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DOCUMENT ON THE
POLITICAL SITUATION

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DOCUMENT ON THE POLITICAL SITUATION

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In the August 1947 resolution on the International Situation the Revolutionary Workers League presented an analysis of the day which we must analyze as a stepping stone for the present situation of May 1949. Many events and important changes have taken place since then but what is important is to see if our analysis of that period will hold up under present conditions and also to see what modifications are essential to bring it up to date. If our analysis was fundamentally correct yesterday, then today we must fill in the concretization and lay down a line of march for the workers for today and tomorrow.

While yesterday our analysis was broad and general, today events demand a more concrete presentation because we are closer to the change we indicated in 1947.

In 1947 we stated that the period was a post war, not a prewar situation. The theme at that moment was war hysteria against the Soviet Union. We must now point out that we have past the postwar period, but we have not yet reached the prewar stage. Preparation for war against the Proletarian Revolution and the Soviet Union by American Imperialism and her allies are intensified; but as yet no prewar stage has been reached. As we have said before, unless one side or both sides blunder--- or a successful social revolution upsets the balance of power--- then war is still several years ahead. By that we mean, American imperialism is not yet ready for the final plunge, and Stalinism is prepared for war to a far lesser degree.

Even though the United States holds the dominating world position she still hopes to follow the pattern of the first and second wars in form, if not in content; that is, to let the other powers exhaust themselves while the United States supplies the war materials, and only later will she arrive with men and the finish mop-up finale. But events and history will cut the wishfulfillment short and will force American imperialism to not only supply the war material, but will also force her to supply the basic skeleton military structures around which her allies can rally for their weak decay capitalistic defense.

Toward this end the United States hopes to arm and train her allies inside and outside the Atlantic Pact, with military bases at all strategical points around the Soviets and her allies before she openly starts a war of INVASION OF THE SOVIET UNION.

The economic situation within the United States, despite the "small" depression and the economic situation in the "Marshall Plan" countries

does not indicate a prewar situation. It indicates a period of reorganization, a stemming of the war disintegration, a tightening of the reins on the working class as a stage before the actual prewar stage. At the same time the imperialists under Anglo-American leadership are feverishly working to undermine internally the Soviet Union and her border states. This is also part of the preliminary steps necessary, the softening up process, before men and machinery are organized for open war. Their success or failure in undermining the USSR and her allies and the success of the economic reorganization of post war economy will determine the length of the period between now and a third world war--- a war of the invasion of the Soviet Union.

We have already pointed out the CHARACTER of the coming war in our 1947 document. This stands. It will not be an imperialist war like 1914 and 1939-- it will be a war of imperialism against the Soviet Union and -- primarily against the workers and peasants of the world. This we will deal with in detail later.

The line of march we laid down in 1947 remains, but it would be abstract and lifeless today if we did not fill in the concrete developments since then. Not only does the Character of the war remain as we have stated; but also the false role of "defeatism" of Stalinism vs the Lenin position of revolutionary defeatism. Our rejection of a capitalist "organized Europe" is as far off today as it was yesterday. Our "alarmist" cry against the revival of fascism by capitalism is more today than yesterday.

NEITHER PEACE NOR WAR

Today we again have the formula of "neither peace nor war". This time it is put forth by Baruch the millionaire statesman of Wall Street. Yesterday, in different content, it was Trotskys slogan-- in the 1917 Russian Revolution. Trotsky was wrong yesterday and Baruch is wrong today. We reject this formulation both in content and in formulation. It blurs the concept of historical materialism in regard to war and peace. But we deal with it because it gives us an opportunity to present a correct position against this confusionism.

Let us first consider what peace is. We know what war is. Peace under any system of exploitation of man by man is nothing more than one of the following or a combination of two or more: Peace is the domination of the victor over the defeated by force. Peace is an armed truce if both sides are fairly strong. Peace is a period of preparation for war. These three formulations present the essence of peace under capitalism as well as the previous systems of exploita-

tion. So--the formula, "Neither peace, nor war", becomes a meaningless abstraction when faced with reality.

What makes these statements of capitalism confusing is the difference of economic and political conditions in the period of developing capitalism with the present decay capitalism. War and peace have taken on peculiar forms in the transformation from developing to decay capitalism. In the first place, under developing capitalism only the army and a few civilians were involved in war. Under decay capitalism all countries, totalitarian, democracies and what-not are totalitarian in war, involving the whole population. So too, in peace time, in developing capitalism, it demanded only a small part of the population and the military to prepare for the next war. Now in decay capitalism it demands the military and almost the entire population TO PREPARE FOR WAR. Militarism, typical of Europe will more and more dominate the American economic and political structure, as an expression of the "Europeanization" of the U.S. This gives these muddleheads the concept that it is neither peace nor war.

