mortgage his house and he got heavily into debt.

At this time one of his English friends, Miss Julia Griffiths, and her sister came to the United States, and settled down in Rochester, taking over the management of Douglass' paper to leave him free to write and carry on his general political activities. A woman of literary ability and great energy, she not only made a success of the management of the paper but in her spare time edited *Autographs For Freedom*. To characterize Douglass' article in this publication as an example of how Negroes contributed to "the progressive forces" is to show how alien to the actual struggle is the mentality which Stalinism brings to this striking but characteristic episode in the history of Abolitionism.

Douglass in the Forefront

Let us continue with this aspect of Douglass' career, for Aptheker's treatment of Douglass more than anything else betrays his conception of the role of the Negro in politics. In the struggle for women's emancipation as in all the causes of the day, Douglass was in the forefront. His paper, *Frederick Douglass' Paper*, was the official organ of the Free Soil Party in New York State. At the second convention of that party he was elected secretary by acclamation. At the National Loyalist Convention after the Civil War, sponsored by the Republican Party, Douglass represented the city of Rochester. The people of Rochester

asked him to stand for Congress as a Republican and Theodore Weld made a special visit to Rochester to persuade him. But he refused. Here obviously was no "mere" Negro appendage to the Abolitionist Movement.

Now to return to Aptheker. Undoubtedly conscious of the fact that this account so far had been terribly lacking, Aptheker pulls out all his stops when he comes to the Negro propagandists of Abolitionism. This, he says, is "the most vital part" of the story and he is correct, it is the most vital part of *his* story. Again he tosses in one of his misleading phrases about the "decisive role of Negroes." Close examination, however, shows that as usual here where the phrasing is most radical, the political content is correspondingly reactionary. To see this we must transfer ourselves to the Abolition period and try to catch some of its social atmosphere.

In the middle of the nineteenth century the slave-owners sought to prove that the Negroes loved slavery, and in any case that Negroes were not men. Therefore when escaped slaves denounced the institution with eloquence and logic, they had a tremendous effect. Aptheker quotes Garrison on this. But there was another side to this question. Escaped slaves who gained some education, insofar as they formed a group apart from others, carried on their own political activity. As we have repeated, the fundamental struggle within Abolitionism was the struggle represented by these against the humanitarian tendency of the New England intellectuals.

"Give us the facts—and leave the philosophy to us," said a Garrisonian to the aspiring young Douglass. Douglass was to say later that these white Abolitionists thought that they "owned him." Later Garrison fought Douglass with extreme ferocity, not only on his politics but on the very idea that Douglass should have a paper of his own. There were all kinds of conflicts in the Abolition Movement on the chauvinist issue. Yet it must be remembered that Douglass, who stood no nonsense on any slights upon him as a Negro, revered Garrison to the end; to the extent that the accusations of chauvinism were true, they were essentially political; and Garrison's character, reputation and achievements were such that they could stand the charges, not only today but then.

Aptheker cannot claim similar consideration. The pernicious character of Stalinist politics is revealed by the fact that in the middle of the twentieth century, when even some of the reactionary Southern senators have dropped the argument of organic Negro inferiority, Aptheker's whole argumentation remains within the confines of the nineteenth century debate. That is why for him, the Negro propagandists are "the most vital part" of the story. Like the Garrisonian who spoke to Douglass, Aptheker has no use for Negro philosophy, i.e., Negro politics. The escaped Negroes by "their bearing, courage and intelligence" were the most "devastating anti-slavery forces." This is the politics which sees the share-cropper's contribution essentially as a recital of his wrongs.

Aptheker does not merely mention the suitability of the ex-slaves as propagandists and then pass on. This is his main theme. "Had none of these people existed but one,

his existence and participation in the Abolitionist movement would justify the assertion that the Negro's role therein was decisive. That man is Frederick Douglass who..." This is what Aptheker means by the role of the Negroes—not their politics, but their heroic deaths, the contributions of money, songs and stray articles to the *Liberator*, and Abolitionist agitation. Thus he no sooner touches Douglass than he defiles him. He says that Douglass "from his first public speech in 1841 to his organizing and recruiting activities during the war against the slavocracy was the voice of America's millions of slaves." Completely one-sided and therefore totally wrong.

From 1841 to his recruiting for the Northern army, Douglass was the voice of the American Revolution. Stage by stage he embodied its development until in 1860 he gave critical support to the Republican Party while defiantly proclaiming that he was still a radical Abolitionist. It was precisely when the bourgeoisie took over that Douglass became primarily a leader of the Negroes. (And at this time also, Wendell Phillips, who had been for a time eclipsed by Douglass, rose to his greatest heights and spoke superbly for a revolutionary conduct of the war and the revolutionary settlement of the Southern question.)

Question of Racial Equality

Had that been all Aptheker had to say, it would have been bad enough. But Aptheker then spends almost a page on Douglass as follows: He was a magnificent figure of a man, impregnable, incorruptible, scars on his back, African prince, majestic in his wrath, grand in his physical proportions. A tailor in England who heard him had never been so moved in his life, etc., etc. Why all this? Why? When there has not been a word about Douglass' politics?

Aptheker gives the show away when he quotes a famous incident in Douglass' career. Captain Rynders once baited Douglass with the taunt that Negroes were monkeys. Douglass turned to him and asked him: "Am I a man?" Aptheker relates: "the effect was nothing short of stupendous." No doubt it was. The reader, however, cannot help noting, after all these "African prince" paragraphs, that the effect on Aptheker in 1940 is still stupendous.

American racial prejudice is usually crude but at the same time can be a very subtle thing. To understand how unhealthy is Aptheker's ignoring of Douglass' politics and his excitement at the Rynders episode, we must see how Douglass himself treated the question.

Douglass personally fought race prejudice wherever he met it. But in discussion he treated the purely racial attacks of his enemies not only with counter-arguments but with a certain humorous contempt. Thus in this very debate he switched the problem aside by saying if he was a monkey, his father was a white man, and therefore Rynders was his half-brother. Twice he called Rynders his half-brother. On another occasion, after speaking very movingly in England on this question of Negroes being considered monkeys in the United States, he broke the tension by relating that a few days before a big dog had come up to him and stared him in the face, and, said

Douglass, I could see in his eyes that he recognized humanity.

He used to relate how when sleeping space was limited on the benches aboard ship, he would simply show his face and say to newcomers "I am a Negro," hoping they would go along. But one man said to him: "Negro be damned, you move down." So concluded Douglass, my being black is no longer of any use to me.

Some hecklers who asked him if it was true that his wife was a white woman, were treated to a long discourse as to the irrelevance of the question, what business was it of theirs, etc., and were constantly led up to the point where they expected him to make the admission. He never admitted anything but soon went on with his speech, leaving them to find out afterwards that his wife (his first wife) was Negro.

This sort of thing occurs in many speeches and was obviously habitual with him. The reason is not far to seek. Douglass was not only a sensitive Negro, but a highly political person. And despite the powerful social pressure, he would not allow *this* question to occupy any status more than was absolutely necessary. He dealt with it, brushed it aside often with a smile and then went on to politics.

Exactly the opposite is Aptheker's Stalinist method. The politics he ignores and therefore reaches the most genuine pitch of enthusiasm when he is proving that Negroes were not only men but some Negro slaves were marvelous men and did wonderful work side by side with "the progressive forces." This is not merely popular writing. A portion of this pamphlet appeared in the Stalinist theoretical journal, *Science and Society*, replete with footnotes and references.

