

LABOR ACTION

Independent Socialist Weekly

FEBRUARY 21, 1955

FIVE CENTS

FROM MALENKOV
TO KHRUSHCHEV:

*The Bureaucratic Class Drives
Behind the Kremlin Overturn*

... pages 6-7-8

Malenkov's Fall Gives Adenauer A New Weapon

By G. H.

Malenkov's fall has evoked all kinds of speculation as to what bearing it may have on Russian foreign policy. Whatever the future may bring in that respect, the event itself has already become a factor in the politics of West Germany.

The day after Malenkov's demotion was announced to the world, Chancellor Adenauer of Germany made a speech in which he attacked the Social-Democrats' demand for four-power negotiations as a means of ending the division of Germany. He pointed out that Khrushchev had denied any friction between himself and Malenkov a week before the latter "resigned." He said that this proves the Russian rulers are dishonest, their word is not to be trusted, and hence any reliance on that word, as given in negotiations or embodied in policy statements, is futile and even foolish.

Since then, Adenauer has been ringing the changes on that theme all over West Germany. It appears that his government believes the upheaval in Stalinist Russia is a powerful card to be played in the game for the ratification of the Paris agreements and the rearmament of Germany.

And Adenauer needs a strong card, because he lost a trump when the Mendès-France government fell in France. The uncertainties which now surround French ratification of the agreement are many, and the wily old chancellor is trying to keep German eyes deflected from the obvious instability of their proposed future ally in Paris by focusing them firmly on the instability and uncertainty which was brought to light by the events in Moscow.

MUTUAL PROPS

Although the Stalinists could not help giving Adenauer this stick with which to belabor his opposition, they have done everything within the power of their propaganda to influence the debate on rearmament in West Germany.

First, there were Molotov's threats that once Germany is rearmed, there will be nothing to negotiate and the division of the country will become permanent.

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Accusation

The AEC now admits, after widespread attack for its hush-hush policy, that the radioactive fallout from last year's H-bomb test was sufficient to be lethal over an area as big as New Jersey.

But "The Commission said that the total amount of radiation received by residents of the U. S. from all nuclear detonations had been 'about the same as the exposure received from one chest X-ray.'"

Many of the most important "reassurances" in the AEC statement are carefully limited to apply to "people in the United States." There are "reassuring" declarations about the effects in Nevada, where small bombs have been tested. But the biggest of these bomb bursts have not taken place in the U. S.

The people of Japan, not to speak of the Pacific Islands, and therefore the peoples of the rest of the world too, have additional reason to turn to the capital of the H-bomb power, and ask:

"What are you doing to us?"

AFL-CIO Merger Will Advance The Progressive Forces in Labor

By BEN HALL

The big split in the labor movement is ended. AFL-CIO unity is all but completed, awaiting only final formal organizational flourishes. On February 9, a joint committee settled all disputed questions and filled in the necessary details. Next day, the AFL Executive Council unanimously endorsed the agreement; and the CIO Executive Board is certain to follow suit on February 24. The final merger will be completed at a unity convention on the heels of separate AFL and CIO conventions.

The line which divided the old conservative crafts from the militant industrial unions is outlived and obsolete. Division is over but differences within the labor movement remain and will persist. But these differences will now be fought out under drastically altered organizational conditions as the labor movement enters a new stage.

The CIO arose at the critical juncture in modern labor history, when mass struggles erupted in every basic industry and brought unionism at last to millions of workers in the big monopolies: auto, steel, oil, rubber. . . . The founders of the CIO organized and led great class struggles against entrenched open-shopism; but to do so, they had to defy the AFL whose dominant wing resisted and feared the movement of the unorganized as a threat to their narrow privileged status.

Expelled from the AFL, the CIO entered American life as a crusading and militant popular movement, revolutionizing social relations in the country, defying the status quo, battling strike-breakers, resisting police and militia. A new banner, a new program, a new movement.

A Stage in Labor's Advance

Unity is re-cemented at a time when basic industry is successfully organized, when the labor movement is passive, when it is content to string along with feeble friends in the Democratic Party.

When the CIO was founded, the rank and file poured out from below, fighting, organizing, demonstrating—and deciding. Old leaders were shoved aside, new ones arose, and still others rose. Today, unity finds the whole labor movement in the grip of bureaucratism, the rank and file shunted off, giving way to leaders who are willing to decide everything. A very official joint committee works up an excellent unity plan; the membership is involved only formally.

Such a unity can hardly have as deep a significance in labor history or as powerful impact upon it as the original split. Nevertheless, this unity belongs with the split as a stage in the advance of the labor movement. The AFL and CIO are drawn together, not because labor has lost the inspiring spirit of the thirties and not because bureaucracy is on the ascendancy, but despite these facts.

Up to now, the closest approach to organic merger was the formation in 1950 of the United Labor Policy Committee. Then, unions were directly threatened by the Truman administration which was toying with a Korean war wage freeze. The UAW's escalator clause was about to be outlawed; all unions had just emerged from the restraints of World War II and were in no mood to submit to new anti-labor state controls.

The ULPC (AFL, CIO and Independents) organized a boycott of all war boards and compelled Truman to retreat. All labor was inspired by unity in action. It seemed a first step toward even closer unity and more militant policies.

Unity in Class Defense

The formation of the ULPC, like the successfully projected merger of today, was fundamentally a defensive drawing together of labor to resist the pressures of its class enemies.

If anything, these pressures have since then become more insistent: a Republican administration holds office; the Democratic opposition which now controls Congress is in the hands of its right-wing and its liberals are spineless; the Taft-Hartley Law has legalized strikebreaking; the drive to organize the South stalls; and in one state after another, Democratic and

Republican, "right to work" laws outlaw every form of union shop.

Meany and Reuther cautiously misrepresent the real impulse to unity: "We are happy that, in our way, we have been able to bring about unity of the American labor movement at a time when the unity of all the American people is most urgently needed in the face of the Communist threat to world peace and civilization."

But this is a move not to meet the threat of "communism" but to counter the threat from American capitalism. Labor must unite not because America is united but because it is divided into classes.

Meany and Reuther are simply hedging against the charge of forming a "labor monopoly." Their real class aims are cloaked in appeals for national unity. A front-page headline in *Advance*, organ of the Amalgamated Clothing Workers, reveals what is actually running through the minds of labor leaders: "Across the Country, Big Business Maps Destruction of Labor."

CIO Has Won Its Points

The prelude to unity was the United Labor Policy Committee. When AFL representatives withdrew, it was destroyed. This was a move utterly senseless from the standpoint of the labor movement and understandable only as a move prompted by the most narrow, self-seeking interests of craft bureaucrats, jealous of the CIO, fearful of affording it recognition lest they somehow undermine their own privileges. It was a repetition on a pitifully meager scale of what caused the split in 1935.

CIO began as a fight for the principle of industrial unionism. But behind this struggle over form of organization was a conflict between two sections of the labor officialdom.

For the leaders of the CIO, the extension of unionism to decisive sections of the working class was a life-and-death question for them, for their unions and for the labor movement. Either the class would be organized or all unionism would go down, cut to pieces when the employers got their chance. That was the great lesson of post-World War I union-busting and the warning of the depression.

But to the dominant craft officials of the AFL, organizing the unorganized was merely a threat. They resisted industrial unionism in the same grasping stubborn spirit that they took their weekly salary check. The AFL remained in the control of a narrow bureaucracy. Behind it remained everything that was backward; not only conservative unionists, but grafters, racketeers and gangsters.

The struggle was between a narrow self-seeking bureaucracy which was ready to sacrifice the labor movement to its own interests and a group of labor officials who sought to establish a labor movement. It is not accidental that the CIO remains relatively free of corruption while the AFL has been powerless to root it out.

This struggle has been won by the CIO. Unity is not simply a recognition of the principle of industrial unionism; it is a victory of the labor movement over narrow bureaucratism.

The craft spirit has not been wiped out; the power of corruption in the old federation remains strong. But its role is now restricted to that of a demoralizing and discrediting internal force inside a labor movement which appears on the scene as a progressive social and political force.

The last big success of old-line unionism was in exploding

(Continued on page 2)

Friday, Feb. 25 at 8:15

Hear

MAX SHACHTMAN

discuss

Peace Through 'Coexistence'?

Labor Action Hall

114 West 14 Street, N. Y. C.

Republican Right Wing Conclave Sees 'Main Enemy at Home' in the White House

Abraham Lincoln's birthday was, as usual, the occasion for Republican speech-making and cash-collecting across the nation. Even LABOR ACTION's tough newsprint could hardly be expected to stand up under the strain of a repetition of the outpouring of political wisdom which occurred on that day.

If not the choicest, perhaps the fruitiest gathering took place in Colonel McCormick's bailiwick—Chicago. Some two thousand of the Grand Old Party's Mid-western know-nothings gathered to attack the main enemy, who is not only at home but at home right in their own party.

At one point, the concentrated bitterness against Eisenhower and the "East-erners" who have captured him grew so unbearable that Governor J. Bracken Lee of Utah forgot himself long enough to hint at the formation of a new party. He suggested that disgruntled Republicans and "the good Democrats" might join forces "to get somebody on a ticket to run on the kind of platform we believe in."

Although these words are no doubt close to the hearts of many of the faithful, they are taboo, at least in public, and for the present. Next day, General Rob-

ert E. Wood, co-chairman of "For America," sought to throw the damper on third-party sentiment, without extinguishing it altogether. "I think that probably some day there will be a third party, but it won't be in the next ten years," he told reporters.