More important and as a reflection of the economic is the fact that the period of prosperity and depression reverse position from developing capitalism to decay capitalism. In developing capitalism periods of prosperity were long with mild problems and depressions were short with difficulties overcome at HIGHER LEVELS. In decay capitalism the periods of prosperity are sporadic and only include the aristocracy of the working class. The rest of the working class are always in depression. In decay capitalism the periods of depression are prolonged and deep and full of new unforeseen contradictions for all. This transformation from developing capitalism to decay capitalism some pass off as "Neither Peace nor War".

Likewise, the second world war started as a picnic between Germany and France and the learned American journalists said it would not be much of a war. But at THAT TIME THE RWL said the second world war would make the first world war seem like child's play before it was over. The destruction of men and material was a bitter condemnation of free enterprise, of religion, of capitalism, of capitalist journalists and apologists (and with regret and sorrow for the dead and suffering untold millions) upheld our thesis too well.

Those who understand revolutionary Marxism, those who understand the science of dialectical materialism know that the slogan of "Neither peace nor war", does not apply to any system of exploitation; nor does it apply to the period of transition between capitalism and socialism. Only when we have a socialist economy and the decisive elements of capitalism and exploitation of man by man are eliminated as a social condition can one put forth the slogan of, "Neither peace nor war".

THE ATTEMPT TO STABILIZE EUROPEAN ECONOMY.

All the talk of the capitalists about the "United States of Europe" boils down to nothing more nor less than the attempt to stabilize Europe against the proletarian Revolution on the one hand and against the Stalinists taking power in this or that country on the other hand. This can take place providing the proletariat is not strong enough to ward off both the exploiters and their agents in the workers ranks--

the Socialists, Stalinists (and Anarchists in Spain in 1936).

There can be no United States of Europe in the sense of a unified, organized economic and political structure as long as capitalism and Stalinism dominate Europe. Capitalism as a system of exploitation economic and political anarchy (national structures), and Stalinism, etc.,.

But--But the might of American imperialism is concentrated in Europe. This might express itself in many ways. Its strategy in peace is similar to that in war. During the second world war there existed a dispute in the higher military sphere of American imperialism. One group wanted to finish off Japan first (or at the same time with Germany) while the other group, backed by the big three (Roosevelt, Churchill and Stalin) decided that Germany should be mopped up first and then it would be easy to take care of Japan. The school that advocate saving western, northern and southern Europe from Stalinism and the social revolution are now in the saddle, both in England and the United States. Their argument is similar to the argument used during the last war. First we put Stalinism and the proletarian revolution on the defense in Europe and then it will be easy for us to win over the Orient, where the peasant revolution in economic weight counts more than the proletarian revolution.

Toward this end they have followed up with the Truman plan, the Marshall plan, the North Atlantic Military Alliance, and other plans. It can be said that the total of these plans are having the same or similar effects on Europe today as the Young and Dawes Plan had on Europe after the first world war. Both plans, different in name and form have similar content. That is, to reestablish the capitalist economy, to reorganize at the expense of the workers and peasants, to stem the tide of social unrest both from the left and right and to save capitalism from social revolutions.

The Young and Dawes Plan accomplished this to the right--to Fascism. But we state that our perspective is that this will not be possible today or tomorrow on Europe. That the decay of capitalism is far greater today than it was after the first world war, that the fascists and other right wing elements, although reorganizing and growing have history against them, as well as the growing might of the workers and the experiences and lessons the workers learned with fascism since the first world war.

This does not mean that we can ignore the threat from the right, from fascism and other forms of open dictatorship. It means that with proper fighting leadership the proletariat will be able to thwart and defeat the fascists. Remember, it still holds good--that bourgeois democracy in decay PAVES THE WAY FOR FASCISM. Between fascism and the proletarian revolution the majority of the bourgeois democrats favor fascism and the profit system. The new "Dawes Plan" in Europe has reached the point where the capitalists already boast about the retreat of the "communists", meaning Stalinists. The lifting of the Berlin Blockade is one of the symptoms, even though the cold war will be kept up.

Europe's output of industrial goods has reached the pre-war level. It . . . be kept up.

Even though production has reached this level the following negative factors still exist. The Marshall Plan countries could only pay for 40% of their imports. Living standards are below the pre-war level. Export of goods (due to America stealing the world markets) lags far behind pre-war levels. Production must be increased far beyond pre-war levels to take care of the needs of the population. But here again this can only be done if America share the markets with the decadent of capitalism in Europe.

This again brings to the fore the Marxian concept of the growing misery of the masses—the rich get richer and the poor get poorer under capitalism. Marx did not deal with ONE COUNTRY (England) he dealt with capitalism as a whole. And world capitalism summed up reveals that there is greater misery and starvation on a world scale today than under developing capitalism, regardless of the favored TEMPORARY position of American capitalism in the decay heap.

