

R 9 1949

INTERNATIONAL NEWS

Vol X No. 1 Price 10 Cents Labor Donated

J
A
N
-
U
A
R
Y
1
9
4
9

THE TRUMAN VICTORY

AND

THE NEW CONGRESS

*

THE STRUGGLE TO DOMINATE CHINA

*

WORKER'S DEMOCRACY

AND

THE SOVIET UNION

*

1949

Published by
REVOLUTIONARY WORKERS
LEAGUE
U. S. A.

STACK B

THE TRUMAN VICTORY AND THE NEW CONGRESS

The writers and pollsters and others who help shape the public opinion are unabashed by their Dewey prophecy and are now telling the people just why it happened and what is going to happen tomorrow. They have this right, as anyone else, but they don't have the right to claim they base their predictions upon scientific political economy. In fact, some of the left wingers of the political and economic theorists are seriously questioning the whole set-up of bourgeois political economy. This is a healthy sign but will mean nothing unless they are able to bridge the vacuum of revisionist Marxism and arrive on solid ground of scientific Marxian political economy.

The social reformists of all shades, from Stalinism to Trotskyist centrism are also bewildered at the turn of events. Even though these forces presented the people with their own candidates, such as Wallace, Thomas and Dobbs, they all had made predictions of a Dewey victory, and like most opportunists were planning their strategy accordingly. But when Truman won the election, the excuses and arguments given by these reformists were different but as bad as what the Republicans and pollsters presented.

It is true that the publications of the Cannonites and Shachtmanites made some worthwhile comments on the Truman landslide. But these comments were entirely MINDSIGHT and all of their foresight was wrong. The Cannon theoretical organ says, "The national election marked a sharp political turn on the part of the masses." (Dec., 1948, Fourth International) Labor Action on November 8, says, "In one of the most startling political upsets in recent electoral history, the American people made a choice between what they considered lesser and greater evils, and repudiated the 80th Congress and all its reactionary work."

Neither one of these centrist outfits have clearly defined the limitations and framework of the election results.

Instead of a sharp political turn of the masses, it was nothing more nor less than the usual historical aiz-azgs of a people ENTIRELY WITHIN THE FRAMEWORK OF BOURGEOIS REFORMISM. True-- they moved left instead of continuing right, as was the case with the election of the 80th. Congress, but it was a left shift of a small degree in reality as far as American politics are concerned. Just remember that in 1924 with the A.F. of L. leaders and the Brotherhood unions behind a THIRD party candidate they polled five millions votes as a protest against the two old parties. While Wallace only gained a little over a million votes in 1948.

No, it was not a sharp political turn, as the Cannonites claim, unless you add to the concept that it was a turn within BOURGEOIS REFORMISM. If it were a sharp political turn in this stage of DECAY

DEMOS PRESS
708 N. CLARK ST.
CHICAGO, ILL.

CAPITALISM, it would be a turn from bourgeois reformism to SOCIAL REFORMISM, or at least a turn from the two capitalist parties to a third capitalist party, even though the bourgeois reformists such as Wallace, Green, Murray, etc., would dominate the new party in its first stages.

The Shachtmanites say in their analysis of the election upset that, "preliminary returns contribute exceptional evidence on the opportunities for an independent party which speaks for labor and the people." This is nothing more than wishfulfillment. The same as their left handed praise for William Green's third party statement just before the election was wish fulfillment flavored with opportunism. The facts of the election returns reveal that the Labor Party (which can only be a Third Capitalist Party) received a big set-back with the Truman election. Now the CIO and AF of L leaders want to revive the Democratic Party as a New Deal party. The majority of the union leaders have already made it clear that they will go along with Truman and see what reforms Wall Street will give them.

There is no question (as we stated in our predictions BEFORE THE ELECTION) that the vote of labor was decisive in electing Truman; and the President's lip service for social reforms and against the Taft-Hartley Bill was the combination that won, not in the least discounting the other contributing factors. But these other factors were secondary, even though many. The labor bureaucrats work, especially the CIO crowd, and the labor vote was the key.