The crowd ran true to neo-isolationist form. They were clearly against Eisenhower's "softness" toward Europe, the United Nations and the State Department, and for a "hard" line on China. When Senator George Malone of Nevada proclaimed that "many high officials in Washington are committed to recognizing Red China," cries of "Shame" and "Ghastly" rang through the hall.

While tribute was thus being rendered the memory of Lincoln in Chicago, the Great Emancipator was not forgotten down in Miami either. Twenty-five Negroes were ordered out of the Urmev Hotel in which the Republicans were holding their dinner. To their credit, about 150 of the white guests joined them in a protest walkout.

The Negroes were ordered out of the hotel by its owner, Edward N. Claughton—a Democrat.

California Lower Court Deals Blow to Taxpayers' Loyalty Oath Requirement

By JACK WALKER

SAN FRANCISCO, Feb. 11—In a unanimous decision five Superior Court judges of Contra Costa County, California, upheld ACLU Staff Counsel Lawrence Speiser's claim for veterans' tax exemptions on his real property, without Speiser's signing a loyalty oath form. The effect of the decision is to encourage the suits for relief in other California areas where veterans and churches have protested against signing loyalty oaths to get tax exemptions.

The loyalty oath was ruled unconstitutional because it conflicts with the U. S. Constitution by violating the guarantee of free speech. "In effect, the provisions involved here require those who advocate doctrines unacceptable to the rest of the United States to pay a larger tax than those who refrain from expressing such doctrines. We do not feel that this reasonably tends to avert a clear and present danger to the state." So reported the press on the decision written by Judge Homer Patterson.

Speiser, who is a Northern California

ACLU lawyer, is also representing the San Leandro First Methodist Church in its challenge to a loyalty oath it signed under protest to claim tax exemptions. In this case, however, the Rev. Robert W. Moon, pastor, is willing to offer its own loyalty oath—a less principled position. He is supported by many other Northern Californian multi-denominational churches, such as the Berkeley YMCA, and is considered a test case by them.

Although this court decision is a very hopeful sign after the long gray line of defeats on state loyalty oaths, the fight is far from over. The decision will be appealed to the District Court of Appeals, and probably up to the Supreme Court because it is based on interpretation of the U. S. Constitution. It will only be in effect in Contra Costa County at this time, and other counties will have to be won over individually in order to defeat this oath amendment to the California State Constitution passed in 1952. Possibly the effect of subsequent successful court cases might be to suspend the oath requirement until it has cleared the higher courts.

AFL-CIO Unity Will Advance —

(Continued from page 1)

the ULPC; its most recent antic was the sabotage of the fight against the organized gangs of the ILA. But organic unity is a setback to all those whose moral attachment to unionism is indistinguishable from their physical attachment to their cushioned swivel chairs.

CONCESSIONS

The terms of unity are a recognition of everything that the CIO has fought for:

(1) The equality of both federations is established. This is not an entry of the CIO into a larger AFL but a genuine unification.

(2) Industrial unionism is recognized as equal to craft unionism and all CIO unions without exception enter the new federation with full and unqualified right.

(3) The CIO retains an independent structure within the new federation, locally and nationally, as a separate department with its own treasury and machinery. All industrial unions in the merged organization are free to join this CIO (Council of Industrial Organizations).

(4) The AFL gets 17 seats and the CIO gets 10 on the new ruling committee. President and secretary go to the AFL; organization director goes to the CIO. Thus, the former AFL unions get a majority; but this is a meaningless formality; for old lines are obliterated and a realignment of forces begins immediately within the united labor movement.

(5) By agreement, the new constitution will contain clauses directed against raiding, against racketeering, and against racial discrimination. This is a big concession to three major demands of the CIO, demands which coincide with the desires of important sections of the AFL as well.

But these clauses are not yet spelled out and unity takes place without an actual decision to move against racketeers, race prejudice and raiders. Mike Quill, president of the Transport Workers Union, has publicly opposed the merger terms on precisely these grounds.

Yet the CIO has won an important endorsement of its position; had it insisted upon more, it might have given the AFL right wing a pretext for torpedoing negotiations. As things stand now, these questions remain to be fought out in the new federation where the balance of power will already be shifted away from the racketeers, racists, and raiders.

BECK LOSES

Dave Beck heads the Teamsters inside the AFL; Dave McDonald leads the Steel Workers inside the CIO. Yet, they are

drawn together into an alliance of mutual conservatism. Beck of the AFL has more in common with McDonald of the CIO than he has with Dave Dubinsky of the AFL Garment Workers. And McDonald has more in common with Beck than he has with Reuther of the CIO. The realignment of forces, that takes place with unity, was already foreshadowed when Beck, McDonald and John L. Lewis met in public joint session to embarrass and annoy Meany and Reuther.

Beck was opposed to unity; McDonald was not for it. Yet the opposition of one and the support of the other were motivated by the same aim; to strike at their common opponents in the labor leadership.

For Beck, who carries on a running raiding warfare against other unions, especially the industrial unions of the CIO, the CIO is a natural enemy. Break up unity and the balance of power within the AFL remains favorable to him. With unity, there is a shift in the opposite direction.

And so Beck did all in his power to sabotage the unity; he refused to sign the AFL-CIO no-raiding pact which had been devised as a first step toward unity. He intensified his raiding efforts against the CIO and succeeded in tearing off a chunk of the Brewery Workers Union while the no-raiding pact was being tested out.

MCDONALD FAILS

McDonald, on the other hand, was eager to let everyone know how impatient he was for unity. Rumors, started by him, flew thick and fast that he would pull the Steel Workers out of the CIO unless unity came quick and fast. He flirted with Beck and Lewis, hinting at a move out of the CIO into some queer new federation. All was with one design: to undercut the CIO and force it, in panic, into a dishonorable unity instead of a unity of equals. Significantly, he too refused to sign the no-raiding pact, obviously with the aim of blocking an amicable and easy road to unity.

McDonald, despite the power of his Steel Union, was isolated in the CIO; in the fight over succession to Phil Murray, virtually every major CIO union lined up with Reuther and against him. If it were possible for McDonald to have pulled out of the CIO without the risk of oppositional repercussions within his own union he probably would have done so.

Next best was a unity which would break his isolation, bring him into contact with allies in the AFL where he could find strong counterweights to Reuther. And so he sought a unity that would weaken the CIO and which consequently would cut down Reuther's power and prestige among the industrial unions.

But Beck and McDonald both failed.

FORESHADOW LINEUP

Beck was at last compelled to recognize the inevitable and offer his endorsement to the merger. Despite McDonald, the CIO comes into the unity with its banner high, its strength intact, its rights undiminished. The fact that it will choose the new director of organization is a token that the rights of industrial unions will be defended.

On the CIO side, apart from McDonald, everyone wanted a genuine unity and not a surrender. On the other side of the AFL, George Meany led the negotiations for the old federation. The course of discussions and the final merger terms show that he, with the CIO, was ready for a unity that would strengthen legitimate, honest modern unionism against the backward and conservative right.

Thus, the terms of merger already foreshadow the line-up of forces in a united labor movement: modern politically conscious unionism (to use an inadequate shorthand phrase) on the one side, and the dregs of yesterday on the other.

We live in times that require much from the labor movement: a new, independent, class political policy; an independent workers' platform for a democratic foreign policy. The labor movement must come forward as a new crusading political force as the CIO came forward 20 years ago. Measured by these imperative tasks, men like Reuther and Meany are pitifully small. But measured against their rivals in the labor movement—the narrow self-seeking chairwarmers, the crooks, the racketeers, the dollar-grabbers who still infest the American labor movement—they stand out as progressive.

And this for one reason alone: they truly represent a modern labor movement even with all its weaknesses. The others represent all the worst features.

THE REAL GAIN

Unity is not by itself a solution to any of labor's problems. Racketeering is not wiped out but the new federation will provide a better forum for condemning it.

Malenkov's Fall, Adenauer —

(Continued from page 1)

Then a government spokesman in Moscow issued a statement to the effect that the Russians are ready to accept international control of an all-German election to a new parliament. Finally, the Interparliamentary Group on Germany in Warsaw passed a resolution calling for the withdrawal of all Russian troops from East Germany and Poland in the event of unification, and repeating the acceptance of free elections.

As these were the chief American demands at the Berlin Conference last year, outright and formal acceptance of them as a basis for negotiations by the Russian government would almost certainly stop ratification of the Paris agreements in its tracks in West Germany. As long as they are held out merely as a propaganda line, a promissory note without

due date or official signature, their effect can only be limited.

The whole situation serves as a letter-perfect illustration of the way in which American and Russian imperialism complement each other and prop up each other's position. The American government hopes and prays the Russians will adamantly hold on to their East German and Polish warplunder. For if they were to let go, United States policy would not have a leg to stand on in Germany and probably much of the rest of Europe. On the other hand, the presence of American troops and bases in Germany, France, and North Africa give the Russians much-needed political justification for keeping troops in East Germany and Poland.

Any political movement which supports the position of either of them thus willy-nilly props up the position of the other.

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Desegregation Is on Way Despite Local Setbacks

By SCOTT ARDEN

The fight for racial integration in the nation's public schools suffered a setback last week in the well-publicized Milford Delaware "test case." Regular readers will remember that admission of Negro students to Milford schools was used by professional prejudice panderers to touch off a series of riots, demonstrations and boycotts which was to spread throughout the area — affecting even Washington, D. C.