THE PRESENT DEPRESSION AND THE FUTURE

Most capitalist economists and many radical economists predicted a bust depression following the war. The RWL took a different position. We pointed out that the big depression, the bust, was ahead, somewhere in the fifties, and that the coming depression would be one that American imperialism could survive by its own internal strength. We even had comrades in our own organization who disputed this. But facts proved we were correct. Remember that the American capitalists dug out of the 1929 crisis—depression only after the 1939 war started as a war of destruction of billions in material and millions in men.

Without the war destruction and post war rehabilitation America would have been unable to get out of the 1929 crisis—depression. We mean precisely that—that the present depression is one that can be gotten out of without war. But let us modify this. Depressions must be viewed from the Marxian point of view, from the workers interest point of view. But Marxism remembers that we are living under capitalism and the capitalist mode of production determines the dynamics, not our desires or interests. Therefore, from internal American capitalist dynamics this is a prelude to the coming big depression in the fifties—if war does not cut it short. From the workers standpoint—many workers have the same miserable positions and standards no matter if the condition is called prosperity or depression.

But one thing is clear, even though the American capitalists are strong enough to weather this present spotty depression it will LAST AND BE PROLONGED IN A ZIG-ZAG PATTERN UNTIL THE REAL DEPRESSION ARRIVES. Remember the 1921 and 1924 depressions were deep dips, but the prosperity from 1921 to 1929 was spotty. It was rough for the workers and bankrupt middle class all through the "gold Age" of the 20s. It will be worse for the workers and lower middle class with monopoly capitalism in the saddle today—until the big depression arrives and then a new lot will be on hand.

Different countries will suffer at different times. The colonies of revival will be spotty until the big depression comes. When heavy industry, building and war supplies for the U.S. and others will reach a high point the dip will come. It will possibly ar-

rive before the Truman administration is out of office.

Rehabilitation, war supplies and national and international social measures against the workers and peasants have been the main pump primer to keep American capitalism afloat. This is negative. This is decay capitalism; not progressive capitalism as in the past.

WAR AND THE DEPRESSION

Many ask, and it must be answered, which will come first the war or the depression? We are not evading the question but it cannot be answered in this or that manner. We can say that if American imperialism and capitalism have their way, they will wait until a crisis and depression cuts off the stream of profits and the only alternative left is war to revive the stream of profits. Many factors, we have pointed out before can alter this. Blunders on one or both sides. A successful revolution, etc. The most likely variant, from the standpoint of objective conditions is a crisis-depression impasse of capitalism which leaves them no alternative than war to save face, to save profits, to hold in check Stalinism, to beat back the proletariat and peasants.

That is why we have consistently refuted the war hysteria that has had its ebbs and flows since the second world war ended, not only in the capitalist press, and Stalinist press, but also in the Trotskyite press.

We repeat, the most likely variant is a spotty prosperity, or a spotty depression, which American capitalism can tolerate, up until the big crisis-depression in the early fifties. This is the time to look out for real war signals and not the wolf-wolf call of the last three years.

ASIA'S ROLE IN IMPERIALIST STRATEGY

The advance of the popular revolution, the fight of the masses for elementary rights in Asia against white imperialism and Japanese imperialism is beyond the confines of capitalist boundaries. They hope to let the fires burn (as a forest fire) up to points where they have vital and strategical controls—and then attempt to burn it out and rebuild. They have a world plan. Save Europe first. South America can take care of itself with its own brand of reaction—and then "we" will smash Asia and regain lost territory. This is PART OF THEIR COMING WAR PLANS. They do not want to dump material and money in a bottomless pit (as the Nationalists of China proved to be) they can use this money and material more effectively later. The tempo of social reconstruction in Czarist Russia after 1917 was very slow, much slower than it would have been in western Europe or America. The social reconstruction in Asia is much, much slower than in Russia. This drag favors the plan of the Anglo-American imperialists to let the fire burn now and concentrate on Europe, and take care of Asia later.

ONLY A SUCCESSFUL PROLETARIAN REVOLUTION IN ONE OR MORE ADVANCED COUNTRIES CAN ALTER THIS RELATION OF FORCES; or a successful political revolution in Russia against Stalinism.

A document on China has previously appeared in THE INTERNATIONAL NEWS and the fundamentals we laid down a few months ago remain firm as ever

today.

THE INTERNAL ECONOMY AND POLITICAL SITUATION IN THE UNITED STATES

The period of the war and the period of the post war boom is over. But we do not have the big crisis-depression yet. There are more than three million unemployed and Public works has reached four billion dollars, more money spent now than in the depression of the thirties. On top of this you have the GI, school and work training which absorbs some job seekers temporarily. When these new trained youth go back into industry the situation will get worse, not better.