Anti-Fascist Not Anti-Capitalist

Aptheker's politics not only in relation to Negroes but in relation to the American workers is pitched at the very lowest level. He is busy proving to the American proletariat, to labor bureaucrats and liberals that the Negro is a man and a brother, will struggle hard, and can produce many brilliant men who will speak for the Negro far more effectively than any white man can. At the same time he is offering to the Negro leaders place at the table of the anti-fascist coalition. Aptheker by the way does not hide this. Here is the conclusion of his *Negro Slave Revolts*:

An awareness of its history should give the modern Negro added confidence and courage in his heroic present-day battle for complete and perfect equality with all other American citizens. And it should make those other Americans eager and proud to grasp the hands of the Negro and march forward with him, against their common oppressors—against the industrial and financial overlords and the plantation oligarchs who today stand in the way of liberty, equality and prosperity.

That unity between the white and Negro masses was necessary to overthrow nineteenth-century slavery. That same unity is necessary now to defeat twentieth-century slavery—to defeat fascism.

See how swiftly in the last paragraph capitalism is pushed aside and fascism is substituted for it. This is vital

to the whole scheme. To talk about the overthrow of *capitalism* would destroy the concept of the anti-fascist coalition, it would bring on to the scene independent proletarian politics and independent Negro politics. Aptheker maintains an unrelenting hostility to any such manifestation among Negroes either today or in the Civil War.

Aptheker, writing on "Militant Abolitionism" in the *Journal of Negro History* (Vol. 26, p. 463) had to refer to Douglass' call for a slave insurrection. That a Negro should consciously call for insurrection! God forbid! Aptheker writes that Douglass "*found himself saying...*" The magnificent African prince could do much, but that he could stand on a platform and out of his own head consciously speak of insurrection, that Aptheker simply could not stand. He makes it into a visitation from on high. Douglass just "found himself saying" it. In *To Be Free*, where the article reappears, the damning phrase is omitted but Aptheker cannot get rid of his whole reactionary conception of Negroes in American history which this phrase embodies without withdrawing every line he has written.

Stalinist Sleight-of-Hand

Stalinism tries to manipulate history as a sleight-of-hand man manipulates cards. But unlike the conjurer, a stern logic pushes Stalinism in an ever more reactionary direction. For five years Aptheker covered up his anti-Negro concepts with constant broad statements about the "decisive character" of slave insurrections, Negro agitators etc. in the Civil War and the period preceding it. In 1946, however, in *The Negro People in America*, Aptheker broke new ground. He put forward a new theory that at one stroke made a wreck of all that he had said before. Let his own words speak:

It was the development of increased agitation on the part of non-slaveholding whites prior to the Civil War for the realization of the American creed that played a major part in provoking the desperation that led the slaveholders to take up arms (p. 41).

Upon the flimsiest scraps of evidence, the theory is elaborated that it was the withholding of democracy from non-slaveholding whites that pushed the South to the Civil War:

In terms of practice, as concerns the mass of the white people of the South, this anti-democratic philosophy was everywhere implemented. The property qualifications for voting and office-holding, the weighing of the legislature to favor slaveholding against non-slaveholding counties, the inequitable taxation system falling most heavily on mechanics' tools and least heavily on slaves, the whole system of economic, social and educational preferment for the possessors of slaves, and the organized, energetic, and partially successful struggles carried on against this system by the non-slaveholding whites form—outside of the response of the Negroes to enslavement—the actual content of the South's internal history for the generation preceding the Civil War.

It is clear that only at the last minute Aptheker remembered the slaves and threw in the phrase about their "response." Historically this is a crime. The non-slaveholding whites who supposedly pushed the South into

the Civil War were not in any way democrats. They were small planters and city people who formed a rebellious but reactionary social force, hostile to the big planters, the slaves and the democratically minded farmers in the non-plantation regions.

What particular purpose this new development is to serve does not concern us here. What is important, however, is its logical identity with the hostility to Negro radicalism and independent Negro politics which has appeared in Aptheker's work from the very beginning to

this climax—pushing the Negroes aside for the sake of non-slaveholding whites in the South.

However fair may be the outside of Stalinist history and politics, however skillful may be the means by which its internal corruption is disguised, inevitably its real significance appears. There is no excuse today for those who allow themselves to be deceived by it. For all interested in this sphere, it is a common duty, whatever differences may exist between us, to see to it that the whole Stalinist fakery on Negro history be thoroughly exposed for what it really is.

Money Utopias of the "Welfare State"

Keynes' Theory of Money and Interest

By JOHN G. WRIGHT

The keystone of the "Welfare State" school of economics is John Maynard Keynes' "neo-classic" or "un-orthodox" theory of money. Keynes, the English economist, set down this theory not in his pretentious 1930 work in two volumes entitled *A Treatise on Money*, but in his book *The General Theory of Employment, Interest and Money* written in 1936. (All quotations in the text below, unless otherwise indicated, are from this book.)

Keynes starts from the incredible assumption that it is precisely capitalist crises that constitute proof that capitalism is basically a harmonious system of production, capable of infinite expansion of the productive forces, and requiring merely certain reforms, especially in the realm of monetary policy.

According to him, "it is an outstanding characteristic of the economic system in which we live that, whilst it is subject to severe fluctuations in respect of output and employment, it is not violently unstable. Indeed it seems capable of sub-normal activity for a considerable period without any marked tendency either toward recovery or towards complete collapse." (p. 249) This is indeed making a virtue out of necessity! Since capitalism hasn't—and will not—collapse automatically—and since it was unable to emerge by "normal methods" from the depression of the Thirties—therefore it is "not violently unstable," merely "sub-normal," and so forth.

This apologist for capitalism then proceeds to conclude that all the troubles of capitalism (its "severe fluctuations") are in the final analysis traceable to an antagonism between two forces: on the one side, money-capital and the money rate of interest and on the other, productive capital and its average rate of profit. While calling *interest* by its name, he prefers to label the *average rate of profit* as the "marginal efficiency of capital," or as "the schedule of the marginal efficiency of capital," or as "rewards."

This "revolutionary" theory of money starts its analysis by drawing "a clear distinction" between the

money rate of interest at one pole and productive capital and its "rewards" on the other. In this connection Keynes affirms two universal laws:

1. That money as such has a more or less stable and intrinsic rate of interest, which tends to stay at a high level, being "relatively reluctant to fall."

2. That just the opposite is true of "rewards" from productive capital which tend to fall as capital-goods grow more and more abundant.

These ideas are not exactly new.

From Proudhon to Keynes

I propose to show that in his basic approach to money Keynes does not differ substantially from other money reformers who also regarded all the evils of capitalism as emanating from money, the lending of money, the "special privileges" of money and the like. More than a century ago, in France, lending appeared to Proudhon as an evil because lending was not selling. He condemned it as "the faculty of always selling the same article over and over, and receiving its price again and again, without ever relinquishing the ownership of the things one is selling." (*Discussion entre M. F. Bastiat et M. Proudhon*, Paris 1850, p. 9.)

Proudhon derived the powers of money from its scarcity; money is always in short supply and because of this the private owners of money are always able to exact "unearned tribute" from it. Proudhon proposed to do away with interest and money-lending by simply doing away with money through the medium of "labor notes" and the establishment of "Labor Exchange Banks." (It was actually tried and, of course, pathetically failed.)

As touches productive capital and the private ownership of the means of production, Proudhon looked upon them as an unadulterated boon. It was all a question of simply making capital goods more and more plentiful. We shall presently see just where Keynes is in accord with Proudhon and wherein he differs.

Is it true that money by its innate nature—whether from scarcity or for any other reason—has its own rate of interest?

Up to the middle of the eighteenth century, this was a commonly held view. It was exploded by the English economist J. Massie and after him by David Hume. They made the discovery, noteworthy for their time, that interest was nothing more than a certain indefinite portion of profit (surplus-profit) accruing to money-capitalists for lending their funds to industrial or commercial capitalists. It was a division of the surplus social product between the different groups of capitalists.