On February 8 the Delaware Supreme Court ruled that the Milford Board of Education had "no legal right" to admit Negro pupils to an all-white school—reversing a finding by Vice Chancellor W. Marvel in Chancery Court last October which said the Negro pupils were entitled to attend classes at the Milford school.

The state's Supreme Court based its ruling on the ground that the Milford Board of Education admitted the Negro students without prior approval by the state board, and therefore was acting without legal authority.

The Negro students, who were ousted some months ago, are at present attending classes at Jim Crow schools in either Georgetown or Dover, Del. — approximately 20 miles distance from the homes of the students involved.

In the nature of a postscript we read that Bryant W. Bowles, head of the unprintable "National Association for the Advancement of White People" which organized and led the anti-integration forces, has set up permanent shop in Milford. His "followers" have presented him with both a house and a Cadillac, which should prove that even if not every Red-Blooded (white) American Boy can be a Henry Ford, at least a bigot can still make a buck.

LILY-WHITE MANEUVER

"The Georgia State Senate has voted unanimously to extend to the local level a state ban against use of public school funds for mixed classes as a further 'safeguard' against school desegregation," the Pittsburgh Courier reports.

This follows the pattern of similar legislation in Mississippi, Louisiana and South Carolina and, if at all successful in circumventing the ruling of the U. S. Supreme Court, will undoubtedly be imitated elsewhere.

Virginia's attorney general has already declared himself in full agreement with the Virginia State Commission of Public Education's plan to dig up a "lawful formula" which would prevent "enforced integration" of white and Negro students in Virginia's schools.

HINTON TALKS BACK

The Negro people in the South are neither cowed nor asleep. Flatly contradicting a recent statement by outgoing Governor Byrnes of South Carolina, the Rev. James M. Hinton, state president of the South Carolina NAACP, asserted last week that Negro parents in South Carolina desire their children to be taught in any school by competent teachers of both races.

Byrnes, in his farewell address to the S. C. legislature, had stated that "the great majority of Negro parents prefer that their children should attend our modern schools for Negroes and be taught by Negro teachers."

In refutation of Byrnes, the NAACP official maintained that the governor underestimated Negro parents and added that Byrnes' speech "will in nowise change the course of action by Negroes in South Carolina to continue their fight for the elimination of segregation in education."

Considering the fact that NAACP spokesmen in the South have been murdered for less, we must applaud the Rev. Hinton for having the courage to so bluntly shove the lie back into the teeth of a somewhat colorless liar.

IN MISSOURI

On the side of progress we can also hail St. Louis's integration of its public high schools just a few weeks ago. The changeover from the archaic Jim Crow setup to one of total integration occurred without incident.

The resulting situation was described by school officials as "perfectly normal." "It was as if they had been together for 100 years," said one white principal, the Courier reports.

Teachers are also being integrated and about 10 Negro educators are now teaching in former all-white schools.

The integration of the high schools and the adult education program is the second step in St. Louis' three-phase compliance with the U. S. Supreme Court's decision banning segregation in public schools throughout the nation.

Last fall the teachers' colleges were integrated and have been operating smoothly since. Next fall the third and final step will be completed when the elementary and vocational schools will be on the desegregation agenda — and more than a dozen Negroes are already attending one vocational school which was formerly lily-white.

The same peaceful integration has been taking place in the rest of Missouri and many communities completely integrated their schools last fall. It is estimated that 75 per cent of Missouri's Negro students have now been desegregated.

ON THE JIM CROW FRONT

By SCOTT ARDEN

After bucking the barriers of bias in housing finance for nearly two years, San Francisco Bay Area CIO officials have found a way to bring the first interracial subdivision of homes to the Bay Area.

The site is in Santa Clara County about two miles from the new Ford Motor plant. The project will be sponsored by the UAW and handled by an inter-racial real-estate firm which will sell the houses without regard to race, creed or national origin.

Primarily the subdivision will provide homes for workers at Ford, but others are not excluded.

Two top insurance companies reportedly turned down requests that they finance the project. One of the firms said they "knew integration in housing was on the way," but they wanted to stave it off "as long as possible." The firm did, however, offer to finance an all-white or all-Negro development.

A local UAW official, Arnold Callan, stated that he had tried for two years to find homes for the union's workers in the area. Finally, Bill Oliver, CIO President Walter Reuther's administrative assistant, flew from Detroit to study the problem and later reported that he had found two New York financial institutions that are interested in financing the project.

JIM CROW LEVITT

On the other side of the housing picture, Levitt & Sons, housing constructors extraordinary, are planning to build still another huge housing project on a 3500 acre tract of land three miles south of Burlington, N. J., to serve the Philadelphia, Trenton and Camden areas.

Levitt already has two of these huge developments, one on Long Island, N. Y. (Levittown) and the other in Bucks County, Pa. Both have one characteristic in common—lily-white.

The houses on the proposed site are slated to sell for prices ranging from \$9,000 to \$17,500, but it is unlikely that any Negro American will be allowed to purchase one.

UNION INDICTS ARMOUR

In Washington last week the racial discrimination practised by the Armour Packing Company in Chicago in the employment of white-collar workers was brought before the President's Committee on Government Contracts by representatives of the United Packinghouse Workers of America (CIO).

The delegation presented the committee with documented facts on the company's refusal to employ qualified Negro women as office workers. Ten applied for employment as office workers between November 30, 1954, and January 4, 1955,

but were turned down on the ground that there were no jobs available.

No pretense was made that the rejections were based on lack of ability because in most cases no questions regarding qualifications were asked. In most cases no application forms were received and the others who were permitted to file applications (upon special request) were informed that this was a "futile gesture."

Since that time three white women presented themselves for employment at various intervals and all three were interviewed and offered jobs.

One Negro applicant, after having been turned away, met a white applicant who was reporting to the Armour employment office at the request of the company. Another, as she was being turned away, overheard a telephone conversation requesting an employment agency to send someone over.

Since Armour holds a federal contract to supply meat to the armed forces, such discrimination in employment is a violation of the government contract. It was on this basis that the union filed a complaint with the President's Contracts Compliance Committee on January 21.

Armour employs around 30,000 workers in its more than 35 plants and branches throughout the country. The Chicago plant alone has around 7,000 production workers of which approximately 75 per cent are Negro. While there is no "union shop" agreement, the Chicago plant is about 100 per cent unionized.

No discrimination exists in the section of the industry over which the union has jurisdiction — but this excludes office workers. Literally not one single Negro is employed to perform the functions of typing, filing or billing, not to mention administrative positions.

RACISM, INC.

A different sort of labor union is also involved with the federal government. New affidavits charging the Brooklyn local of the International Longshoremen's Association, dominated by Anthony (Tough Tony) Anastasia, with discriminating against Negro longshoremen have been filed with the National Labor Relations Board by New York's Urban League.

NAVY UNDER ATTACK

It is beginning to look as though the U. S. navy will not get away with its surrender to South Africa's "Apartheid."

When the story first broke about the "special regulations" being made by the Capetown South African government for non-white personnel of the carrier Midway, the NAACP, in the words of the Chicago Defender, "immediately climbed on the back of the navy and it went screeching for help to the White House."

Sen. Herbert Lehman has demanded a full-scale investigation of the incident and the navy, it would seem, has "lost" a regulation made by former Sec. Matthew (during the Truman administration) which forbids naval vessels in ports where the crew would be subjected to unequal treatment.

This regulation was placed in effect after discriminatory incidents had occurred at Halifax, Nova Scotia and Charleston, S. C.

The NAACP's Clarence Mitchell blasted the navy, stating "the navy's action is a surrender to a guttersnipe government," and demanded to know whether the "lost regulation" has been annulled.

ISL FUND DRIVE

Chicago Demands Bigger Quota—We Yield

By ALBERT GATES Fund Drive Director

The 1955 Fund Drive of the Independent Socialist League is now officially opened. Although it is too early to report on the first results of the campaign, some start has already been made.

The best news that we have received is from Chicago. Our friends there have voluntarily raised their own quota from \$1800 to \$2000. Chicago has gone over the top for quite a few years with a large quota.

This is a good omen for the campaign. To back up their own quota, Chicago sent in \$225 as their initial payment!

There is no need for us to add that this is a challenge to all other branches, some of whom really do have low quotas which they should easily surpass. We will be waiting to see who takes up the Chicago challenge first.

New York has started its campaign off a little quicker than it usually does. The branch sent in \$395 as its initial

payment—a 10 per cent contribution. Pittsburgh, Philadelphia and the National Office also entered the lists with initial payments as shown in the Box Score below.

Having got past the larger quotas, we must report that St. Louis has already made its quota with an initial payment of \$25. Streater is not too far behind with \$10 or 40 per cent of its quota. That places St. Louis and Streater first and second in the standings, far ahead of the other branches.

We should like also to appeal to our readers and sympathizers that this is one occasion on which you can help us. All of you know that we rarely make appeals to you and try to take the heavy going alone. But we feel, for all the reasons we have so often stated and for the additional ones mentioned in last week's story of the drive, that you ought to join in this drive for the ISL and its press. What do you say? It doesn't have to be \$100. Not even \$50. It goes without saying that we would most certainly welcome such gifts. But anything you send to our campaign will be appreciated greatly by us.