Production is lagging in many sections of industry. Inventories are even higher than in 1947 when there were over 40 billions worth in dollars on hand. Exports are decreasing and will only increase through more military and other essentials to "our" allies against the Soviet Union. Credit has been eased and now the majority of American families owe debts on personal property and home mortgages. Dividends remain at an all time high; while the real wages of the workers fall.

Less hours of work per week, stagger system, inflation and the failure to get raises to equal past price rises all contribute to the lower share of production the workers take home. But the real pressure against the workers is the SPEED-UP in production which further lowers their share of the gigantic productive capacities of American Industries. The Steel Industries and others naturally resist expansion, because even now many industries are not on full capacity. At 80 and 70% of capacity they have already glutted the market.

We are of the opinion that even though the unemployed millions will stay with us up to the war period and the lot of the workers will grow worse; while small concerns and the lower middle class will show increased bankruptcy, the fact remains that the American (modified State Control) economy will be strong enough to weather these economic difficulties for several years to come.

The building boom, although slowing down has not yet reached the peak. If private capital becomes too conservative it will force the government to spend more on some form of housing bill to pump money into business to help capital with dollars and veterans with pennies. Likewise, the government subsidy of farm and other products, and its military needs at home and abroad as well as other government expenditures helps prime the pumps to keep production at a certain safe level.

Generally speaking, when one needs an operation it is bad; but in some cases it is good. So too, with taxes. The capitalists object to high taxes; but with sick capitalism, with capitalism that must keep mass production at a certain level in order to prevent a complete shut-down, the government increased taxes accomplishes the above essentials for capital turn-over in production. The capitalist government in turn spends the money and it comes right back to the capitalists and at the same time keeps discontent down among the farmers by subsidy, veterans by different forms of payments, and unemployed by other forms of payment—all funds which return to production of capital by the fact that these funds are spent for necessities. The greater share of the government expenditures goes to war preparation and this means direct to monopolies and cartels. The small, very small share first goes to consumers needs, of veterans, unemployed, which in turn helps prime these businesses where ...

the purchases are made.

Naturally a government of the monopolies takes less taxes from the big capitalists and a greater share from the middle and small capitalists. In a strict Marxian sense the tax problem is not that of the workers. If they eliminated the 20% income tax from the workers pay their wages would be reduced by that amount in some other manner. In the end it means that the greater the mass productivity; the greater the inability of the capitalists to dispose of this; the greater the tax by the capitalist government to help them dispose of the "surplus" to prevent a complete break-down.

Some will argue that because American production has expanded in the war period and in the postwar period that this proves the Marxian concept to be wrong. The Marxian position that we are in decay capitalism and the apex of capitalism has passed is correct. But Marxism is not considering capitalism as a whole and capitalist accumulation as a world system. Capitalist accumulation and production as a world system reveals this tendency. Merely to take care of population increase, or to mark up "production" on inflation values, or above all to produce for negative war and war preparation ends does not reveal a healthy expanding capitalism. The bulk of productive capacities during the war was for destruction not healthy capitalist expansion. Likewise the same is true today. The tremendous rehabilitation program of post war America, through the Truman plan, the Marshall Plan, and the North Atlantic Pact is only part of this vast production to hold in check the SOCIAL REVOLUTIONS and to encircle the Soviet Union. A victorious exploiter nation that inherits only a rubble heap of decadent and reactionary nations, like the United States has, cannot long survive this kind of "capitalist investments" void of positive accumulation. This is the condition American "prosperity" rests upon.

In pointing out the external (international) precarious position of the American dollar we must not lose sight of the fact that it is not the external antagonisms which will be decisive in the long run for the radicalization of the American working class; rather it will be the internal antagonism of the productive forces of America. Likewise, this internal crisis of American imperialism will have tremendous effects and repercussions throughout the world.

As long as the internal antagonism of American productive forces are strong enough to keep pump-priming with material and men if necessary the fires of revolution can be held in check, or the fires held in certain bounds so they will not spread too far. This is the case in southern and western Europe. This is the case in Japan and gradually the encirclement of China and Asiatic Russia just like the process continues in Europe. We repeat. But on the other hand, if the internal antagonisms are beyond effective mobilization than these international fires will engulf capitalism and Stalinism in genuine proletarian revolutions.

The contradiction within American production producing the internal antagonisms will not only open the road to rapid radicalization here but will accelerate the struggles abroad. The key to the world situation will be the revolution that can defeat the strangle hold of Socialism and Stalinism; but the door that it will open will be the bulwark of American economic might, economic and political and military power resting upon an internal maturing crisis and depression which will be far

worse than in 1929.