Part of the mystification of money comes from the fact that it antecedes historically the formation of capital. In precapitalist societies money owners shared some of the social surplus with the ruling slave-owners or feudalists. In part, this mystification arises from the fact that neither money nor money-capital itself enters directly into the process of production or into individual consumption. Money remains invariably in the sphere of circulation. Within this sphere, there is a special market, the money market where capital is traded as a peculiar type of commodity. The transactions take place exclusively between the capitalists. Money bears interest because it is advanced as capital to the industrial or commercial capitalists, and for no other reason. *Interest* expresses the specific form of these transactions between the money capitalists and industrial or commercial capitalists.

There is a *maximum* limit to interest, namely, the average rate of profit extracted by the entire capitalist class from the process of production. But there is no *minimum* limit. Within short periods of time, rates of interest can and do fluctuate widely in periods of boom and slump alike.

Customs, legal traditions and a whole set of other accidental factors have as much and more to do with fixing interest rates at any given time than, say, the "scarcity" of money or the "competition" between money-lenders on the one side and borrowers on the other.

In the Keynesian system, not alone money but every *durable commodity* has an interest-rate in terms of itself. There is, Keynes claims, "a wheat-rate of interest, a copper-rate of interest, a house-rate of interest, even a steel plant-rate of interest." Unlike money, however, the interest rates of such "durable commodities" may be both positive and negative. The money rate always stays "positive." This is mere casuistry.

"Scarcity of Money"

The "scarcity" of money is the pet obsession of all money cranks in the history of popular economic delusions. They fix their attention only on the breaking points of the economic conjuncture when capital flees from all other commodities which are falling catastrophically in price, and when the universal cry is for "hard cash" or money, the supplies of which seem to have mysteriously dwindled or even vanished. They ignored altogether other periods, no less characteristic under capitalism, when money

supplies appear inexhaustible and funds go begging at low interest rates.

Here Keynes becomes indistinguishable from the run-of-the-mill money cranks. If money, says Keynes in all seriousness, "could be grown like a crop or manufactured like a motor car, depressions would be avoided or mitigated because, if the price of other assets was tending to fall in terms of money, labor would be diverted into the production of money—as we see to be the case in gold mining countries..." (pp. 230-1)

Announcing it is "impossible to turn more labor on to producing money when its labor-price rises," Keynes goes on to conclude that the production (and supply) of money is "completely inelastic."

All this talk about the "impossibility" of "growing" money like a crop or "manufacturing" it like autos, comes down to the same conclusion that Proudhon and others before and after him have drawn, namely, the whole trouble with money is that it is "scarce." Keynes prefers to call it "completely inelastic." What a monumental contribution to the "theory of money"!

Money, explains Keynes, "has an elasticity of substitution equal, or nearly equal to zero; which means that as the exchange value of money rises there is no tendency to substitute some other factor for it." (p. 232) To say the "elasticity of substitution (of money)" is nil or virtually nil is an even more highfalutin way of saying that the supply of money is "completely inelastic" or that money is always in "short supply." It happens to be untrue.

If anything has characterized modern capitalism, it is its tendency to glut the domestic and world markets not only with "surplus" commodities but also with vast quantities of money-capital. In fact, it is the export of capital and not of commodities that is at the bottom of imperialist rivalry for world markets. There is an over-abundance of capital, and there are fewer and fewer outlets for it.

Keynes chooses to ignore this terrible reality in order all the better to chase his utopian will-of-the-wisp. But reality catches up with him nonetheless and forces him into pathetic self-contradictions.

Having enunciated the proposition that the whole trouble with money is its tendency to be scarce and to remain scarcer, he announces virtually in the same breath that the root of the evil actually lies in an "abundance of capital," or in "excessive savings" or in an excessive "propensity to save." What possible meaning can all these strictures against excessive "savings" have, if not the recognition that money and money-capital can be and are piled up to the point of glut? And indeed one of the characteristic features of capital crises is precisely the over-production not only of commodities but of capital, including money-capital.

On page 220 of his book, Keynes concedes that "abundance of capital" can and does interfere with "abundance of output." In this connection, the phrase "abundance of capital" cannot possibly refer to the abundance of productive capital or capital-goods, because these in the Keynesian dream-world act only as a spur to the "abundance of output" and "full employment." He must therefore refer

here to nothing else but money-capital, more accurately, finance capital. This is made even clearer in his comments relating to "savings," for money is indeed the chief medium of "saving."

Take for example Keynes' proudest boast that he, a "neo-classic," believes that savings and investments "can actually be unequal." This has meaning only in the sense that money-capital ("savings") may and does tend to pile up faster than industrial or commercial capital ("investments").

There is, of course, a distinction between money-capital and industrial and commercial capital. There is also a clear antagonism between a lender and a borrower of money-capital. Each fulfills a different role under the capitalist mode of production. Suffice it here to say, that the money lender is clearly parasitic, while the parasitism of the other is masked by the transformation of money-capital in his hands into capital goods, raw materials and the purchase of labor power. But the *interest* of the one and the *profit* of the other (average rate of profit less interest) derive from one and the same source—the unpaid surplus product extracted from the workers (surplus-value).

Ignores Role of Monopoly Capital

The antagonism between the money-lender (the money capitalist) and the borrower (the industrial capitalist) has been resolved in capitalist practice by the fusion of the two in the guise of finance or monopoly capital. You will not find so much as a whisper in Keynes' "general theory" about the specific role of monopoly capital today, about its dominance, about its absorption of the lion's share of "rewards" from all forms of capital. The reality is too naked, too fearsome to face. So Keynes pretends that it is possible to reverse the course of history and, by manipulations of monetary policy, to restore the dominance that industrial capital once enjoyed temporarily over money-capital, and in this way to resume the former high levels of "investments" at home and abroad. A return to the "good old days": that is the unspoken goal of this "revolutionary" school of economics.

The money rate of interest is "purely traditional," cried Proudhon and many other money reformers. Keynes subscribes to this superficial notion with both hands.

"There is evidence," he writes, "that for a period of almost 150 years the long-run typical rate of interest in the leading financial centers was about 5 percent, and the gilt-edged rate between 3 and 3½ percent; and that these rates of interest were modest enough to encourage a rate of investment consistent with an average employment which was not intolerably low." (pp. 307-8)

It never enters Keynes' head that the relative stability of interest rates in the heyday of capitalist development is not at all proof that money has an "interest rate of its own"; it is simply evidence that the average rate of profit over long periods of time had remained relatively stable, thus stabilizing in turn the long-range average interest rates.

With the entry of capitalism into its monopoly or decaying phase, the organic tendency of the rate of profit to

fall, manifesting itself as a general tendency, has become more and more pronounced, as was long ago predicted by Karl Marx. Hence also arise the severe periodic convulsions including those of the "money market."

But Keynes severs money-capital completely from industrial capital. The first, he insists, has remained "most stable." The second, has declined, both relatively and absolutely.

"But the most stable, and the least easily shifted, element in our contemporary economy has been hitherto, and may prove to be in the future, the minimum rate of interest acceptable to the generality of wealth-owners." (p. 309)

On the other hand, in our century and "presumably for the future the schedule of the marginal efficiency of capital is, for a variety of reasons, much lower than it was in the nineteenth century. The acuteness and the peculiarity of our contemporary problem arises, therefore, out of the possibility that the average rate of interest which will allow a reasonable average rate of employment is one so unacceptable to wealth-owners that it cannot be readily established merely by manipulating the quantity of money." (p. 309)

In plain language this is a bald assertion that the nub of the problem does not lie with the monopoly ownership of the means of production and the sway of finance capital over the whole economy, but is transferred arbitrarily into the sphere of "the minimum rate of interest acceptable to the generality of wealth-owners."