BOX SCORE

Branch	Quota	Paid	%
Total	\$10,050	\$737	7.3
Streater	25	25	100
St. Louis	25	10	40
Pittsburgh	175	40	22.8
Philadelphia ...	250	32	12.8
Chicago	1,800	225	12.5
N. Y. City	3,800	395	10.8
Nat'l Office	1,500	10	0.6
Los Angeles ..	600	0	0
Bay Area	500	0	0
Newark	400	0	0
Buffalo	250	0	0
Detroit	200	0	0
Seattle	150	0	0
Cleveland	150	0	0
Indiana	75	0	0
Akron	50	0	0
Reading	50	0	0
Oregon	50	0	0

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BRITAIN

Bevan Punctures Tories' Huff-and-Puff About the Rosy Future of Capitalism

By BERNARD DIX

LONDON, Feb. 9—At the British Conservative Party conference last autumn the Tory chancellor of the exchequer, R. A. Butler, ended his speech with an eloquent peroration which foresaw a rosy future for British capitalism. He told the assembled representatives and parlor-maids of the British bourgeoisie that he could see "no reason why, in the next quarter of a century, if we run our policy properly and soundly, we should not double our standard of living in this country."

The delegates welcomed this statement with an ovation and then dutifully performed their appointed task of hawking it around the country in an effort to persuade the British workers that here was a sound reason why they should maintain the Conservative government in power.

As was to be expected, this declaration of faith by R. A. Butler received considerable publicity and comment in the columns of the British press. The *Economist*, a weekly journal which is generally considered to be the theoretical organ of the British bourgeoisie, turned staid somersaults of sheer delight with the joy of finding such an outspoken believer in the triumph of capitalism.

It saw Butler's speech as a call for the return to "the theory and practice of capitalism" in its truest sense; this sense being used to describe "any community which believes in steadily increasing its wealth-creating capacity by a constant investment of resources in productive capital."

It must be admitted, of course, that by adopting this definition the *Economist* found itself able to perform astounding feats of economic acrobatics, as for instance when it spoke of Britain turning itself into "a really dynamic capitalist economy like America or Russia." But, ignoring this convenient interpretation of words, there could be no doubt as to the enthusiasm displayed by the *Economist* at the thoughts of 25 years of capital accumulation.

DOUBTS CREEP IN

To those who sought to dampen this enthusiasm the *Economist* pointed to the United States as a practical example of progress under capitalism. It stated that between the years 1929 and 1953 the output per worker almost exactly doubled in real terms and that the benefit of this "has gone to the mass of the people." There was not, of course, any indication that these years, which included the Great Depression, had been anything other than ones of continued and steady progress.

In the eyes of the *Economist* the experience of America was adequate proof that if a country devoted enough of its resources to investment, then prosperity was assured; it was to this task that Britain must devote itself. But, warned the *Economist*, investment must be in "productive forms of capital."

To whom the capital must be productive was clearly indicated in the next sentence which read: "The building of dwellings, for example, though desirable and at times necessary, uses up the community's savings without making much direct contribution

to its ability to produce more wealth in the future."

Another learned journal, the *Statist*, was a little more realistic in that it permitted an element of doubt to creep into its examination of Butler's plans for the future of British capitalism. It spoke, for instance, of the current boom which, it admitted, "was not altogether expected a year ago." It also stated that while so far serious bottlenecks have been avoided, "perhaps" 1955 would be less free from "defects" such as unemployment.

It would appear that the *Statist*, unlike the *Economist*, remembers that the past history of capitalism has not been a smooth process of continued development.

A further point to the credit of the *Statist* was that in two short sentences, it effectively exploded the myth that a rise

in national income necessarily reflects a corresponding rise in the living standards of the whole population. "It is noteworthy," said the *Statist*, "that the rise in the nation's real income from 1948 to 1954 was about one-fifth. But consumer expenditure rose by only half that amount."

BEVAN REPLIES

Although Butler's speech was made some four months ago, and the articles previously quoted appeared soon after, its echoes are still to be heard. Last week Aneurin Bevan thought the matter sufficiently important as to merit his personal consideration in the columns of the Bevanite weekly *Tribune*. He did so in reply to a reader who had asked whether in fact it would be possible to raise British living standards 100 per cent in 25 years.

Bevan first indicated that Butler's estimate was both modest and cautious because it would only require an increase in productivity of 3 per cent per annum for production to rise 113 per cent in 25 years. But he then went on to state that whether or not this increase in production actually would mean a doubling of the living standards for the whole popu-

lation would depend entirely on how the increase was distributed. An obvious factor, but one so conveniently overlooked by the crusaders of capitalism.

Bevan also pointed out that this promise of Butler's was really intended as a cold douche to those workers who thought that they ought to have a substantial increase in their living standards now. Said Bevan: "In effect he was saying to them 'It is over the hills and far away.'"

The real crux of the matter was exposed by Bevan when he wrote: "even Mr. Butler's pedestrian prediction for the rest of us involved two unstated assumptions. First, that there will be no world war, and second, that the trade cycle has been tamed."

THE LEFT CAN DO IT

There is little doubt that this dream of a rosy future for British workers under capitalism will be used considerably by the Tories in their propaganda during the forthcoming election campaign. It is obvious also that it can only be countered by using the ABC language of socialism; a language which, unfortunately, many of the leaders of the Labor Party seem to have discarded in favor of an "Esperanto" which suits all classes. It is because of this that a large share of the propaganda on behalf of Labor will have to be conducted by the left—for it is only the left which can effectively counter the arguments of the Tories.

A clear example of this is to be found in reports of a recent by-election which was fought at Twickenham. The Labor candidate was a Bevanite, Bob Pitman, and his campaign was launched with a public meeting at which Aneurin Bevan was the main speaker.

According to press reports the hall, which was the largest available, was packed to capacity long before the meeting was due to start—this in spite of a shilling charge for admission. Eventually the doors had to be locked with a crowd estimated at 1,000 in attendance. The success of this meeting can be measured when it is related that, later in the campaign, the right-winger Hugh Gaitskell could only muster an audience of 100 at a Labor meeting—and he is the man frequently tipped as the future leader of the party should the right wing maintain its dominant position.

But it must also be mentioned that two other Bevanite speakers—Michael Foot and Ian Mikado—only drew what were described as "moderate audiences"; this is possibly accounted for by the fact that they are not known to the public as well as Bevan who has now taken the place of the "Red Bogey" in the columns of the British press.

But whatever this experience proves or does not, there is no doubt that the future of the Labor Party—both right and left wings—will rest in very large degree with the left during the election campaign. It is the left which will have to shatter the British capitalists' dreams for the future by exposing them during the campaign. If it can do this and secure the return of a Labor government then its position within the party will be greatly enhanced—regardless of the actual composition of the government.

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LONDON LETTER

Formosa Issue Stirrs BLP

By DAVID ALEXANDER

LONDON, Feb. 9—Last week in a debate on foreign affairs, Sir Anthony Eden made an unequivocal yet paradoxical statement about the off-shore islands of China.

While there was no doubt in his mind that their legal sovereignty was with the (so-called) Chinese People's Government, any attempt by that government at this juncture to enforce its authority would be attended by serious consequences, he said.

Eden's statement came after the decision of the Chinese Nationalists and American government to withdraw from the Tachen Islands. It is believed here that the decision was partly prompted by British pressure. It seems that a compromise had been reached between Chiang, Britain and the United States.

The latter two countries agreed that the three small groups of islands at present under dispute were too useless strategically, and their use as bases might serve as a precipitating factor in a small war which might not remain localized for long.

Britain was particularly anxious to avoid a war in the Far East even if it was only a local one. The three million-odd inhabitants of Hong Kong, its usefulness as a trading post, and more important as a listening post, made it far too useful an asset to the West to be lost. Its existence furthermore was a guarantee of the status quo in the Far East.

All these were capitalist reasons for avoiding war in the Far East. On top of them, let it be said that even if such a war did not result in a total world war, there would be misgivings among the people about whom we were fighting for and whom we were fighting against.

NEITHER CHIANG NOR MAO

The Labor Party in Parliament has become enamored of Mao since its visit there in the same way that so many delegations to Russia became Stalinophile before the war.

Not that one need defend Chiang. He is known to have plenty of money salted away out of Formosa, and I know people who have been witnesses of some of the atrocities published in LABOR ACTION. His undemocracy has become much worse over the last four years.

But opposition to Chiang Kai-shek should not lead to fondness for Mao Tse-tung. Two years after he came to power, an official broadcast from Shanghai boasted that 2,000,000 "counter-revolutionaries" had been purged. For some months monitors in London heard broadcasts of the "trials" of "rich peasants." The fact that they were given prominence shows that the Stalinist industrialization of China is taking place with as much pain as occurred with that of Russia.

Terror is being used as a weapon of coercion, and the fact that all the Chinese whom Mrs. Summerskill met were laughing does not prove the contrary. Most of the Spaniards Mr. Alexander met in Spain were laughing also.

The tremendous industrial strides that China is making are adduced in support of Mao's government by Labor Party members. Its historical and social cost does not seem to be their concern.

This savors to me of a capitalist attitude: He is there, he is strong, we will have to let him have a share of the world. This implies no political or moral judgment of him. In answer to the facts about his purges, the Maophiles shake their shoulders, and observe that it has always been like that in China. Such an argument, and therefore unconcern at the barbarities of the regime, is hardly one that would commend itself to socialists.