Of the many other contributing factors dealt with by most all groups by now one such factor deserves more attention. The factor of the red scare propaganda constantly being drummed into the public in a multitude of mediums of expressions and forms until they had done great harm to the Wallace third party cause. Most people actually believed that Wallace was presenting Stalin's social reformist program (which they think is revolutionary) instead of the truth, that Wallace was presenting a safe and sane milder than the British Labor Party, third capitalist party program. But the red scare and the droves of blundering Stalinists around the Wallace camp was enough to cut the ground from under it and shift the labor vote to Truman. Red scares and name calling can be overcome, but the revisionist and blundering policies of the Stalinists have their own "logics" as a political process that sooner or later catch up with you. Only a program of revolutionary Marxism can, in the end, overcome these capitalist obstacles placed in the way of the worker's forward march toward socialism.

THE NEW CONGRESS

What about Truman and the new Congress? We already have sufficient evidence to prove that it was a hollow people's victory. That most of the campaign promises, and most of what the people wanted in the democratic victory will be emasculated to such an extent that it will be a weak substitute when it, or if it, ever reaches the stage of final passage with the presidential signature. In many cases it will be reform in name but not in content, with reform words and reactionary deeds.

Even where there exist liberal democrats, with sincerity, they will be unable to carry out their attempted reform with the bloc of Southern Democrats and Republicans, who dominate Congress and who can control "in committees" anything that Wall Street will not approve.

The capitalist papers don't tell the people that the Wall Street monopolist can DECISIVELY control the State, and all its avenues of function, by controlling a handful of key posts in the senate and the house and the government by appointment through the President and his cabinet, posts which are always filled by Wall Street's trusted men such as James V. Forrestal of Dillon, Reed and Company; and William W. Draper, another former Wall Street banking head; Averell Harriman of Wall Street banking firm of the same name, and Foster Dulles and scores of others who have the key posts of government by appointment. These posts taken together have much more real power than the Senate and the House together.

This crowd of anti-labor and pro-fascists big-wigs will see to it that no serious reforms for labor will get by, unless the reform is beat out of them by powerful working class pressure. The new honeymoon of Truman and the labor leaders discounts this last position in advance.

And the Hoover government departmental reforms, which Truman and others praise so much, in no way touch the fundamentals of real government reforms. The Hoover recommendations only streamline to the extent that it economizes for Wall Street and cuts out red tape for Wall Street where overlapping agencies prevent the monopolists from acting quickly. Revolutionary marxists cannot reform the capitalist state. We must build a new one from the ground up. But for the liberals, the bourgeois and social reformers, they had better counterpose a complete new draft for the Hoover draft if they want reforms that will help them in their struggle to be the servants of Wall Street, just like the Labor Party is the servant of British imperialism today. The Labor Party crowd in the United States will never catch up with the British in this service unless they radically reform the election laws, the parliamentary set-up of the House and Senate and the government agencies and the President's structure.

After the Senate and the House and the President reveal the true nature of their reforms in the 81st. Congress the disillusionment will again take hold of the labor vote and the liberals. We must point this out now so the lessons may be learned. But we must help the labor vote go beyond the bourgeois reformist labor party; beyond the social reformist labor party; beyond centrism; on to the road of revolutionary marxism. Our analysis is not based upon hindsight. The INTERNATIONAL NEWS published just before the election, with an article written many weeks before (September 19) presented the best election forecast of any independent forecast in the country. We did not say that Truman was going to win. We did not say this in so many words. But we did say:

"It is possible that the Wallace forces on the left of Truman and the Dixiecrats on the right, each with their separate ticket may get enough electoral votes to throw the election into the House.

"If the AFL and CIO leaders can muster enough votes behind Truman

whom they endorsed only because there was nothing left for them with their bankrupt political policy, than the BOURGEOIS REFORMISTS labor leaders can decide the choice of candidates in the 1948 election on a national scale."

Hindsight now proves that the labor vote was decisive of all the contributing factors for Truman's election. As Marxists, we presented this prediction variant in advance. This type of prediction, based upon concrete reality, is the only scientific basis for predictions.