Origins of the Keynesian Nostrum

There you have the crux of the Keynesian theory of money. As for the cure—it is to manipulate not the "quantity of money," which Keynes forgets is "completely inelastic" to begin with, but the rate of interest, driving it down below its "typical rate" to a desirable "minimum."

Proudhon, as we remarked, also discerned the root of all evil in money and the "traditional privileges" of money-lenders. He therefore proposed to attack interest by attacking money itself and doing away with it altogether. A latter-day neophyte of Proudhon, one Silvio Gessell by name and German by origin, discerned a "tactical" error in his teacher's approach. The real trouble lay not in money itself but only in its rate of interest. Gessell proposed to keep money but do away with interest altogether.

Once *interest* is done away with, then "money power is broken by freed Money. Interest or what Marx called surplus value, is dissolved." (S. Gessell, *The Natural Economic Order*, p. 9)

How do away with interest? Very simply. All commodities are liable to losses, they either deteriorate or lie in warehouses, subject to storage charges and other vicissitudes of time and fortune, all, that is, except MONEY, whose storage charges are virtually nil. "We must subject money to the loss to which goods are liable through the necessity of storage," said Gessell and proposed that legal tender be made invalid unless stamped with a monthly tax, approximating 5 percent annually.

This crackpot proposal was greeted with ecstasy during the depression of the Thirties by such eminent scholars

as Professor Irving Fisher who declared that, if Gessell's scheme were adopted, the depression would be dissipated in "two weeks."

Keynes did not go quite so far. For his part he discerned a tactical error by Gessell. The evil is there to be sure. Keynes cedes to none in his attack on interest:

Interest today rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for such scarcity, there are no intrinsic reasons for the scarcity of capital... I see, therefore, the rentier aspect of capitalism as a transitional phase which will disappear when it has done its work. And with the disappearance of its rentier aspect much else in it besides will suffer a sea-change. It will be, moreover, a great advantage of the order of events which I am advocating, that the euthanasia of the rentier, of the functionless investor, will be nothing sudden, merely a gradual but prolonged continuance of what we have seen recently in Great Britain, and will need no revolution. (p. 376)

But interest can not and must not be eliminated altogether. The really correct and "scientific" thing to do is to slash interest rates to a "minimum acceptable to the generality of wealth-owners."

With this amendment Keynes incorporated Gessell's proposal of "carrying charges" or money-tax into his own "perfected" theory of money.

"According to my theory," explains Keynes, "it [the money-tax] should be roughly equal to the excess of the money rate of interest (apart from the stamps) over the marginal efficiency of capital corresponding to the rate of new investment compatible with full employment." (p. 357) The correct figure, he assures, should be reached by trial and error.

Except for Keynes' insistence on the retention of a "minimum" interest rate, the similarity between his and Proudhon-Gessell's theory of money borders on identity.

The Function of Gold

Keynes, like Proudhon, like Gessell, denied that there is any necessary or indissoluble connection between monetary systems and the precious metals, gold in particular. This is an illusion, worse yet, a pernicious piece of nonsense. Keynes goes so far as to imply that the production of gold (gold-mining) is not only sheer waste but silly. "Gold-mining," he insists, "is the only pretext for digging holes in the ground which has recommended itself to bankers as sound finance."

Speaking abstractly, money and the money system is assuredly a highly irrational way of achieving the distribution of the social products of labor. But the irrational system of capitalism, cannot divest itself, not even by government edicts, of the only machine of circulation at its disposal. Great amounts of social labor must remain fixed in the only form in which they can serve this machine. The expenses are large, very large, and they increase with the perpetuation of capitalism. As Marx pointed out: "They are dead expenses of commodity production in general, and they increase with the development of this

production, especially when capitalized. They represent a part of the social wealth which must be sacrificed in the process of circulation."

Not any commodity but only a certain commodity, namely gold, can perform the function of money and supply the material foundation for the monetary system under capitalism. Gold thereby becomes more than a mere commodity. Keynes may sneer at gold reserves as the foundation of "sound finance." Capitalist bankers and financiers cannot afford such lightmindedness.

There is not a single currency in the world today that has remained on "the gold standard," i.e., is directly convertible into gold. But that does not mean that gold reserves have become meaningless or no longer serve as the material basis of all monetary systems. On the contrary, the balance of international trade payments must still be paid in the final reckoning in gold. "Soft currencies" are soft not alone because of their unfavorable trade balance with the "dollar countries" but, above all, because they lack adequate gold reserves to back up their currencies.

The intimate tie between gold and monetary systems was strikingly illustrated by the recent crisis of devaluation that tumbled in its wake the currencies of 32 countries. It sufficed for mere rumors of higher gold prices in terms of the dollar to send tremors throughout the U.S. fiscal system.

Juridically, the capitalist world today does not recognize the gold standard, but these formal actions of all the governments including Washington weigh as so much chaff in the wind. Gold remains the world money.

Proudhon, and after him Gessell, denied "the Marxian doctrine that the power of capital lies in the ownership of tools of production." Such ownership is really a boon, and is separate and distinct from "supremacy that is rooted in money." The more capital is created in the shape of means of production, all the weaker must become the power of the capitalists over society as a whole. With this, too, Keynes is in essential accord. In fact, Keynes expresses in passing the assurance that it is "comparatively easy to make capital-goods so abundant that the marginal efficiency of capital is zero; this may be the most sensible way of gradually getting rid of many of the objectionable features of capitalism." (p. 220) But what actually happens as capital goods become "more abundant"? In the Keynesian dream-world this leads to the dissipation of the power of capital. In reality it has led to the concentration of this power in the hands of monopolists.

A Shamefaced Disciple

It may come as a shock to some people that Keynes is at bottom a disciple of Proudhon. He himself never openly acknowledged it. His followers skip over it in embarrassment. But it happens to be an undeniable fact.

Silvio Gessell introduced a "tactical" correction into Proudhon's monetary views (center the attack not on money but on its interest rate). Sir John offered an even more trifling amendment to Gessell (center the attack not on money but on *part* of its interest rate). What is this if not a variation upon a variation of Proudhonism?

Keynes hailed Gessell as a thinker "whose work contains flashes of deep insight and who only just failed to reach down to the essence of the matter [i.e. the theory of money]." But Keynes omits to say that Proudhon was Gessell's avowed master.

Gessell's purpose, writes Keynes, was the "establishment of an anti-Marxian Socialism... and in unfettering of competition. I believe that the future will learn more from the spirit of Gessell than from that of Marx." But Keynes might at least have added that the spirit of Proudhon has unquestionable priority here so far as both the future and the past are concerned.

Plekhanov used to frequently call attention to the clear distinction between two types of disciples—shameless and modest ones. Those who are modest never fail gratefully to acknowledge how much they owe to their teachers. Sir John belongs to the other type—those who borrow, more accurately, plagiarize, without any acknowledgment.

Keynes is indebted to none other than Proudhon for the conception that what really limits the expansion of capitalist production is not capitalism itself (i.e. the private ownership of the means of production) but a specific money rate of interest (called "traditional" by Proudhonists and "typical" by Keynes).

As an avowed disciple of Proudhon, Gessell writes: "As soon as capital ceases to yield the traditional interest, money strikes and brings work to a standstill." (*Op. cit.*, p. 7).

The shamefaced disciple of Proudhon, Sir John writes: "Rate of interest of money plays a peculiar part in setting a limit to the level of employment, since it sets a standard to which the marginal efficiency of a capital-asset must attain if it is to be newly produced." (p. 222) The words may differ, but the idea remains exactly the same. The formulations of Proudhon-Gessell have the advantage that they are expressed in humanly understandable language. Keynes like all his colleagues prefers to operate with academic gibberish. But the whole point is that neither the "strike of money" nor the alleged inability of a "capital-asset" to attain "a standard of marginal efficiency" is in any direct way connected with prevailing money rates of interest. Such a connection or "limit" is sheer fiction.