IN RUSSIA'S PATH

About the only fact of which we are absolutely sure is that all industry and all land is nationalized. Information which has reached here recently indicates that the standard of living is rising slightly, although much of the peasant population is still fighting against the government's attempt at collectivization. There is evidence that there have been spontaneous risings of armed guerrillas in Southern China, which were not apparently organized from Formosa. Corruption has been cut very considerably and the new state is achieving the efficiency shown in the Korean war.

Besides the atrocities, purges and murders of Mao, many of the characteristics of Russia in the later-1920s are appearing. Slave labor, a wealthy bureaucracy, a monolithic education system, and an all-powerful police are examples of these. It is regrettable that difficulties of language prevented my informant giving me a more detailed picture.

To get back to some Laborites' attitude: It is one of such complete capitulation to Mao's demands that it can hardly be called serious. I do not believe that the fact that China is not a member of the United Nations would hurt the pride of any true Chinese Socialist in view of the nature of the United Nations.

I think as socialists we must note the tremendous increase in efficiency that nationalization has brought their country, and we must do what little we can to encourage any movements toward political or industrial democracy. That does not, however, necessitate our supporting their expansionist escapades in Tibet and in Korea. As for Chiang, we have no time for him, but then we never have had, unlike a vociferous Labor member who once called him the greatest Asian Christian during the war.



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Editor: HAL DRAPER

Associate Editors:

GORDON HASKELL, BEN HALL

Business Mgr.: L. G. SMITH

Young Socialist CHALLENGE

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FIVE CENTS

Politics at NAACP Youth Conference

By MEL BECKER

WASHINGTON, Feb. 6—The National Association for the Advancement of Colored People held its second annual "National Youth Legislative Conference" in this city on February 3-6.

Revolving around the theme, "Youth and the Challenge of Integration," the conference brought together several hundred young people from NAACP college chapters, NAACP community youth councils and representatives from other student and youth organizations. The conference dealt with the problems of segregation and discrimination in education, politics and legislation, civil rights and international affairs, and proposed solutions for them.

The conference adopted a radical program of fighting Jim Crow and discrimination against all racial and religious minorities and called for aggressive action to root this blight out of the country. It came out against any discrimination against Negro teachers and students, for complete desegregation and integration in the schools of the nation and for teaching the history of minority groups in an accurate and unbiased manner. The conference demanded the enactment of FEPC legislation, anti-poll tax and anti-lynch laws and other civil-rights bills.

The delegates and visitors to the conference made it clear that they were in no mood to brook delays and pussy-footing on the translation of the recent Supreme Court decision against segregation in the schools into reality. They showed an awareness that reactionaries and big-

ots, especially in the South, would use any methods they could find to prevent integration, and recognized that a thorough-going struggle would have to be waged to see to it that the historic decision of the Supreme Court becomes the practice of the land.

The conference declared itself for an end to filibusters, which prevent the enactment of civil-rights legislation, and for the granting of scholarships to all students, regardless of race, religion and national origin. The conference expressed its concern with increasing the number of Negroes who register and vote.

A dispute occurred at the conference in connection with the last point.

Although one part of the section of the report to the General Assembly of the conference had called for the nomination of qualified Negroes to candidacy for political office "so as to help to stimulate interest on the part of the Negro voter," another part of that section contained the Stalinist-type idea that any Negro running for office, regardless of his political views and personal qualifications, should be supported.

The wording of the resolution on this

point was such that the Stalinists, who were a fairly large minority at the conference, especially in the International Affairs panel, could then claim support for Negro candidates of the American Labor Party in New York State or for other Stalinist or Stalinoid nominees for political office. This section of the motion with its chauvinistic implications was approved by a vote of 37-36, the chairman casting the tie-breaking vote.

The resolutions adopted by the conference on social and labor legislation were in consonance with the militant stand adopted by it on civil-rights. The conference went on record for a 30-hour workweek at 40 hours pay, and for raising the minimum wage to \$1.25 per hour and broadening the coverage of this law so as to include all wage-earners. The conference also attacked the McCarran Immigration Act.

WEAK ON CIVIL LIBERTIES

In regard to one question, however, the witchhunt, the conference resolution was extremely weak, showing thereby the impact of the anti-democratic trends in the country even on the NAACP youth. The delegates had several opportunities to express themselves forthrightly on the questions of civil liberties and political rights and each time they shied away.

The resolution on Politics and Legislation attacks McCarthyism, but does so in a rather vague fashion: It confines itself to calling for an atmosphere of political and intellectual freedom and deplores all manifestations of McCarthyism and racism as creators of a climate of fear and hate. Nowhere is there an analysis of the nature or origin of the witchhunt nor a program for struggle against it.

Likewise, the resolution on Education limits its remarks on freedom on the campus to a statement calling for the "fight for academic freedom." But this generally does not mean much nowadays, for everyone, including the reactionary anti-democrats, give lip-service to "academic freedom." Indeed many witchhunters conduct their struggle against democracy on the campus in the name of "academic freedom."

The failure of the conference to announce a positive program of rights for students and teachers, and to condemn the violations of academic freedom by name, was a deplorable sign of the times.

One struggle over this question did develop at the conference. It took the form of a proposal to add the phrase "political belief" to the resolution calling for the granting of scholarships to students, without regard to race, religion, and national origin. The proposal was defeated by a vote of 57-43.

FOREIGN POLICY WRANGLE

One of the most interesting resolutions was the one on foreign affairs, "The Impact of Segregation on U. S. Foreign Relations; The Quest for Human Rights in the Modern World." Although poorly worded, the major portion of this resolution condemned the imperialist foreign policy of the U. S. adequately enough, but did not mention the other half of the coin, Stalinist imperialism and its relation to colonial peoples. This reflected the strong influence which the Stalinists had on this particular panel, as did also the special motion it presented on China.

The panel presented to the General Assembly an "urgent and special" recommendation (besides its main resolution) on Formosa and China. It reads:

"Because of the grave threat to peace now existing in Formosa, we, the National Youth Legislative Conference sponsored by the NAACP, urge that every possible means be utilized to bring about the creative exchange of ideas with the government of the Chinese People's Republic. We further urge that the government of the United States grant recognition to the Chinese People's Republic and support her admission to the United Nations."

Of course, we too believe that the Stal-

inist dictators should be allowed to enter the UN talking-shop, but the Stalinist authorship of the resolution is betrayed by its notion that the exchange of ideas between this capitalist U. S. and the Stalinist regime in China ("Chinese People's Republic") will lead to peace.

To be sure, others present at the conference went along with the Stalinists on this question, showing that many people today are a prey to infantile notions on the question of war and peace. Wars are not caused by the bad or good intentions of the ruling classes; wars are an outcome of the friction between imperialist exploiting systems and as such cannot be stopped by the ruling classes meeting over a table and bargaining or just exchanging their philosophies of life and exploitation! They can only be prevented by the oppressed peoples' fight against these systems—the fight of the Third Camp.

But no discussion was allowed on the "recommendation." The chairman ruled, amid a near riot, that since it was a "recommendation," no amendments could be proposed, no debate held, no vote taken; it would just be read to the floor and passed on to the proper "authorities!"

On the immediate challenge to the chair, the chairman did not even allow the challenger the right to speak. He immediately called for a vote, and in the confusion, was upheld. So the recommendation was accordingly read (no changes were allowed, no debate was allowed, no vote was taken), and the conference wound up with this bureaucrat making a speech praising the over-all unity that had been achieved while admitting petty disagreements!

CRITICISMS

The behavior of the chairman at this session was one aspect of one of the failings of the conference. The leadership of the NAACP youth tended throughout the conference to act in a very bureaucratic fashion, stifling discussion on some occasions, etc. The conference delegates were not able to prevent these anti-democratic actions, despite vigorous resentment by many. The problem of the NAACP youth membership controlling its leadership is therefore posed for the future.

There are three major criticisms to be made of the conference and of the NAACP youth: (1) They view the problem of the Negroes and other minorities solely within the context of capitalism, and they feel that solutions to these problems can completely be made within the context of our present-day, reactionary American capitalist society. (2) Their timidity in the face of the witchhunt and refusal to take a vigorous civil-libertarian stand is a grave defect. (3) The manifestations of bureaucratism have been mentioned.

In addition, there is the problem of the absence of socialist voices in it and the corresponding strength of the Stalinists. The major impression given by the delegates is that they are radically inclined people who wish to struggle vigorously against Jim Crow and race discrimination and hatred as well as other social evils, but who lack a comprehensive political program. Given the absence of militant socialist voices, the Stalinists are able to make some headway since they appear to be the radical alternative to the status quo, to those young people in NAACP who are looking for alternatives.

If there were a few socialist voices raised in the NAACP youth the effect could be enormous. Confronted with consistent democratic socialist politics the Stalinist influence would melt away. And at the same time one would find a tremendous response among NAACP members. The NAACP youth should, and I believe would, come out with a strong democratic policy on foreign affairs, civil rights, academic freedom, etc., given the opportunity just to hear the reasons for such a program. Along these lines lies the future progressive development of this organization.

Fenner Brockway Discusses Third Camp And Colonialism at Chicago YSL Forum

By MARGARET COLLINS

CHICAGO, Feb. 4—"I wish to speak as a socialist to fellow socialists on some of the problems confronting our movement," began Fenner Brockway, British "Bevanite" and pacifist MP, speaking on the topic "Dissent from the Cold War: A Third Camp Position" at a meeting sponsored by the University of Chicago unit of the YSL on February 3.