The key to world POWER POLITICS and the orbit around which all other countries must adjust themselves is the struggle between the American Imperialists and her allies against the Soviet Union. But this is not the KEY to the world situation in the coming period, even though it is the driving force for the coming war. What we dealt with before overshadows this in determining which way the world will turn in the next war period.

The fascists and semi-fascists countries such as Argentina and Spain, etc., are attempting to play a third role in the coming war. They would like to accomplish in this war what the United States did in the first two world wars. Economically exploit the war and later "join" when both sides are exhausted. The underground fascist organizations advocate such a policy both in war and their hoped for COUNTER revolution, against the proletarian revolutions.

The increased reaction and racial and national antagonisms are only a symptom of the developing storms. The split in the world trade union movement and the CIO within the country, as well as the government persecution of left elements and the trial of the Stalinists all indicate preliminary steps to tighten up in the present period.

We have pointed out that the post war boom was over, we also said that this is not yet a pre-war period nor is it the big crisis-depression period. Then what is it? It is a phase between the boom and the war of invasion or the bust. By that we mean that the several world wide measures American-anglo imperialism has taken against the social revolutions and for capitalist restoration ARE GAINING in certain areas, such as western Europe; but the balance sheet has not yet been drawn.

Before this stage is over and before we enter the next stage DECISIVE class battles will have to be fought and imperialism and her puppets will have to either defeat these struggles, as was the case after the Young and Dawes Plans in Germany and the defeats of the social revolutions in Europe, and in China, of that period, as well as the British General Strike—or the workers will be able to establish dual power and upon this foundation real state power against capitalism and Stalinism.

The economic steps taken are maturing toward this political and military end. The first battle between capital and revolution if won by capitalism will not close the stage, no more than one defeat of the proletarian revolution from 1923 on closed that period. It was the defeat of the Chinese revolution of 1927 that closed that past period.

Greece, China, Palestine, Italy, France, or such as Yugoslavia, Indonesia, to just mention several critical spots on the agenda of important class battles indicate what we mean when we say a new period or new hope for a capitalist breathing spell is possible only if they pass these tests ahead as they did after the first world war and up to the 1929 crisis-depression and the Hitler seizure of power.

We have often said we cannot predict exactly when the decisive military phase comes between the workers and the exploiters in a struggle for power. It may come before the seizure of power, during the seizure of power or after the seizure of power, but come it MUST. Likewise we cannot

lay down a blue print, whether the big crisis-depression in the United States will come before the invasion of the Soviet Union, or if social revolutions in one or more important countries will come first. We have already indicated it a possible, and most likely variant; but come they must, these three developments are three phases of ONE situation, the decay of capitalism and the workers and peasants struggle to find a way out of the impasse of the exploitation of man by man.

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The modern State, regardless of its form, is essentially a capitalistic machine, the State of the capitalists, the ideal collective capitalist. The more productive forces it takes into its possession, so much the more citizens does it exploit. The workers remain wage-workers, proletarians. The capitalist relation is not eliminated. It is rather brought to a head it topples over.

-FREDERICK ENGELS

* * * * *

The democratic demands can never satisfy the party of the proletariat. While the democratic petty bourgeoisie would like to bring the revolution to a close as soon as their demands are more or less complied with, it is our interest and our task to make the revolution permanent, to keep it going until all the ruling and possessing classes are deprived of power, the governmental machinery occupied by the proletariat, and the organization of the working classes of all lands is so far advanced that all rivalry and competition among themselves has ceased; until the more important forces of production are concentrated in the hands of the proletarians. With us it is not a matter of reforming private property, but of abolishing it; not of hushing up of the class antagonism, but of abolishing the classes; not of ameliorating the existing society, but of establishing a new one.

ADDRESS TO THE COMMUNIST LEAGUE
-Karl Marx

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The omnipotence of 'wealth' is thus more secure in a democratic republic, since it does not depend on the poor political shell of capitalism. A democratic republic is the best possible political shell for capitalism, and therefore, once capital has gained control of this very best shell, it establishes its power so securely, so firmly, that no change, either of persons, or institutions, or parties in the bourgeois republic can shake it.

-Lenin

Editors Note:- The following articles are reprinted from the June, 1949, "Workers News", popular organ of the Socialist Workers League of Great Britain. They present a Marxian analysis of events in that country.

LABOR STRIKE BREAKERS

All over the country the workers are waking up to the fact that they have to fight the Labour Government and the trade union bureaucracy in the same way as they fight the Tories. With the trade union leaders holding down the rank and file, the need for "unofficial" strike struggle has been recognised.