Fluctuation of Interest Rates

As I have already pointed out, interest rates can stay very low both in periods of depression as well as those of boom. Conversely, the history of capitalism knows periods of high money rates both during booms and depressions. Nor are combinations unknown: that is, money rates may go up *and* down during depressions as well as during booms; or they may go down in booms and up in depressions, and so on. Anyone studying the gyrations of the money market over a prolonged period can convince himself that there has never been a "traditional" or "typical" money rate. As I stated, it is possible to estimate a maximum which is fixed by the average rate of profit for a given period, but there is no minimum whatever.

If one were to choose a sphere of economic life where accident plays the decisive role, it is in the sphere of the

money market. To talk of lawfulness here is to delude oneself and others. It goes without saying that the "money market" does not lead an independent existence; in the final analysis, developments here, too, are subject to the laws that dominate economic life as a whole. But it has its peculiar characteristics, and these turn out to be just the opposite of those ascribed to it by Keynes and his followers.

Keynes' money theory, if we observe it closely, is at the same time intended to explain not only "the peculiar attributes of the monetary system," but also to provide a slick explanation for capitalist crises. Why are there crises under capitalism? In answer Keynes offers up the self-same "theory of money":

Unemployment [read: crisis] develops, that is to say, because people want the moon;—men cannot be employed when the object of desire (i.e., money) is something which cannot be produced and the demand for which cannot readily be choked off. There is no remedy but to persuade the public that green cheese is practically the same thing and to have a green cheese factory (i.e., a central bank) under public control. (p. 235)

No matter how you slice this cheese, it is still Proudhon.

Now Proudhon in concocting his monetary utopia was at least motivated by a genuine hatred of capitalist exploitation and a sincere desire to improve the lot of the workers. Keynes and his colleagues remain case-hardened champions of capitalism and are impelled by fears of a mass revolt against their outlived system.

"It is certain," Keynes concedes, "that the world will not much longer tolerate the unemployment which, apart from brief intervals of excitement, is associated—and, in my opinion, inevitably associated—with present-day capitalistic individualism. But it may be possible by a right analysis of the problem to cure the disease whilst preserving efficiency and freedom." (p. 381) By "efficiency and freedom," Keynes means the private ownership of the means of production, the capitalist system as a whole.

His own conclusion is that the monetary reforms and other "encroachments" he advocates are "the only practicable means of avoiding the destruction of existing economic forms in their entirety." (p. 380)

While others have talked about the "Keynesian revolution" in economics and the like, he himself recommended his theory as "moderately conservative in its implications." After the introduction of all his reforms and "central controls" there will be, in his opinion, "no more reason to socialize economic life than there was before." (p. 379)

In the middle of the last century, Proudhon, the petty-bourgeois utopian, succeeded in selling many European workers his monetary panacea as the quickest and most painless way of getting rid of capitalism. In the middle of our century the same silly fable, with minor variations, is being swallowed by "labor statesmen" in this country and, what is far worse, being peddled by them to the workers as a guarantee for ushering in the "Welfare State."

Independence of the Ukraine and Sectarian Muddleheads

By **LEON TROTSKY**

Leon Trotsky's article, "The Problem of the Ukraine," which we re-published in the November Fourth International, aroused widespread interest and discussion in revolutionary circles at the time of its appearance in May 1939. However, the only open opposition to Trotsky's slogan of independence for the Ukraine came from the small sectarian Oehler group. Despite the political insignificance of this group, Trotsky seized the opportunity to further clarify his position. His reply, first published in the *Socialist Appeal*, September 15th and 17th, 1939, proved to be a permanent contribution to the Marxist analysis of the national question. It sheds considerable light on the present-day relationship between the Great-Russian Soviet bureaucracy and the countries of Eastern Europe.

* * *

In one of the tiny, sectarian publications which appear in America and which thrive upon the crumbs from the table of the Fourth International, and repay with blackest ingratitude, I chanced across an article devoted to the Ukrainian problem. What confusion! The author-sectarian is, of course, opposed to the slogan of an independent Soviet Ukraine. He is *for* the world revolution and *for* socialism—"root and branch." He accuses us of ignoring the interests of the USSR and of retreating from the concept of the permanent revolution. He indicts us as centrists. The critic is very severe, almost implacable. Unfortunately, he understands nothing at all (the name of this tiny publication, *The Marxist*, rings rather ironically). But his incapacity to understand assumes such finished, almost classical forms as can enable us better and more fully to clarify the question.

Our critic takes as his point of departure the following position: "If the workers in the Soviet Ukraine overthrow Stalinism and reestablish a genuine workers' state, shall they separate from the rest of the Soviet Union? No." And so forth and so on. "If the workers overthrow Stalinism" . . . then we shall be able to see more clearly what to do. But Stalinism must first be overthrown. And in order to achieve this, one must not shut one's eyes to the growth of separatist tendencies in the Ukraine, but rather give them a correct political expression.

Pat Formulas Don't Solve Concrete Tasks

"Not turning our backs on the Soviet Union," continues the author, "but its regeneration and reestablishment as a mighty citadel of world revolution—that is the road of Marxism." The actual trend of the development of the masses, in this instance, of the nationally oppressed masses, is replaced by our sage with speculations as to the best possible roads of development. With this method, but with far greater logic, one might say, "Not defending a degenerated Soviet Union is our task, but the victorious

world revolution which will transform the whole world into a World Soviet Union," etc. Such aphorisms come cheap.

The critic repeats several times my statement to the effect that the fate of an independent Ukraine is indissolubly bound up with the world proletarian revolution. From this general perspective, ABC for a Marxist, he contrives however to make a recipe of temporizing passivity and national nihilism. The triumph of the proletarian revolution on a world scale is the end-product of multiple movements, campaigns and battles; and not at all a ready-made precondition for solving all questions automatically. Only a direct and bold posing of the Ukrainian question in the given concrete circumstances will facilitate the rallying of petty-bourgeois and peasant masses around the proletariat, just as in Russia in 1917.

True enough, our author might object that in Russia prior to October it was the bourgeois revolution that unfolded, whereas today we have the socialist revolution already behind us. A demand which might have been progressive in 1917 is nowadays reactionary. Such reasoning, wholly in the spirit of bureaucrats and sectarians, is false from beginning to end.

Democratic Tasks Tied to Socialist Aims

The right of national self-determination is, of course, a democratic and not a socialist principle. But genuinely democratic principles are supported and realized in our era only by the revolutionary proletariat; it is for this very reason that they interlace with socialist tasks. The resolute struggle of the Bolshevik party for the right of self-determination of oppressed nationalities in Russia facilitated in the extreme the conquest of power by the proletariat. It was as if the proletarian revolution had sucked in the democratic problems, above all, the agrarian and national problems, giving to the Russian Revolution a combined character. The proletariat was already undertaking socialist tasks but it could not immediately raise to this level the peasantry and the oppressed nations (themselves predominantly peasant) who were absorbed with solving their democratic tasks.

Hence flowed the historically inescapable compromises in the agrarian as well as the national sphere. Despite the economic advantages of large-scale agriculture, the Soviet government was compelled to divide up large estates. Only several years later was the government able to pass to collective farming and then it immediately leaped too far ahead and found itself compelled, a few years later, to make concessions to the peasants in the shape of private land-holdings which in many places tend to devour the

collective farms. The next stages of this contradictory process have not yet been resolved.

Has Stalin Convinced the Ukrainian Masses?