Reversing the usual practice, Brockway himself stated that "the views expressed are not necessarily those of the American Friends Service Committee" which is sponsoring his tour of the U. S. He is a colonial expert sometimes referred to in Commons as "the member for Africa" and has been speaking to Kiwanis Clubs and non-socialist university and college groups on the subject of colonialism.

The AFSC's decision to ask him to change his topic ("because we are interested in the Third Camp, also") produced in actuality two speeches—one on the nature and history of the Third Camp in Britain and another on colonialism.

No one in the audience (reported by the U. of C. Maroon as 200) challenged his definition of a socialist as "one who is the complete democrat—who believes that not only the political system should be democratic but all life as well, including industry. . . . He believes intensely in freedom of speech—growth without mental or spiritual imprisonment. . . it is because we believe in these things that we are opposed to the systems of Stalinism and capitalism which result in control of the many by the few."

Throughout his speech he used socialism and the Third Camp synonymously; but he often tended to imply by "Third Camp" the neutralist "third-force" ideas which are so common among British self-styled "Third-Campers" and pacifists.

In speaking of the left wing within the British Labor Party he said that "though for war purposes many of the Labor Parties and Social-Democrats of the world had entered into a temporary coalition against Nazism and Fascism, minorities within these groups maintained that

socialists should support independent action against Nazism and Fascism, retaining basic socialist conceptions. This attitude continued as late as 1945," he continued, "when the BLP leadership had gone increasingly into the American camp and fear of the USSR caused even the Keep Left position to be modified so that even the left-wing came reluctantly to adopt the view that democratic socialists must throw in their lot with the capitalist powers."

TREND TO THE LEFT

However, "developing now within Britain is an increasing tendency to revert to the left," beginning with the Korean war and crystallizing on the subject of German rearmament when the left "took the same position as the German trade unionists, that rearmament of Germany would continue the division of Germany and result in the reascension of the Nazi officer class to military power." This tendency has been strengthened by Indochina and Formosa, he said, and he predicted a BLP victory within three years.

He feels that there exists in England a strong feeling that the Stalinist government of China is de-facto the legitimate government. "Even the Conservatives sought for a UN cease-fire before endorsing the United States." He added that "if President Eisenhower has done one thing for the BLP it is to unite it; the whole party from the left to the right is opposed to the Formosa situation."

He proposed that Formosa should be placed under UN neutrality until such time as a plebiscite of the legitimate inhabitants could be held to determine whether they wanted independence or union with Japan, China or Chiang; and that, the latter being very unlikely, someone, perhaps the U. S., could offer Chiang "hospitality."

Despite some criticisms we have of Brockway's speech it was a pleasure to hear a speaker of his international prominence use the term socialist proudly, and in a radical rather than a social-democratic sense, as well as to listen to his views on various questions.

FROM MALENKOV TO KHRUSHCHEV:

The Bureaucratic Class Drives Behind the Kremlin Overturn

By A. STEIN

The new overturn in the Kremlin hierarchy has answered some comparatively old questions but raised just as many new ones. Malenkov's fall, foreshadowed some weeks ago by Mikoyan's ouster as Minister of Internal Trade, answered the question as to whether the struggle for power was still in progress after Beria's liquidation, and if so who the contenders were.

But was it merely a struggle for power, one step further along the road for the victor to Stalin's throne? Malenkov's defeat coincided with an abrupt turn back to the line of giving absolute priority to building up heavy industry, armaments and the armed forces as well as continuing the feverish expansion of agriculture. This means that the struggle for power was organically linked with deep-going differences over policy.

Some observers have deduced from these facts that the differences which brought the clash between Khrushchev and Malenkov to a head were primarily domestic in character. Whereas Khrushchev urged that priority be given to heavy industry and agriculture, Malenkov insisted that the tempo of developing heavy industry be slowed down somewhat and that the light or "consumers goods" industries be given a modest impetus along with the ambitious program of agricultural expansion.

However, this explanation does not account for the manner in which the Kremlin crisis was resolved and the changes it brought in the make-up of the ruling hierarchy. Why, for example, was it necessary to publicly announce the change and engage in a violent attack on those who supported the Malenkov line? A few weeks earlier Khrushchev had denounced such people at the plenum of the Central Committee of the party in January and compared them to Bukharin and Rykov. Why was it necessary to publicly expel Malenkov from the inner ruling circle and humiliate him openly before the country?

Undoubtedly Khrushchev was settling some old personal scores in forcing Malenkov to admit his administrative inexperience in economic affairs as well as his guilt for the catastrophic failures in agriculture. And since it is in the real Stalin tradition, the element of personal spite cannot be lightly brushed aside.

The entire country knows that Khrushchev has had complete responsibility for agriculture since 1950, and that it was Malenkov, supported by Benediktov, the present Minister of Agriculture, who opposed his fantastic attempt to amalgamate the collective farms into super-collectives. It was Malenkov who sharply and caustically criticized this policy at the 19th Congress of the party in late 1952. Was Malenkov's "confession" merely an act of revenge on the part of Khrushchev and his attempt to absolve himself from responsibility, or something more? This is one question which we shall try to answer at a later point in the article.

POINTERS

Malenkov's fall was accompanied by the rise of Marshal Bulganin to the post of premier and Marshal Zhukov to Minister of Defense. While Bulganin is the agent of the party inside the ranks of the army elite, Marshal Zhukov is the professional soldier *par excellence*, the popular war hero. Why was it necessary to underscore and increase the prestige of the army at this particular time? The connection between a change in domestic policy and the rise to new prominence of the army may seem obscure.

Of course, it can be and has been argued that since the secret police has declined in power and importance the army has become the arbiter of all struggles within the Kremlin hierarchy. Every new division in the ranks of the party leaders emphasizes the strength of the army, and the elevation of Zhukov to his new post is taken to be the proof.

Again, some observers have pointed to the sudden worsening of the international situation as the explanation of the Kremlin crisis and the favored position of the army in the ruling hierarchy. There is no disputing the fact that the Russian official press took on an ugly threatening tone with the French ratification of

the Paris treaty, bringing German rearmament one step closer to reality.

There was also the savage article written by Marshal Vasilevsky in mid-December and addressed to British Field Marshal Montgomery for his discussion on the use of atomic bombs in warfare, a discussion which coincided with the decision by NATO to base its entire strategy on atomic warfare. There was also the denunciation of Churchill by Marshal Zhukov, following the British prime minister's revelation that he had been prepared to use German soldiers against the Russians at the close of the Second World War.

Just how seriously the Kremlin really takes the threat of German rearmament we do not know yet. But the propaganda line points in the direction of a further intensification in the arming of the satellite countries of East Europe. Secondly, the NATO decision to base itself on a strategy of atomic warfare is a challenge the Russian military leaders have to meet. Finally, there are the demands of the Chinese for military equipment. All of these converging claims on Russian heavy industry have to be considered in an evaluation of the Kremlin crisis.

SAND OR SUBSTANCE?

However, this picture is not altogether as simple and free from contradictions as it appears to be.

Witness the fact that Zhukov has the reputation of being friendly to the West. The myth of his friendly relations with Eisenhower has achieved official status in the Western press, and of this the Russian leaders are perfectly aware.

And on the very same day that Malenkov "resigned," Zhukov granted an interview to William R. Hearst Jr., in which the marshal "spoke warmly of his friendship for Gen. Dwight Eisenhower." Zhukov's "line" was that of "coexistence," and of improved relations between the United States and Russia. Was this interview, cleared as it had to be through the Kremlin, merely designed to confuse the West as to the real meaning of the changes, or was it something more?

To the extraordinary and unprecedented Zhukov interview must be added Khrushchev's interview with a New York lawyer by the name of MacDuffie. Khrushchev informed his American visitor that the Kremlin "wants more normal relations with the United States, but the first prerequisite is more normal trade relations." Khrushchev also revealed that a visa had been granted to Supreme Court Justice William O. Douglas to visit Russia next summer and that his government was permitting more Americans to visit Russia.

Again we can ask: Was Khrushchev simply using this American innocent abroad to throw sand in the eyes of the outside world, or is there substance to his declarations which coincide with the sentiments expressed by Zhukov?

Finally, the role of Russia in the Formosa crisis cannot be ignored. While Stalinist China has rejected all offers of negotiation out of hand, the Kremlin has now taken the initiative in calling for a big-power conference to settle the Formosa question and arrive at a settlement of outstanding issues in the Far East.

To be sure, this offer contains a poorly concealed joker, since it would bar America's puppet, the Chiang Nationalists, from the conference. But still, the Kremlin has begun the process of opening the door to negotiations. This is not a foreign policy that can be compared to the early period of the Korean hostilities.

1

WAS IT FOREIGN POLICY OR DOMESTIC POLICY?

In outlining some of the explanations as to the causes and consequences of the latest Kremlin crisis, and the questions about them, we merely wish to indicate what the facts are that must be integrated into any over-all explanation. A moment's thought shows the suggested speculations boil down to an either-or proposition: either differences on domestic or foreign affairs caused Malenkov's downfall. But this seems like claiming either the chicken or the egg came first.



Without a doubt, domestic considerations always came first with Stalin in determining foreign policy. The present international crisis had its specific origins in Stalin's rejection of Roosevelt's post-war offer to join in an imperialist redivision of the world. But Stalin declined and set out to build and exploit his own satellite empire in Eastern Europe. At the same time he plundered Eastern Germany and tried to fasten his grip on West Germany as well.