December 6 - 48

THE STRUGGLE TO DOMINATE CHINA

The imperialists and their reactionary henchman in China are in a race against Stalinism in the struggle to dominate China. Against this two-fold menace the workers and peasants and the revolutionary Marxists have the task of overcoming these obstacles toward the establishment of a democratic regime of workers and peasants under a genuine Dictatorship of the Proletariat. We say Dictatorship of the Proletariat, because this means democracy of the workers and peasants a higher democracy than the best that capitalism can afford and a "dictatorship" that has nothing in common with degenerate Stalinism.

As we write this the battle for Nanking is favoring the "reds and the government of Chiang will have to fold up, unless the right wing forces in the United States State Department get the upper hand. This article is not a battle front analysis, even though such an article is surely needed. This article primarily deals with the policy of the forces trying to control and dominate China and hold in check the SOCIAL REVOLUTION which will spell ruin, not only for imperialism, but also for Stalinism.

Stalinism, and the warped dictatorship in the Soviet Union, would have no real chance of survival, if and when a genuine dictatorship of the proletariat takes power in a country, a country strong enough to survive capitalist intervention and beat off the hordes of Stalinist bureaucrats. Such a new "balance of power" on a world scale, a new element in the present "power politics" would change the ratio decisively. That is what the Stalinist fear in China; and that is what the imperialist fear more than the Stalinist in China.

It is the policy of the imperialists, especially the American imperialists, and the Stalinists, to DOMINATE China. It is the policy of revolutionary Marxism of the world and the workers and peasants of China to oust all who try to dominate China; and instead obtain a democratic regime of the masses who apply their power against the former exploiters and give democracy to the majority, the former exploited.

The trip of Mme. Chiang Kai-Shek has so far met with polite but firm opposition in Washington, up to the present, and will obtain nothing basically unless (again we repeat) unless the right wing forces in the government obtain the upper hand in policy making. It is very interesting to take up the two main groups in the camp of American imperialism in their policy toward China. It is a policy that is little understood by the people because the press is not presenting facts and the so called revolutionists are also presenting arguments that are misleading.

For example, the MILITANT of November 22, has an article on China which says, "American imperialism is now faced with the question,

what to do next? A section of the capitalist class favor pulling out of China, leaving Chiang Kai-Shek to his fate. They argue that continuing to send Chiang arms is useless since they slip through his military machine like a sieve. Another section, unwilling to acknowledge the debacle of its foreign policy, contemplates sending American armies on a major scale to China even at the risk of precipitating World War III."

The Shachtmanites understanding of the American imperialist policy is even worse. In the November eighth edition of LABOR ACTION, six days after the election results, they state, in an article on China, "Can the United States recoup its losses? The Dewey policy in the House Foreign Affairs Committee which seems to have accepted the program of Bullitt who proposes enlarged grants, about one billion a year, with the United States Supervision as in Greece." And again, "Second, the U. S. Policy which is identified with Chiang." The Trotskyites missed everything they aimed at. They speak of a Dewey policy and of Chiang support. But facts then and now prove that both arguments are wrong.

Instead of this flim-flam argument of the two Trotsky factions, and the non-Marxist arguments of the Stalinists, let us give a Marxian appraisal of the diabolic American imperialist policy. There are two schools of thought that must be considered as uppermost. The other tendencies have little chance of domination in the present alignment of forces in the political camp of the United States. First, we have the right wing forces who will oppose the Chinese communists to death, and who will support Chiang or any other war lords who will continue to fight from any point of advantage. This group are still betting on Chiang, but they would support any group willing to fight the communists. They see no difference between Europe and China today; and therefore, they see no difference in popular movements between Communism in Europe and China (or Asia).

We should digress here long enough to explain our above statement. In Europe, capitalism is in decay, having gone through its agrarian revolutions many years ago. While in Asia and China, have not yet reached the stage of levelling off Feudal remnants so capitalism can have its natural development. This economic difference presents us with a difference of TACTICS AND STRATEGY in the revolutions, even though the PRINCIPLES OF THE REVOLUTIONS in Europe and Asia are the same. The right wing forces in the United States government do not understand this.