The need for compromise, or rather for a number of compromises, similarly arises in the field of the national question, whose paths are no more rectilinear than the paths of the agrarian revolution. The federated structure of the Soviet Republic represents a compromise between the centralist requirements of planned economy and the decentralist requirements of the development of nations oppressed in the past. Having constructed a workers' state on the compromise principle of a federation, the Bolshevik party wrote into the constitution the right of nations to complete separation, indicating thereby that the party did not at all consider the national question as solved once and for all.

The author of the critical article argues that the party leaders hoped "to convince the masses to stay within the framework of the Federated Soviet Republic." This is correct, if the word "convince" is taken not in the sense of logical arguments but in the sense of passing through the experiences of economic, political and cultural collaboration. Abstract agitation in favor of centralism does not of itself carry great weight. As has already been said, the federation was a necessary departure from centralism. It must also be added that the very composition of the federation is by no means given beforehand once and for all. Depending on objective conditions, a federation may develop toward greater centralism, or on the contrary, toward greater independence of its national component parts. Politically it is not at all a question of whether it is advantageous "in general" for various nationalities to live together within the framework of a single state, but rather it is a question of whether or not a particular nationality has, on the basis of her own experience, found it advantageous to adhere to a given state.

In other words: Which of the two tendencies in the given circumstances gains the ascendancy in the compromise regime of a federation—the centrifugal or the centripetal? Or to put it even more concretely: Have Stalin and his Ukrainian satraps succeeded in convincing the Ukrainian masses of the superiority of Moscow's centralism over Ukrainian independence or have they failed? This question is of decisive importance. Yet our author does not even suspect its existence.

Do the Ukrainians Desire Separation?

Do the broad masses of the Ukrainian people wish to separate from the USSR? It might at first sight appear difficult to answer this question, inasmuch as the Ukrainian people, like all other peoples of the USSR, are deprived of any opportunity to express their will. But the very genesis of the totalitarian regime and its ever more brutal intensification, especially in the Ukraine, are proof that the real will of the Ukrainian masses is irreconcilably hostile to the Soviet bureaucracy. There is no lack of evidence that one of the primary sources of this hostility is the suppression of Ukrainian independence. The national-

ist tendencies in the Ukraine erupted violently in 1917-19. The *Borotba* party expressed these tendencies in the left wing. The most important indication of the success of the Leninist policy in the Ukraine was the fusion of the Ukrainian Bolshevik party with the organization of the *Borotbists*.

In the course of the next decade, however, an actual break occurred with the *Borotba* group, whose leaders were subjected to persecution. The old Bolshevik, Skrypnik, a pure-blooded Stalinist, was driven to suicide in 1933 for his allegedly excessive patronage of nationalist tendencies. The actual "organizer" of this suicide was the Stalinist emissary, Postyshev, who thereupon remained in the Ukraine as the representative of the centralist policy. Presently, however, Postyshev himself fell in disgrace. These facts are profoundly symptomatic, for they reveal how much force there is behind the pressure of the nationalist opposition on the bureaucracy. Nowhere did the purges and repressions assume such a savage and mass character as they did in the Ukraine.

Significant Attitudes of Ukrainians Abroad

Of enormous political importance is the sharp turn away from the Soviet Union of Ukrainian democratic elements outside the Soviet Union. When the Ukrainian problem became aggravated early this year, communist voices were not heard at all; but the voices of the Ukrainian clericals and National-Socialists were loud enough. This means that the proletarian vanguard has let the Ukrainian national movement slip out of its hands and that this movement has progressed far on the road of separatism. Lastly, very indicative also are the moods among the Ukrainian emigres in the North American continent. In Canada, for instance, where the Ukrainians compose the bulk of the Communist Party, there began in 1933, as I am informed by a prominent participant in the movement, a marked exodus of Ukrainian workers and farmers from communism, falling either into passivity or nationalism of various hues. In their totality, these symptoms and facts incontestably testify to the growing strength of separatist tendencies among the Ukrainian masses.

This is the basic fact underlying the whole problem. It shows that despite the giant step forward taken by the October Revolution in the domain of national relations, the isolated proletarian revolution in a backward country proved incapable of solving the national question, especially the Ukrainian question which is, in its very essence, international in character. The Thermidorian reaction, crowned by the Bonapartist bureaucracy, has thrown the toiling masses far back in the national sphere as well. The great masses of the Ukrainian people are dissatisfied with their national fate and wish to change it drastically. It is this fact that the revolutionary politician must, in contrast to the bureaucrat and the sectarian, take as his point of departure.

Sectarian Arguments Like Those of Stalinists

If our critic were capable of thinking politically, he would have surmised without much difficulty the arguments of the Stalinists against the slogan of an independ-

ent Ukraine: "It negates the position of the defense of the Soviet Union"; "disrupts the unity of the revolutionary masses"; "serves not the interests of revolution but those of imperialism." In other words, the Stalinists would repeat all the three arguments of our author. They will un-faillingly do so on the morrow.

The Kremlin bureaucracy tells the Soviet woman: Inasmuch as there is socialism in our country, you must be happy and you must give up abortions (or suffer the penalty). To the Ukrainian they say: Inasmuch as the socialist revolution has solved the national question, it is your duty to be happy in the USSR and to renounce all thought of separation (or face the firing squad).

What does a revolutionist say to the woman? "You will decide yourself whether you want a child; I will defend your right to abortion against the Kremlin police." To the Ukrainian people he says: "Of importance to me is your attitude toward your national destiny and not the 'socialistic' sophistries of the Kremlin police; I will support your struggle for independence with all my might!"

The sectarian, as so often happens, finds himself siding with the police, covering up the status quo, that is, police violence, by sterile speculation on the superiority of the socialist unification of nations as against their remaining divided. Assuredly, the separation of the Ukraine is a liability as compared with a voluntary and equalitarian socialist federation; but it will be an unquestionable asset as compared with the bureaucratic strangulation of the Ukrainian people. In order to draw together more closely and honestly, it is sometimes necessary first to separate. Lenin often used to cite the fact that the relations between the Norwegian and Swedish workers improved and became closer after the disruption of the compulsory unification of Sweden and Norway.

Ukraine Independence Revolutionary Slogan

We must proceed from facts and not ideal norms. The Thermidorian reaction in the USSR, the defeat of a number of revolutions, the victories of fascism—which is carving the map of Europe in its own fashion—must be paid for in genuine currency in all spheres, including that of the Ukrainian question. Were we to ignore the new situation created as a result of defeats, were we to pretend that nothing extraordinary has occurred, and were we to counterpose to unpleasant facts familiar abstractions, then we could very well surrender to reaction the remaining chances for vengeance in the more or less immediate future.

Our author interprets the slogan of an independent Ukraine as follows: "First the Soviet Ukraine must be freed from the rest of the Soviet Union, then we will have the proletarian revolution and unification of the rest of the Ukraine." But how can there be a separation without first a revolution? The author is caught in a vicious circle, and the slogan of an independent Ukraine together with Trotsky's "faulty logic" is hopelessly discredited. In point of fact this peculiar logic—"first" and "then"—is only a striking example of scholastic thinking. Our hapless critic has no inkling of the fact that historical processes may occur not "first" and "then" but run parallel

to each other, exert influence upon each other, speed or retard each other; and that the task of revolutionary politics consists precisely in speeding up the mutual action and reaction of progressive processes. The barb of the slogan of an independent Ukraine is aimed directly against the Moscow bureaucracy and enables the proletarian vanguard to rally the peasant masses. On the other hand, the same slogan opens up for the proletarian party the opportunity of playing a leading role in the national Ukrainian movement in Poland, Rumania and Hungary. Both of these political processes will drive the revolutionary movement forward and increase the specific weight of the proletarian vanguard.