The reasons for Stalin's policy were no secret. It was necessary to rebuild heavy industry as rapidly as possible and at the same time to shut the Russian people off from any contact with the more prosperous West. The need to restore and protect the social base of the Russian bureaucracy determined Stalin's post-war course. In turn his foreign policy had its own devastating consequences on domestic affairs when it resulted in the cold war.

The need to hold down the living standards of the workers and peasants was intensified and a further impetus was given to the development of heavy industry. The fatal disproportions of the Russian economy were stretched to their extreme limits.

This was the inheritance which confronted the new "collective leadership" when Stalin died. The policy of economic concessions in the satellite empire and at home were immediately imposed by the need to win a breathing-space and permit a consolidation of power. The cry for coexistence was a consequence of the same imperative in the field of foreign affairs. But the United States showed that it was not interested in maintenance of the status quo but wanted to force the Kremlin to retreat to its old borders while it built up its own armed strength and that of its allies as well.

For the Kremlin, therefore, it is impossible in practice to separate the problems of foreign policy from the question of what domestic line to follow.

WHERE ZHUKOV COMES IN

One result of the United States's policy is that the Kremlin must take a decision on Germany. It can follow one of two policies. It can either withdraw from East Germany and hope to neutralize a united Germany with tempting offers of trade, or else maintain its grip on East Germany and expect the rearmament of West Germany.

In either case, however, to anticipate the worst alternative, an armed Germany requires the build-up of its own and its satellites' armed forces. Whether the question of withdrawing from East Germany was an issue in the Khrushchev-Malenkov dispute remains to be seen. But whatever the Kremlin decides on this issue, it cannot escape the consequences of Germany's return as an economic, political and military force in central Europe.

The rise to prominence of Zhukov must be seen from this perspective to make sense. Zhukov is the conqueror of Berlin. He is the marshal who led the Russian armies that crushed the Hitlerites and symbolizes Russian armed might. We believe Zhukov was raised to the post of Defense Minister for two closely connected reasons. One: to influence the West Germans just before they take the fateful step of voting on rearmament; two: to prepare the Russian masses for the sacrifices involved in the new line.

While the Russian people will not believe a Khrushchev when he warns them that sacrifices are required because a war danger exists, they will at least listen respectfully to a Zhukov.

There is no reason why Zhukov and the army general staff should not accede to this present course which promises to increase their prestige, importance and material privileges. The cynical ruling clique, headed by Khrushchev and seconded by Bulganin, is ready to pay the price in order to use the symbol of the popular war hero for its own purposes—above all, since the army does not hold any balance of power in the conflicts which rage at the top of the ruling circle.

2

THE NEW SECRET POLICE AND THE ARMY

Does the rise of Zhukov also symbolize the increasing political power of the army, which stands united and solid while the party leadership rends and destroys itself in factional struggles for personal power? This is the impression that has gained currency ever since the liquidation of Beria and his personal faction. A picture has been painted in which only two social forces of significance emerge with the disappearance of the secret police from the stage—the party, today controlled by

The Pattern of Chronic Crisis Goes On . . .

Khrushchev and his clique, weakened by internal dissensions, and the army general staff.

The picture is not quite accurate, since the secret police apparatus was not demolished when Beria fell. As a matter of fact, it suffered only slight damage and it has been enjoying a process of rehabilitation in the course of the last war. The secret police has re-emerged as an instrument of power in the hands of the party leadership and in the first place as a weapon aimed against the army leadership.

In the excitement that surrounded the news of Malenkov's downfall and Khrushchev's triumph, as well as Zhukov's elevation to his new post, one piece of information escaped the attention it deserved. The very day preceding Malenkov's "voluntary" resignation, February 7, the Supreme Soviet in routine fashion ratified a decree giving ministerial rank to the chairman of the State Committees of Security in the different republics. The original decree lifting the heads of these committees to cabinet status was issued by the presidium of the Supreme Soviets last August.

These State Committees of Security, headed on a national level by Colonel Serov, are nothing but the old secret police, the MGB, cleansed of the Beria clique and subordinated to the new party leadership. Serov was appointed to his post in March 1954, and the gradual process of rehabilitating the secret police began at that time.

The functions of the new MGB, now known as the KGB, are no different than formerly. Although it embraces counter-intelligence, and has been referred to in the Russian press in this respect only, its primary task is and always has been to maintain a strict watch over the Russian people. No strata of Russian society, including the general staff of the army, are immune from its network of agents and informers, known in the army as the Special Section. Though the members of this section of the secret police are integrated into the army structure from the bottom up, they do not answer to the army commanding staff but to the leadership of the KGB and in turn to the party leadership.

REHABILITATED GPU

The head of the newly reorganized KGB, Colonel Serov, has an even more evil reputation than was ever attached to Beria's name. It was Serov who directed the mass deportations from the Baltic countries and the areas east of the Curzon line in 1940-41. Serov was also responsible for the deportations of the Volga Germans in 1941.

During World War II, Serov was second in command of the army's secret police, known as SMERSH. Ostensibly set up to uncover espionage, SMERSH concentrated on terrorizing Russian army soldiers. In the post-war period, Serov was first deputy to Marshal Zhukov in Eastern Germany and responsible for security in the occupied zone. His name is synonymous with the pitiless terror of the Stalinist secret police.

The rehabilitation of the secret police was to be expected in any case. But what makes its re-emergence more striking is that at its head stands an experienced agent with a long history of surveillance over the military and an intimate knowledge of such army leaders as Zhukov and Sokolovsky. Was it accident which drove Khrushchev and Bulganin to choose just such a type at a time when they are wooing and flattering the leaders of the armed forces?

Behind Serov stands a national police apparatus which, combined with the MVD under Kruglov, does not in essentials differ from the old organization Beria headed. An interesting and detailed study made last year by Boris Meissner revealed that the old cadre of the MVD-MGB has managed to maintain its positions of power in the various republics remarkably well despite the succession of upheavals and convulsions that have followed since Stalin died.

Although many of the economic responsibilities entrusted to the old secret police were shifted to the appropriate ministries, the MVD-KGB retains its old police powers. The security troops of the secret police still guard the Russian frontiers. This was revealed in passing in the joint resolution of the party's Central Committee on agriculture issued on September 29, 1952, which mentions, "the frontier guard and the interior troops of the Ministry for Internal Affairs."

The control of the slave labor camps still remains with the KGB, as we know from the reports of Brigitte Gerland and Joseph Scholmer on what happened during the Vorkuta uprising of July 1954.

One of the real signs of an increase in the army's power relative to the secret police would have been its penetration of the latter's apparatus at the time of Beria's liquidation. But as Meissner points out, this has not happened.

Another indication of the decline in the role of the secret police would have been the transfer of the frontier guards and internal security troops to the army. But this too has not been the case.

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The specific weight of the armed forces and its commanding staff inside the country has not increased in terms of the real power functions and relations.

The potential danger that the army represents to the party leadership comes from a direction other than the extent of its armed might. As Meissner points out, the army elite has shown a remarkable social stability and cohesiveness in the last decade.

In the study mentioned above, Meissner analyzes the composition of the army leaders who head the military districts in the various republics. The continuity of leadership is even more striking than in the case of the secret police. Should the antagonisms in the Kremlin leadership reach the point where they threaten to shatter the party-police apparatus, the solidity of the army general staff might become a decisive factor, and a Bonapartist savior could issue from its ranks. But such a moment has not yet arrived.

3

KHRUSHCHEV'S LADDER TO THE TOP

The relations which exist between Khrushchev, Bulganin, Molotov and the others who constitute the overdiminishing ranks of the "collective leadership" must naturally remain a matter of speculation. But the way in which Khrushchev has shaped his party apparatus since Beria's downfall and established his alliance with the army commanding staff can be visibly traced.

What is important in the history of Khrushchev's rise is that the old Stalinist methods are still in effect. Those who talk about the democratic evolution of the Stalinist bureaucracy must surely be joking!

For the criterion by which Khrushchev has chosen the members of his apparatus remains totalitarian in character: unconditional loyalty to the Boss. Those they have displaced have been purged and gone by the board not for inefficiency or dishonesty but because their loyalties were elsewhere.

From 1938 to December 1949, Khrushchev ruled the Ukraine as Stalin's deputy. The interested reader will find in past issues of LABOR ACTION the story of Khrushchev's part in the many purges which decimated the ranks of the Stalinist party and government in that period. But like his chief, Khrushchev was also engaged in the process of creating his own personal retinue. Khrushchev's sphere of influence extended into White Russia and Moldavia as well.

To show how Khrushchev protects his "own," we would like to cite the history of one bureaucrat. It helps solve a mystery and throws light on the nature of the totalitarian apparatus.

BUILDING HIS MACHINE

In June 1953, Leonid Melnikov, Khrushchev's choice to succeed him as secretary of the Ukrainian CP, was suddenly dismissed from his post on the ground of "Great-Russian chauvinism." Melnikov's importance is measured by the fact that in addition to his Ukrainian post, he was also a member of the Presidium of the Central Committee of the CP. Melnikov's disgrace, however, was of short duration only. A month later he was rehabilitated and appointed ambassador to Rumania.

How quickly and easily his crime of Great-Russian chauvinism was forgotten! The reason, of course, lay in the fact that his protector was none other than Khrushchev.