In the Avonmouth and Liverpool Docks portworkers have struck in sympathy with their class-brothers from across the sea—the Canadian seamen! They have struck because they realise that the strike of any one section of the international working class is the fight of ALL SECTIONS of the working class. Once again the so-called "workers" Labour Government has brought in the armed forces to help break this strike. The armed forces are being used as black-log labour. We recognise the difficulties of these "workers in uniform" under military discipline. They have demonstrated more than once their solidarity with strikers by being "inefficient" in their work. Nevertheless, the working class cannot for long tolerate the breaking of strikes by the use of troops by the Labour Government and must find ways and means of appealing to the class-solidarity of these workers in uniform. The history of the working class is rich in experiences of solidarity between workers in action on the class front and workers in uniform who have been drafted in by the capitalist state to smash working class action—the working class must learn from these past experiences and take the necessary action!

In the Liverpool, London and other ports, unrest is growing—they see how their comrades in Avonmouth are being treated. There are two alternatives before all portworkers (a) to do nothing about it, in which case the troops will be used more often to break strikes, or (b) to come out on the "stones" with the boys at Avonmouth.

Alongside the struggle in the ports, the railway workers are demonstrating their dissatisfaction with working conditions and wages. "Work to Rule" is becoming the order of the day. All sections of railwaymen must be drawn into support for the loco running staffs refusing to work the lodging turns introduced by the Labour Government's Railway Executive Committee. The struggle of the railway workers and port workers is the same struggle—it must be co-ordinated. The Socialist Workers' League is playing its part in bringing both sections together. We call on all militant sections of the working class to link their common struggle through the INDUSTRIAL RANK AND FILE MOVEMENT.

WORLD SLUMP

Let Us Face the Future Under this title the Labour Party published its election programme in 1945. In it the Labour Party stated that if elected, it would ensure, "A high and constant purchasing power," to be maintained by a policy of "good wages, social services and insurance, and taxation which bears less heavily on the lower-income groups." The programme goes on to say, "But everybody knows that money and savings lose their value if prices rise, so rents and the prices of the necessities of life will be controlled." None of these promises have been kept-nor could they be kept. "A high and constant purchasing power" through good wages and social services can only be achieved under Socialism. The Labour Party has not introduced Socialism and has not altered the fundamental basis of the capitalist system of society. Because of this it cannot solve any of the basic problems facing monopoly capitalism in decay-including the problem of slumps.

Progressive? Unlike the Labour Party and its "left" supporters such as the Stalinist Communist Party, the Independent Labour Party, Commonwealth and Trotskyist Revolutionary Communist Party, the members of the Socialist Workers' League pointed out during the General election of 1945 that the return of a Labour Government would not be a progressive step forwards for the working class and that it could not solve the problems of monopoly capitalism in decay.

Capitalist Economics In order to stave off a capitalist crisis in Britain following an exhausting war, the Labour Government sets itself the task of bridging the gap between exports and imports left open by the loss of income from foreign investments, insurance and shipping services. Exports had to be boosted-imports held back. New markets had to be found. Britain took over a large section of the German and other defeated countries world markets-Britain fought the war for this purpose. Nationalization was then introduced by the Labour government to lay the economic basis for the development of export industries. Unlike the Labour Party and its "left" supporters, we pointed out exactly why nationalization was being introduced. In September, 1945 we said, "It is not the task of Marxists to be a party to this bolstering up of monopoly capitalism by supporting the Labour Party policy either directly or critically." We went on to say, "Our task is quite plain. It is clearly summed up in the following quotation from Lenin's 'State and Revolution': The proximity of such capitalism (i.e., state capitalism) to Socialism should serve for the real representatives of the working class as an argument proving the nearness, the ease, feasibility and urgency of the socialist Revolution, and not at all an argument for propagating the repudiation of such a revolution or for making capitalism more attractive, in which work, all the reformists are engaged"

Coming Slump Despite the efforts of the Labour Government in propping up the decadent British monopoly capitalist system with nationalisation, export drive, wage-freezing, increased productivity, etc., it will not be able to prevent the coming slump. Indeed its export drive, taken in conjunction with the export plans of all other capitalist countries will accelerate the development towards a world slump. The immed-

late post-war boom which was based upon the need to make good the world destruction of commodities during the imperialist war has now reached its peak. We are now in a period of world decline. Whilst the capacity of the masses throughout the world to consume commodities is limitless, the continuous expansion of the world market cannot exist under a world capitalist system of society. For capitalism does not produce for use or consumption by the world masses, but in order to make a profit. When it is unable to make a profit, it curtails or entirely stops production.