My statement to the effect that workers and peasants of Western Ukraine (Poland) do not want to join the Soviet Union, as it is now constituted, and that this fact is an additional argument in favor of an independent

Ukraine, is parried by our sage with the assertion that even if they desired, they could not join the Soviet Union because they could do so only "after the proletarian revolution in Western Ukraine" (obviously Poland). In other words: *Today* the separation of the Ukraine is impossible, and *after* the revolution triumphs, it would be reactionary. An old and familiar refrain!

Luxemburg, Bukharin, Piatakov and many others used this very same argument against the program of national self-determination: Under capitalism it is utopian; under socialism, reactionary. The argument is false to the core because it ignores the epoch of the social revolution and its tasks. To be sure, under the domination of imperialism a genuine stable and reliable independence of the small and intermediate nations is impossible. It is equally true that under fully developed socialism, that is to say, with the progressive withering away of the state, the question of national boundaries will fall away. But between these two moments—the present day and complete socialism—intervene those decades in the course of which we are preparing to realize our program. The slogan of an independent Soviet Ukraine is of paramount importance for mobilizing the masses and for educating them in the transitional period.

What the Sectarian Ignores

The sectarian simply ignores the fact that the national struggle, one of the most labyrinthine and complex but at the same time extremely important forms of the class struggle, cannot be suspended by bare references to the future world revolution. With their eyes turned away from the USSR, and failing to receive support and leadership from the international proletariat, the petty-bourgeois and even working-class masses of Western Ukraine are falling victim to reactionary demagoguery. Similar processes are undoubtedly also taking place in the Soviet Ukraine, only it is more difficult to lay them bare. The slogan of an independent Ukraine advanced in time by the proletarian vanguard will lead to the unavoidable stratification of the petty bourgeoisie and render it easier for its lower tiers to ally themselves with the proletariat. Only thus is it possible to prepare the proletarian revolution.

How to Clear the Road

"If the workers carry through a successful revolution in Western Ukraine..." persists our author, "should our strategy then be to demand that the Soviet Ukraine separate and join its western section? Just the opposite." This assertion plumbs to the bottom the depth of "our strategy." Again we hear the same melody: "If the workers carry through..." The sectarian is satisfied with logical deduction from a victorious revolution supposedly already achieved. But for a revolutionist the nub of the question lies precisely in how to clear a road to the revolution, how to render an approach to revolution easier for the masses, how to draw the revolution closer, how to assure its triumph. "If the workers carry through..." a victorious revolution, everything will of course be fine. But just now there is no victorious revolution; instead there is victorious reaction.

To find the bridge from reaction to revolution—that is the task. This is the import, by the way, of our entire program of transitional demands (*The Death Agony of Capitalism and the Tasks of the Fourth International*). Small wonder that the sectarians of all shadings fail to understand its meaning. They operate by means of abstractions—an abstraction of imperialism and an abstraction of the socialist revolution. The question of the transition from real imperialism to real revolution; the question of how to mobilize the masses in the given historical situation for the conquest of power remains for these sterile wiseacres a book sealed with seven seals.

Superficial Reasoning

Piling one dire accusation indiscriminately on top of another, our critic declares that the slogan of an independent Ukraine serves the interests of the imperialists (!) and the Stalinists (!!) because it "completely negates the position of the defense of the Soviet Union." It is impossible to understand just why the "interests of the Stalinists" are dragged in. But let us confine ourselves to the question of the defense of the USSR. This defense could be menaced by an independent Ukraine only if the latter were hostile not only to the bureaucracy but also to the USSR. However, given such a premise (obviously false), how can a socialist demand that a hostile Ukraine be retained within the framework of the USSR? Or does the question involve only the period of the national revolution?

Yet our critic apparently recognized the inevitability of a political revolution against the Bonapartist bureaucracy. Meanwhile this revolution, like every revolution, will undoubtedly present a certain danger from the standpoint of defense. What to do? Had our critic really thought out the problem, he would have replied that such a danger is an inescapable historical risk which cannot be evaded, for under the rule of the Bonapartist bureaucracy the USSR is doomed. The very same reasoning equally and wholly applies to the revolutionary national uprising which represents nothing else but a single segment of the political revolution.

Independence and the Plan

It is noteworthy that the most serious argument against independence does not even enter the mind of our critic. The economy of the Soviet Ukraine enters integrally into this plan. The separation of the Ukraine threatens to break down the plan and to lower the productive forces. But this argument, too, is not decisive. An economic plan is not the holy of holies. If national sections within the federation, despite the unified plan, are pulling in opposite directions, it means that the plan does not satisfy them. A plan is the handiwork of men. It can be reconstructed in accordance with new boundaries. In so far as the plan is advantageous for the Ukraine she will herself desire and know how to reach the necessary economic agreement with the Soviet Union, just as she will be able to conclude the necessary military alliance.

Moreover, it is impermissible to forget that the plunder and arbitrary rule of the bureaucracy constitute an important integral part of the current economic plan, and exact a heavy toll from the Ukraine. The plan must be drastically revised first and foremost from this standpoint. The outlived ruling caste is systematically destroying the country's economy, the army and its culture; it is annihilating the flower of the population and preparing the ground for a catastrophe. The heritage of the revolution can be saved only by an overturn. The bolder and more resolute is the policy of the proletarian vanguard on the national question among others, all the more successful will be the revolutionary overturn, all the lower its overhead expenses.

The Critic's Ideal Variant

The slogan of an independent Ukraine does not signify that the Ukraine will remain forever isolated, but only this, that she will again determine for herself and of her own free will the question of her interrelations with other sections of the Soviet Union and her western neighbors. Let us take an ideal variant most favorable for our critic. The revolution occurs simultaneously in all parts of the Soviet Union. The bureaucratic octopus is strangled and swept aside. The Constituent Congress of the Soviets is on the order of the day.

The Ukraine expresses a desire to determine anew her relations with the USSR. Even our critic, let us hope, will be ready to extend her this right. But in order freely to determine her relations with other Soviet republics, in order to possess the right of saying *yes* or *no*, the Ukraine must return to herself complete freedom of action, at least for the duration of this Constituent period. There is no other name for this than state independence.

Now let us further suppose that the revolution simultaneously embraces also Poland, Rumania and Hungary. All sections of the Ukrainian people become free and enter into negotiations to join the Soviet Ukraine. At the same time they all express the desire to have their say on the question of the interrelations between a unified Ukraine and the Soviet Union, with Soviet Poland, etc. It is self-evident that to decide all these questions it will be necessary to convene the Constituent Congress of Unified Ukraine. But a "Constituent" Congress signifies nothing.

ing else but the Congress of an independent state which prepares anew to determine its own domestic regime as well as its international position.

The Road to Unity

There is every reason to assume that in the event of the triumph of the world revolution the tendencies toward unity will immediately acquire enormous force, and that all Soviet republics will find the suitable forms of ties and collaboration. This goal will be achieved only provided the old and compulsory ties, and in consequence old boundaries, are completely destroyed; only provided each of the contracting parties is completely independent. To speed and facilitate this process, to make possible a genuine brotherhood of the peoples in the future, the advanced workers of Great Russia must even now understand the causes for Ukrainian separatism, as well as the latent power and historical lawfulness behind it, and they must without any reservation declare to the Ukrainian people that they are ready to support with all their might the slogan of an independent Soviet Ukraine in a joint struggle against the autocratic bureaucracy and against imperialism.

The petty-bourgeois Ukrainian nationalists consider correct the slogan of an independent Ukraine. But they object to the correlation of this slogan with the proletarian revolution. They want an independent democratic Ukraine and not a Soviet Ukraine. It is unnecessary to enter here into a detailed analysis of this question because it touches not Ukraine alone but rather the general evaluation of our epoch, which we have analyzed many times. We shall outline only the most important aspects.