While on the other hand we have "liberal" capitalists in the United States government who understand that there must be a different policy if fighting communism in these backward countries and in the advanced decay countries. It is doubtful if most of them know the line of demarcation between strategy and tactics in relation to principles in regard to China and Asia vs Europe.

At least we must admit that the second group want to do business with the Chinese Communists in a coalition government. They do not advocate giving the communists the majority in the government. They want to go back to the Marshall formula of a few years ago. They think

that they can win over large sections of the class amalgam the Stalinists now have in the "RED" front AGAINST imperialism, with proper bourgeois democracy for China. This "liberal" group realizes that with a bourgeois democratic front they will still have plenty of elbow room to KAPOFF China for the interests of American imperialism and at the same time they will be able to defeat not only Stalinism, but above all the social revolution.

It is well to point out at this point that the ultra-lefts and some centrists don't understand the fact that even under the Dictatorship of the proletariat that bourgeois forms, laws and ideology exists in oppressive degree. The liberal capitalists, who learned something from the two revolutions of 1917 in Russia at least know this.

Some of these liberals, in private, argue along the following lines: Even though we have had several revolutions in China since 1911, we have not yet passed to or beyond the FEBRUARY REVOLUTION IN RUSSIA (in content) and therefore, if we, the imperialists in coalition, can dominate the new government with the Stalinists (who are not Leninists, who don't believe or understand the APRIL THESIS of Lenin) then we can direct the revolution in China into safe and sane capitalist channels. But if we do not get in to this "FEBRUARY" Red set-up in China then the logic of events may, by pressure from the workers and peasants, transform over to the Russian OCTOBER REVOLUTION of Lenin and Trotsky.

In other words, the liberal wing in the government, are desiring to use the Kerenskys in the Chinese Revolution before it is too late. They state categorically, and on this point they are correct, that it is too late to give Chiang any more real or effective support. He has failed imperialism too many times, failed not because he used imperialism for the interest of China; but failed because the corrupt landlord and Chinese capitalists robbers have drained this American aid to their own coffers instead of the needs of the nationalist government.

Marshall as Secretary of State and Truman are at present lined up with the "liberal" view. This is the position presented by the American representative. But there is a behind the stage struggle between these two groups. If there is a compromise, it will be between these two points of view, not what Stalinism or Trotskyism say. Our opinion is that America is late in adopting this policy. The Chinese Communists would be foolish, at this stage of their struggle, to accept such a compromise on the part of American imperialism. China has everything to lose by compromise because the Chinese masses like the rest of the peoples of Asia, are trying to free themselves from the chains of imperialism, and to compromise at this stage would check the revolutionary incentive of the masses.

But the strength of Stalinism in China is an unknown factor from our point of view. Naturally Stalinism will oppose this coalition. They don't want this coalition at present. It is not even to their opportunist policy advantage.

One thing must be made clear. The Cannonites and more so the Shachtmanites do not give the imperialists of America enough credit for their understanding of the Chinese situation. DON'T UNDERESTIMATE

YOUR ENEMY: especially your own imperialist. They think that Marshall and others don't even have an ABC understanding of class forces in China. This is false. Marshall's report and opposition to Chiang shows that he is far above this. It is a good maxim to give your "enemy the benefit of the doubt" to fight them on the most positive program or position--than you can sure win if they are below your expectation.

It is not an accident that in Dutch Indonesia the Dutch Imperialist have been given a "go ahead" signal from powerful interests in England even though the state department in the United States will not agree. The Anglo-Dutch want to push the Indonesian revolutionary gains back a few more notches before the Chinese development reaches a new high stage. They want to "consolidate" in other parts of Asia and the Islands before China "goes too far." But United States wants to do business with the Indonesian government and use it against the Anglo-Dutch monopoly.

Another important factor in China which must be taken into consideration is the following: We have no factual information, but on the basis of historical materialism and the general information reviewed over a long period of time we are of the opinion that Stalinism will have very rough sailing in China.