Marshall Plan Dominant U.S. monopoly capitalism recognised the bankrupt position of European capitalism following the war and clearly understood that in such a capitalist crisis the danger of revolution loomed ahead. Her own capitalist economy was intimately bound up with European economy, Europe being an important market. European countries, including this country, all with adverse trade balances, could not afford to go on buying from the U.S.A. The Marshall Plan was devised to meet this situation and thereby save Europe from revolution and the closing of this important American market. In the July, 1947 issue of Worker's News we said, "The Marshall Credit plan is being devised - without it both American and world capitalism would come crashing down. There is nothing altruistic in the Marshall Plan - it is an attempt to stave off a world slump such as would make the slump of 1931 pale into insignificance." But even the Marshall Plan cannot postpone indefinitely the world slump and despite the fact that it has temporarily saved the situation, it is now freely admitted by the capitalist class that "a slump in the U.S.A. and throughout the world is on its way. The Economist" of the 4th June, 1949, says, "the downward movement has continued too long to be dismissed as a mere wobble in the upward curve."

Markets and Prices Many people are saying that the way to keep up British exports is to cut prices. Prices will (and are) be cut. But so will the prices of Britain's capitalist competitors in other countries. What will be the effect of this in Britain? The profit system will go on - but raw material and labour costs will be cut to cheapen commodities. That means for the working class - continued wage-freezing leading to wage-cutting, increased production per man-hour, longer hours, etc. But even this will not solve the long-term problem, for as the Financial Times of the 25th of May points out the downward movement of prices will lead to a substantial overall contraction in world trade and will "endanger this country's ability to maintain imports of food and raw materials at present austerity levels, in spite of the more attractive prices quoted by overseas suppliers." Unemployment will follow in the wake of price cutting. The capitalist class is already speculating on the volume of unemployed that will be necessary. Referring to the proposals of Beveridge, The Economist says, "7% of unemployment would mean a register of 1,470,000." Speaking the mind of the capitalist class, The Economist goes on to say, it therefore requires no courage to record the belief that a moderate degree of unemployment would do a great deal of good."

Let Us Face the Future Let us face the future. The continued existence of the capitalist system under a Labour, Conservative or even a Coalition Government cannot prevent a slump with all its consequences for the working class. The way out? A revolutionary government of WORKERS' COUNCILS.

BRITISH TROTSKYISM LIQUIDATES

In a conference of the Revolutionary Communist Party of Great Britain held in London on June 4, 5, 6, 1949, a "substantial majority" voted "to dissolve the organization and call upon the members of the Party to enter the Labor Party."

Let us examine this "Declaration on the Dissolution of the Revolutionary Communist Party and the Entry of Its Members Into the Labor Party."

"Within the Labor Party they would carry on the fight for the overthrow of the capitalist system and for a Socialist Britain." But a few sentences later they say, "While the Labour Government has introduced a series of economic and political reforms, we don't believe these reforms have gone far enough, or that they have basically undermined the capitalist structure of the country." The Trotskyites say that they are fighting for the overthrow of the capitalist system in one breathe and then in the next point out that the Labor Party is based on a REFORM OF THE CAPITALIST SYSTEM. Trotskyism accepts in PRINCIPLE THE CONCEPT OF SOCIAL DEMOCRACY; THE LABOR PARTY; the system must be reformed. They differ only in degree.

Further they go on, our "Policy would call for the extension of nationalization to cover all industry and the land without compensation; it would call for the institution of an overall Socialist plan with control of production, not in the hands of burocratic Boards which have no connection with the workers, but by democratically elected workers' and technicians committees at all levels. As an essential part of Socialist planning all foreign trade must be concentrated in the hands of the State." A complete repudiate of Marxism.

When, as in England, the economics of capitalist decay jeopardizes the status quo and workers are forced to act in retaliation to the onslaught against their economic position, the capitalist state intervenes in the interest of the whole capitalist class. It takes over "Nationalizes" unprofitable industries. Now instead of individual capitalists, or sections of capitalism operating, their executive committee, the capitalist state, safeguards the property. The whole capitalist system remains intact until the workers can be badly beaten on a large enough scale so that the manner of exploitation may continue. Do the Trotskyites propose to smash this state and build a workers State any new? No, they plan to set up "democratically elected Workers' and technicians committees" and concentrate foreign trade in the hands of the capitalist state. Such mockery! What deception! In plain words they state, let the workers believe through their "own" committees that they control society, change the form of capitalist rule and modify it. BUT THE SYSTEM OF CAPITALISM REMAINS.