Democracy is degenerating and perishing even in its metropolitan centers. Only the wealthiest colonial empires or especially privileged bourgeois countries are still able to maintain nowadays a regime of democracy, and even there it is obviously on the downgrade. There is not the slightest basis for hoping that the comparatively impoverished and backward Ukraine will be able to establish and maintain a regime of democracy. Indeed the very independence of the Ukraine would not be long-lived in an imperialist environment. The example of Czechoslovakia is eloquent enough. As long as the laws of imperialism prevail, the fate of small and intermediate nations will remain unstable and unreliable. Imperialism can be overthrown only by the proletarian revolution.

The main section of the Ukrainian nation is represented by present-day Soviet Ukraine. A powerful and purely Ukrainian proletariat has been created there by the development of industry. It is they who are destined to be the leaders of the Ukrainian people in all their future struggles. The Ukrainian proletariat wishes to free itself from the clutches of the bureaucracy. The slogan of a democratic Ukraine is historically belated. The only thing it is good for is perhaps to console bourgeois intellectuals. It will not unite the masses. And without the masses, the emancipation and unification of the Ukraine is impossible.

The Charge of Centrism

Our severe critic flings at us the term "centrism" at

every opportunity. According to him, the entire article was written so as to expose the glaring example of our "centrism." But he does not make even a single attempt to demonstrate wherein precisely consists the "centrism" of the slogan of an independent Soviet Ukraine. Assuredly, that is no easy task.

Centrism is the name applied to that policy which is opportunist in substance and which seeks to appear as revolutionary in form. Opportunism consists in a passive adaptation to the ruling class and its regime, to that which already exists, including, of course, the state boundaries. Centrism shares completely this fundamental trait of opportunism, but in adapting itself to the dissatisfied workers, centrism veils it by means of radical commentaries.

If we proceed from this scientific definition, it will appear that the position of our hapless critic is in part and in whole centrist. He takes as a starting point the specific (accidental—from the standpoint of rational and revolutionary politics) boundaries which cut nations into segments, as if this were something immutable. The world revolution, which is for him not living reality but the incantation of a witch-doctor, must unequivocally accept these boundaries as its point of departure.

He is not at all concerned with the centrifugal nationalist tendencies which may flow either into the channels of reaction or the channel of revolution. They violate his lazy administrative blueprint constructed on the model of: "first" and "then." He shies away from the struggle for national independence against bureaucratic strangulation and takes refuge in speculations on the superiorities of socialist unity. In other words, his politics—if scholastic commentaries on other people's politics may be called politics—bear the worst traits of centrism.

The sectarian is an opportunist who stands in fear of himself. In sectarianism, opportunism (centrism) remains unfolded in its initial stages, like a delicate bud. Presently the bud unfolds, one-third, one-half, and sometimes more. Then we have the peculiar combination of sectarianism and centrism (Vereecken); of sectarianism and low-grade opportunism (Sneevliet). But on occasion the bud shrivels away, without unfolding (Oehler). If I am not mistaken, Oehler is the editor of *The Marxist*.

July 30, 1939.

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LETTERS

"Break-Even" Point — Grey's Reply

Editor, Fourth International:

Although I wrote "Steel: Achilles of U.S. Industry" in two parts, it was with the purpose of publishing it in a single issue of the FI. The second part supplemented and corrected the first. It was obviously from considerations of space that it had to be published in two separate issues. Arne Swabek in "Some Comments On Falling Rate of Profit" has added to, and elaborated on a few points raised in the first part which the second part also discusses more or less in the same vein.

However there is one important criticism, which, because it involves theory, must be reviewed and considered more deeply:

"If not directly, at least indirectly, there appears to be an implication that the tendency of the falling average rate of profit is synonymous with what the steel barons proclaim as the 'break-even' point for their industry... It would be a mistake to identify the industrialists' 'break-even' point—arbitrarily and artificially established—with the tendency of the falling rate of profit. It represents rather a page from the chapter of skullduggery and swindles perpetrated by these predatory capitalists essentially for the purpose of defrauding the steelworkers of a livable return on their toil."

I quite agree that it would be a mistake to identify the two. But as I said, and repeat, they are closely connected.

The rate of profit declines because constant capital is a larger and larger component of the total capital, and variable capital (money paid for value-creating labor) a relatively smaller and smaller one. The "break-even" point rises because the fixed part of constant capital—i.e., the plants, machinery, mines, etc.—is continually rising, and the circulating part (raw materials) relatively diminishing.

Many corrections and modifications can be made for these two statements. But in general they are a correct theoretical proposition. And the rising "break-even" point, though certainly not identical with the falling rate of profit, is closely connected with it and is caused by similar factors.

Naturally the "break-even" point does not rise at the same rate that the rate of profit declines. (It may rise at a much faster rate!) But it rises for the same general reason: the concentration of capital in the means of production and the growing preponderance of the products of labor over the laborers.

True the actual "break-even" point as announced by the corporations is "arbitrarily and artificially established." But so is the rate of profit also! And the declining rate of profit is still a correct theoretical proposition. When a corporation says it makes a profit of nine percent on capital, the real profit in terms of new values created by the workers over and above their wages and the replacement of all equipment, materials, etc., may be twelve, fifteen, eighteen percent or higher! The lush salaries, the \$75 thousand pensions, the various slush funds and sinecure salaries for brothers-in-law are considered part of expenses, not profits. Nevertheless, there is such a thing as a rate of profit, just as there is such a thing as a "break-even" point—even though they both exist behind a facade of double talk.

Arne Swabek seems to believe that the emphasis on the "break-even" point in steel, should be rather on its arbitrariness, and the skullduggery and swindles which it conceals. For the purposes of a Nathan Report, for the purposes of exposing the capitalists, yes. But for an evaluation of a trend, no.

The capitalists have many bookkeeping tricks and it is good for us to be aware of them. Some of them have more perfected skullduggery than others. But they all try to keep up to the minute in these things, just like in the use of machinery. So, as between companies the crookedness tends to cancel out.

Take one of the most obvious and ancient forms of their double-talk. The first \$3½ million earned by a \$100 million steel plant—over and above all other expenses—is put on the debit side of the ledger. It is surplus value, produced by the workers, but it is not regarded as profit but as an expense. It represents what the capitalist owes himself as interest for the loan of his own capital!

It sounds a little fantastic even from a bourgeois point of view. But the practice is a hallowed and sacred one. It is part and parcel of capitalism, and of course, where outsiders hold 3½ percent bonds in the company the \$3½ million does not go from one pocket to the other of the same capitalist, but represents a very legal relationship between different

capitalists. At any rate this \$3½ million must be added to the \$10 million or so in depreciation and other items, to make a final sum (i.e. the "break-even" point), whose value in commodities must be produced and sold if the business is to keep going, and if capitalist legality is to be maintained.

In England, for example, many concerns have gone below the so-called "break-even" point but they are still in business. To stay in business, however, they have had to default on many obligations, make the brothers-in-law go to work etc. All this proves that there are no absolutely "hopeless situations", but indicates that there is a crisis.

At any rate, regardless of just where the "break-even" point lies, it is obvious that in industry generally it is higher than it used to be. It is almost equally obvious that in steel it is higher than in other industries. If we had no other clue than the constant squawking of the steel officials about it, we might still be convinced. Why wouldn't the capitalists of the other industries get into the act and join the chorus if it is such a good dodge (and it is) for stalling the tax collector and defrauding the worker?—Simply because the steel barons have the best arguments on this score as against their fellow capitalists. And that is the point.

V. GREY

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