We only have to look to Yugoslavia for some concrete evidence. In that country, contrary to the other eastern European countries under Stalinist domination, the people built their own military machine to fight fascism. This solid foundation of mass support from below enabled Tito to talk back to Stalin; which other Eastern European countries would like to do but are unable, due to the "made in Moscow" label on their party and state structure, under Red Army protection.

In China, we have a Yugoslavia situation on a much greater scale. Stalinism will have less control IN THE LONG RUN over the INDEPENDENT Chinese communist structure that has been built in struggle; than Stalinism had over Tito and his structure. This is also a point of advantage that the imperialists hope to take advantage of. But this gives the left independent--the revolutionary Marxists, greater objective foundation than either Stalinism or imperialism.

We must also take up other aspects of the policies of the revolutionists, centrists and ultra-lefts. It must not be forgotten that both wings of the Trotskyites believe in a policy of MATERIAL AID and political criticism to the Red Armies of China. At least they have not stated otherwise since they formulated this policy on China some time ago--the same policy they had for the PEOPLES FRONT IN SPAIN. We, on the other hand, the revolutionary Marxists, oppose this and propose instead, a policy of no political aid to these forces. Instead: an independent policy of Lenin's marching separately and striking together (as Lenin did with Kerensky against Kornilov) and as the RWL carried out in the Spanish Revolution. If the Trotskyites have forsaken or changed this policy let them speak out.

On the other hand, the Left Communists (the Bordighuists) lambast us because we, the RWL, accept and carry on the Lenin policy of

marching separately and striking together. But on this point, "even though we have much in common with these comrades, and on many other points, they are ultra-left."

The policy of "marching separately and striking together" insures the political and organizational independence of the revolutionary Chinese organization. So, too, does the united front tactics as laid down by the program of the RWL. It gives us an opportunity to participate within the mass movement when we are still a MINORITY, but enables us to retain our revolutionary integrity and our program to WIN THE MASSES. We clearly separate ourselves from the CENTRIST formula on the question of "marching separately and striking together" with THE CHINESE REDS AND CHUNG AND THE NATIONALISTS AND THE IMPERIALISTS -- and at the same time clearly refute the centrist position of material aid to the non-Marxists political organization and forces. We oppose the Trotskyites formula of material aid to the Peoples Front of Spain yesterday, to the Red Army of China today, and to the same set-up in America tomorrow.

Furthermore, the ultra-lefts are for defeatism for the Red Armies of China--the opposite error of the centrists who advocate material aid for the Red Armies of China. The policy of (Lenin vs Kornilov) of marching separately and striking together is the correct policy as above outlined.

Dec 15-48

WORKERS DEMOCRACY IN THE SOVIET UNION

There are those who think that once we establish a workers state then everything bourgeois will just disappear overnight. But these utopians have had a rude awakening with the results of the Soviet Union. And now it has reached the point where it is very difficult to separate the negative carry-overs from the crimes of Stalinism. But this slow drag of the material conditions must not be confused with the wrong policies and the results of Stalinist bureaucracy. This problem can be unraveled and understood only if we analyze both the concrete conditions and the theoretical problems of the Soviet Union.

By comparison and contrast of the Soviet Union with what a Workers Republic should be and will be, we can at the same time argue against those (Stalinists) who claim they have a classless society and socialism, and on the other hand those (Left Communist, some Trotskyites and Socialists) who say that the Soviet Union is Red Imperialism, Capitalism, or a new class, the Stalinists exploiting the working class.

A good approach to this problem is to take up the question of production so we can later take up many of the different aspects that must be answered.

"Whatever may be the social form of production, laborers and the means of production always remain its main elements. But either of these factors can be effective only when they unite. The special manner in which this union is accomplished distinguishes the different economic epochs from one another." (page 44-Volume Two, Capital)

The main elements of production, laborers and the means of production, Marx speaks of, were slowly being reorganized in a special manner and united differently in the period of Chattel Slavery than in the former period of higher barbarism.