HOW TROTSKYISM LIQUIDATES ORGANIZATIONALLY

How do the Trotskyites propose to enter the Labor Party? What are their intentions? "There is dissatisfaction among wide sections of the working class with the policy of the Labour Government. They re-

first this, however, not by seeking for a new or more revolutionary organization, but by striving to exert pressure through their mass political organization—the Labour Party. . . we would prefer to have the right to enter the Labour Party as an organized body, affiliated in the same manner as the Fabian Society and other organizations. But this is not possible owing to the 1946 decision of the Labour Party regarding organizations seeking affiliation. We have therefore dissolved our organization and will fight as individual members, within the framework of the Constitution of the Labor Party, for the policy outlined above. By dissolving the Revolutionary Communist Party and enter the Labour Party as individual members we consider we will best play our part in aiding the British workers to reach their Socialist goal." What open betrayal of Marxism! What more open betrayal of the working class! A complete sell-out to British imperialism.

We will best part in aiding the British workers, wide sections of whom are dissatisfied with the policy of the Labour Government by entering the Labor Party. Therefore instead of building the revolutionary Marxist Party to show the workers the road to social revolution and power, we will best play our part by dissolving our organization and fighting as individual members.

The Labor Party is desperately attempting to save British capitalism and the Empire. In so doing it continually strengthens its campaign against the workers. Where are the Revolutionary Marxists and their party to lead the workers into battle against this program and "to fight for the overthrow of the capitalist system and for Socialist Britain"? Quiet, quiet comrade, they are a secret caucus within the Labor Party.

At the recent Labor Party conference in Blackpool, Bevin, Attlee & Co. made short work of the small "left liberal group of Zöllner". This was the only open opposition that is known. With its expulsion His Majesty's Labour Ministers have consolidated control of the party. The Trotskyites enter as INDIVIDUALS.

But comrade, you are naive to be sure, will reply the average rank and file. We are entering the Labor Party to take out the best elements, when inside we will act as a caucus.

These former Trotskyites will be operating under majority rule, that is, the program of British Imperialism, the pressure of the right wing, His Majesty's Labor Ministers. In the struggle with this rightwing in order to remain in they must bow to the line or be expelled. Regardless, under a program of attempting to build "Socialism" by building the Labor Party the Trotskyites must and will move further to the right. The history of the last execution of this tactic is living proof. In the United States one need only compare the program of the Socialist Party in 1937 with the program of the Trotskyites (Socialist Workers Party or Independent Socialist League) for verification.

In the August 1, 1949 issue of the Militant appears an article on the British Trotskyites entering the Labor Party. No position is taken but just quotations from the announcement of their British comrades' action. However they prefer to show that they have the same position as their comrades in an editorial on the same page. "So far as basic policy is concerned, there are more similarities than differences between

the two major British parties. If one is characterized by "Tory socialism", then the other may be no less aptly called "Socialist Toryism."

"The real difference between them is that the Labor Party has a representative mass character, which inevitably germinates mass revolt."

True, the conditions of capitalist decay germinates revolt. But that is the whole lesson. Under a capitalist program with labor party names and forms the workers are led right back into the morass of the very system they have been struggling against. Only a revolutionary Marxian party and program can transform these "revolts" of the masses into successful revolutions.

THE MARXIAN POSITION

As Marxists we are opposed to building or supporting (once it is built) a Labor Party or any other capitalist or reformist party.

"In those trade unions and other worker's organizations that have affiliated to the Labor Party, the minority members who are class conscious and revolutionary Marxists work inside of these parties, presenting the correct position in theory and action for real working class unity.

"...we are for the unity of the working class behind a scientific program for the building of a revolutionary Marxian Party."

(Program of the Revolutionary
Workers' League

ROOTS OF TROTSKYITE LIQUIDATION

This move has its foundations back into the period of 1935, and in the United States, at that time in opposition to liquidation, the Revolutionary Workers League was formed.

The British Trotskyites are operating on the theoretical revision of Marxism made by Trotsky in the days of the People's Front in France, who came out with the theory that the "fate of the proletariat lies in the rapidity with which the revolutionary vanguard can reform Social Democracy". It called for the liquidation of all Marxian forces into Socialist parties, Peoples Fronts, Labor Parties. In this country in opposition to this theory we formed the Left Wing of the then known Workers Party and argued that the liquidation of the Marxian forces into Social Democracy was nothing but betrayal of the independent interests of the world proletariat.

After a long struggle within the organization against this position, continually pointing out that this policy would lead to liquidation into the Socialist Parties together with the denials of the Cannonite leadership, we were bureaucratically expelled and formed the Revolutionary Workers' League. American Trotskyism did liquidate into the Socialist Party soon afterwards, just like today it is working for the building of another Labor Party that it can liquidate into tomorrow. (See the next issue of the "International News" for an article on "Shall Workers Support A Labor Party"). One important lesson that has been inscribed on the workers' banner is that "THE REVOLUTIONARY WORKERS' LEAGUE IS THE ONLY ORGANIZATION THAT IS NOT LIQUIDATED INTO THE LABOR PARTY"