It makes no difference if in the stage of primitive communism there were different forms of the family, the domination of male or female, etc., the fact remains that the patriarchal form was one of the main belt systems used in the transition to private property. In every society, including capitalism many forms and conditions develop, but it is not the variety that counts. It is those organizational forms that are decisive to the next stage of development that count. These are the forms that Marx dealt with under his three volumes of "pure" capitalism and these are the forms that Marx and Engels stressed in early society.

Marx speaking of the family with the male domination says, "This latent slavery of the family, though still very crude, is the first property, but even at this early stage it corresponds perfectly to the definition of modern economists who call it the power of disposing of the labor of others," (Page 21-German Ideology-Marx) Marx referred to this as "latent slavery", first property forms, "still very crude," etc.

What is important is to understand that no new social order, no economic system has made or can make a complete break with the past. That there are always material conditions and certain factors of production and distribution that were taken over by the new society. This was the case of Chattel Slavery in relation to barbarism and this is also the situation today in the case of Socialism vs Capitalism. More important forms than that of the family relation can be given and are given in different Marxian presentations of the transition to Chattel Slavery. We give this only as an example to reveal connecting links from the remote past. So too we must understand that whereas yesterday, with the development of the exploitation of man by man, these primitive "latent" forms were carried over and developed, today under transition economy in the Soviet Union material forms carried over from capitalism exist. Yesterday it was a question to develop these forms; today it is a condition of the withering away of these material conditions as society develops toward socialism.

Although Chattel Slavery and Feudalism often existed side by side; just like both existed side by side with developing capitalism, in each given case the kind of social order was determined by the special manner in which this union of laborers and means of production is accomplished.

In the latter stage of Feudalism in Europe and just before the rise of capitalism there developed the handicraft system, although chained to Feudalism it was a necessary transition form to capitalist production. In this period money capital existed in growing influence, and self employed producers began to increase the amount of commodities that reached the open market, a market that formerly received commodities only on the basis of the surplus products. The embryo forms of capital and commodity production were growing stronger and dominating in the growing cities against the special manner in which Feudalism had united laborers and the means of production, attached to the land.

By merely further developing these new forms of production and distribution in the city, capitalism began to grow out of the womb of the old. With the overthrow of self-employed producers, with increased division of labor, with the organization of the factory and the hiring of the former self-employed and the former land attached as new wage laborers, a new impetus to the sale of commodities and the PRODUCTION of commodities took place. With it came the surplus value, as a natural outgrowth of the special manner in which laborers and means of production were united.

When we speak of bourgeois carry-overs under transition economy we must understand that capitalism not only had, but has carry-overs from all previous existing societies, from primitive communism to barbarism, to chattel slavery, to feudalism. Capitalism in its birth, its growth and now its decay, with all of its development of production and its scientific gains has been unable to plow under more backward systems and level town and country to a higher stage of the existence of manking.

Some persons will immediately draw the mechanical conclusion that if capitalism goes through its whole span of existence with carryovers

that hold sway over the majority of the population and land area than transition economy and socialism will likewise be unable to erradicate many capitalist and precapitalist conditions. Of course it must be understood that even if Feudalism, etc., held sway over these peoples and land, capitalism in its imperialist stage (finance capital) dominates these areas, holds them in check and imperialism as such uses them as hinterland. Hitler hoped to make a real scientific farmyard out of the peoples of the earth for the "good" of the "master race."

The main reason such a mechanical conclusion is wrong is because capitalism is organized as a system of the exploitation of man by man; while socialism is to be organized to abolish the exploitation of man by man; and to organize all mankind in the real struggle against nature, to control its forces for man's needs.

But our critic will again reply. Where is this elimination of the exploitation of man by man in the Soviet Union that you speak of? He takes Stalin's false premise, that they have socialism, and uses it against the real Marxian position. For there is no socialism in Russia today. Labels are not decisive. What is important is the actual conditions and organization of the social structure.

STATE OWNERSHIP AND SOCIAL OWNERSHIP OF PRODUCTION

A good starting point of this above problem to show the similarity and difference of different conditions of capitalism and different conditions of transition economy toward socialism is to deal with state ownership first and social ownership second. First let us consider the state ownership under capitalism in contrast to state ownership under the Soviet Union. State ownership under capitalism and under transition economy toward socialism is similar in form but different in content. Furthermore, the former does not automatically lead to the latter. Nor can it be said, as advocated by the social reformists that state ownership under capitalism is always a progressive step, nor can this assumption be maintained as implied by the centrists. State ownership of key industries under capitalism is primarily carried out when an industry is sick and can no longer maintain its competitive position, either on the internal or international market; or in war time for more efficient government subsidies to expedite war measures, or when the breakdown of the internal economy in the present decay stage of world capitalism is so great that production and national security against imperialism from without demands drastic action for the survival of the national economy and its state.

It makes no difference if these nationalization measures are advocated by social reformists or by liberal capitalists as progressive measures, such measures will only be carried out into life if the above conditions are ripe, or, if the pressure of the masses is so great that there is a pre-revolutionary situation within the country. The later would indicate elements of the above factors already named. It will be argued by the reformers that even though these measures are advanced by the progressives and agreed to by the conservatives for reactionary ends, the fact remains that each step in state ownership of key industries will lead toward socialism. This argument is false. The process towards socialism depends entirely upon the relation of CLASS FORCES, the existence or lack of existence of a revolutionary Marxian Party,

the stage of internal economic breakdown; it depends not upon the state ownership measures, but upon the WILL TO POWER OF THE CLASS AND THE PARTY.

History has proven that nine out of ten times nationalization under capitalism, whether in peace or war, has served to strengthen capitalism against the working class, if and when disintegrating factors forced capitalism to such drastic measures to survive.

The argument that state ownership of key industries under capitalism is progressive, is as false and as reactionary as the argument at the turn of the century--that the elimination of free competition and the establishment of trusts and cartels is progressive and a step toward socialism. One must not mix up and confuse the process of capitalist centralization of government and industry, with the process of class relations, the growth of class and socialist consciousness, and the growth of the revolutionary party. If the latter process keeps pace with the former process and explains, it thereby gains by its ability to present correct analysis and measures of ACTION against capitalism. But the former, the capitalist measures of nationalization, even by a Labor or Socialist government, of and by themselves are protective measures against capitalist economic breakdown and the danger of social revolution from the working class.

The key to the understanding of the above problem is that in the development of state ownership under capitalism all of the basic factors of the capitalist mode of production remain intact. This was true under reactionary Fascism in Germany yesterday with Hitler, and it is true today with the Socialist Labor Party in England. In all of these examples, commodity production, wage labor and the creation of surplus value remain. The special manner of the union of laborers and the means of production which distinguishes capitalism from other modes of production remains.

Even if the decay is so great that the most drastic measures must be taken in state regulations of ALL industries and state ownership of many key industries, it must be remembered that not only do the above three factors remain, but above all you still have the CAPITALIST INDIVIDUAL APPROPRIATION OF THE DIFFERENT FORMS OF SURPLUS VALUE. This proves that the basic relation of the "union" has not been altered.

In the thirties, before the second world war, the RWL correctly argued against those muddle headed reformists and centrists who claimed that Germany under Hitler was no longer a capitalist state. We presented the Marxian theoretical arguments for our position. But after the defeat of Germany, when the U.S. Intelligence Service released the facts about who were the real rulers of Germany and how Hitler merely served the finance capitalists and the cartel interests, the factual evidence for our position was overwhelming for anyone who would take the time to look it up. The same condition will be true for the Labor Government in England "if" they are "successful" in their nationalization program.

But one must not confuse the Labor Government in England in class relations with Fascist Germany. We reject categorically the Stalinist

INTERNATIONAL NEWS

theory of Social Fascism" as a monstrous fraud. We are only comparing the objective forces of greater centralization of state and industry under decay capitalism.

(CONTINUED IN THE NEXT ISSUE)

SUBSCRIBE TO THE INTERNATIONAL NEWS

For information write to:

DEMOS PRESS
708 NORTH CLARK STREET
CHICAGO, ILLINOIS