It goes without saying that the entire present leadership of the state and party in the Ukraine is beholden to Khrushchev. Even more interesting are the appointments he has made throughout the rest of Russia in order to bolster his control of the apparatus.

The tremendous program of expanding grain production is centered in far-off Kazakhstan. On February 14, 1954, the premier and the first and second secretaries of the Kazakhstan party were purged. The two plenipotentiaries sent from Moscow to carry out the Kremlin's orders and take command were the Minister of Culture, Ponomarenko, and Lieutenant General L. I. Brezhnev.

Ponomarenko was first secretary of the White Russian CP during the thirties and of course established his ties with Khrushchev. Lieutenant General Brezhnev was successively a member of the Central Committee of the Ukrainian party and then first secretary of the Moldavian party. At the 19th party congress in 1952, he was also elected to the All-Union Presidium. Immediately after Stalin died, he was appointed head of political administration in the Russian navy.

Nor did Khrushchev neglect his relations with the leaders of the army while he was boss of the Ukraine. Although it is impossible to substantiate the rumor, it has been claimed that Zhukov was exiled by Stalin to the post of district military commander in Odessa. What is not in dispute is that Zhukov's rise has coincided step by step with Khrushchev's advance to the first place in the Kremlin hierarchy.

After Beria's arrest in July 1953, the military commander of the Russian occupation zone of East Germany was replaced by an obscure figure, Gen. A. A. Grechko, the former chief of the Kiev Military District.

Another appointment of significance in extending Khrushchev's sphere of influence was that of General Mzhavanadze to the post of first secretary of the Georgian republic. For Khrushchev, the destruction of Beria's personal apparatus in his native republic was

crucial and it was carried out on a tremendous scale. The entire leadership of the Georgian CP and government was purged and new people installed. Although General Mzhavanadze is a native Georgian, as his name indicates, he spent a long period in the Ukraine serving as a party functionary there.

And so, behind the temporary screen of the "collective leadership," while dupes in the West hailed it as evidence of Stalinist democratization, Khrushchev carried through successfully the Stalin pattern of personal bureaucratic machine-building.

4

END OF A STALINIST ECONOMIC CYCLE

Khrushchev's triumph and Malenkov's downfall coincided, and not by accident, with a change in economic policy. The timid, half-hearted switch to increasing the stream of consumers goods and building up light industry has come to a definitive close. The Russian economy has passed through one phase of a familiar cycle and is entering another.

In the excitement attending Malenkov's downfall, some of the economic decrees passed by the Supreme Soviet did not receive the attention they deserved, and yet they indicate what the struggle was all about.

In his budget message to the Supreme Soviet, Finance Minister Zverev announced that the regime would "offer" Russian citizens twice as many state bonds as last year, 30 million rubles worth instead of 15 million. In addition, Zverev explained, the government "expected" a rise in savings bank deposits.

What this means is that with a cutback in consumers goods production, the regime is taking measures to prevent inflation. Russian workers and bureaucrats are not free to refuse to invest in state bonds and are compelled to invest up to two weeks' salary in the state loan. The regime also forces its better-paid workers and bureaucrats to bank part of their pay when the quantity of consumers goods declines while the labor force and the quantity of money increases as it must in a period when heavy industry expands.

The above-cited measure is on the negative side, designed to curtail consumption and prevent inflation. On the positive side is the text of the law published February 11, lowering the prices on products of heavy industry and freight rates for those goods.

One result of this reduction in prices of heavy industry goods, of course, is to increase the purchasing power of the funds at the disposal of the defense ministries. Combined with their increased allocations for 1955, this decree means that a much larger share of national production will go to war goods.

But even more important, this law signifies that profitability and cost-accounting no longer govern the production of these industries. Whenever the Stalinist regime reduces the prices in this sector, it always means an increase in government subsidies toward production, since the primary aim is not to produce profitably but merely to produce more such goods.

To be sure, the finance minister indicated the kind of economies these industries must make in order to lower costs when he declared that over-expenditure on wages would be regarded as a "very gross violation of state discipline."

REIMANN'S SCHEMA

A few years ago, the economist Guenter Reimann observed that the Russian economy goes through its own peculiar cycle, which consists of two stages. In the first stage, which he designated as the period of the turn to the "left," the emphasis is on the feverish expansion of heavy industry while the consumer industries and agriculture are starved. In the second stage of the cycle, the turn to the "right," the tensions and strains generated during the first phase are eased by a slowing down of the tempo of investment in heavy industry and a relaxation of the tight grip on consumption.

Reimann pointed out that in the period of feverish industrial development the heavy industry acts like a magnet on the reserves of manpower and skilled technicians. Since the rewards are greater in this field, there is a tendency for manpower, skilled and unskilled, to gravitate to the city. Agriculture and the consumers goods industries suffer as a consequence.

Another and extremely important consequence is that the parasitic state and party bureaucracy increases by leaps and bounds, consuming an ever-larger share of the national income. And this must inevitably happen because as the stream of consumers goods diminishes, the wages and returns of the workers and peasants decline in value, and their response is to engage in a slow-down of production. To keep the machine going, a larger party, state and police apparatus is required to whip on the workers and peasants.

This process continues until the point is reached where the state has practically swallowed society. The share of the national income going into the development of heavy industry encroaches on the bare minimum demanded to provide some personal incentive on the part of the workers and peasants to produce. At this point, too, the regime resorts to purges in order to maintain the tempo of production, and when this fails, the time for a shift to concessions is at hand.

In the post-war period, for example, the Stalinist regime attempted to maintain the state's share of what

(Turn to last page)

Economic Roots of the Power Conflict . . .

(Continued from page 7)

The peasants produced, not by offering the peasants more, but by forcing them to take less out of a total that was continuously declining. And interestingly enough, it was Khrushchev, as we have remarked previously, who was in charge of the typical totalitarian project of creating the super-collectives, where the peasants would be deprived of their personal plots and livestock and forced to be wholly dependent on the state for their livelihood.

BREAKDOWN THREATENED

Stalin's death occurred at the climax of such a phase in the totalitarian cycle. The catastrophic decline in agriculture, the enormous swelling of the parasitic state bureaucracy, and the extreme concentration of unskilled and skilled labor, and technicians in the cities threatened the economy, as Khrushchev himself later admitted, with a breakdown.

If we examine the economic measures instituted by the "collective leadership" in the period between March 1953 and February 1955, we can see all the marks of the second stage of the economic cycle (which Reimann labels the "right turn"). Most important of all, of course, were the concessions granted to the peasants: taxes were reduced, prices on certain products sold to the state were raised, and the amount that had to be handed over without question to the state for practically nothing was reduced. There can be no question that the income of the peasants was increased by these measures.

In addition, the program of producing consumers goods was launched with a great deal of fanfare by the Kremlin: To be sure, the consumption needs of the bureaucracy were not neglected, and the quantity of television sets, cars, vacuum cleaners and the like increased. But while the increase in the quantity of consumers goods was insignificant in terms of the need, a start was made, and a program of factory construction in light industry was begun.

At the same time, the process of squeezing the parasitic state apparatus was also initiated. Not only was this measure necessary in order to reduce the wasteful burden to the state, but there was also no other way to provide the technical and skilled manpower for the program of agricultural recovery and expansion.

Some of the facts revealed by the regime itself are so fantastic, and yet so typical of the totalitarian society, that they are worth setting down.

The finance minister, A. Zverev, who managed to survive through one regime after another, revealed the following facts in an article written for the November 1954 issue of the magazine *Communist*.

In the Ministry for Automobile, Tractor and Agricultural Machinery and the Building Materials Ministry, more than 40 per cent of the specialists with higher education were engaged in administrative duties as of last April 1. In the Ministry for Machine Tools only 24 per cent of the specialists were engaged in production.

To Zverev's revelations as to the parasitic life led by a large part of the skilled industrial specialists must be added Khrushchev's now famous revelations on the whereabouts of agricultural specialists. According to Khrushchev, of some 350,000 trained agricultural specialists with higher or secondary education only 20 per cent worked in machine tractor stations or collectives. Another quarter were employed in administrative work while the official report could not account for the remaining fifty per cent.

Then there is the problem of too many chiefs and not enough workers in administration and the fantastic proportion of paper work. Zverev cites as a typical example the Trade Ministry with 569 subdivisions, the Ministry of Electrical Power Stations with 366, some of them employing only one, two or three workers. In one division of the Coal Ministry, there was an eleven-man staff, which consisted of two working specialists and nine chiefs.

As for the number of forms that everyone in the economy, from the top down to the ordinary worker in the shop, has to fill out, it would take too much paper to describe. Two examples will suffice: According to the trade-union paper *Trud*, the Ministry of Sea and River Fleets sends out 8,000 documents every day to its subordinate organizations. And the Ministry for the Timber Industry asked each timber concern in the country to fill out 118 forms with a total of 40,000 questions.

THE PSEUDO-PLANNED ECONOMY

Why does the phase of "liberalization" and "concessions" come to an end? In the present instance the Kremlin has explained its turn back to heavy industry because of the existence of a "war danger" represented by German rearmament and American military encirclement of the Russian empire. And it is this rationalization which the "enlightened" apologists for Stalinism will exploit to defend the turn back to the old line.

The existence of the conflict between the United States and Russia is a constant factor in the calculations of both ruling classes. In neither case does the aggravation or lessening of international tension determine the immanent logic of economic developments. A change for better or worse in international relations, short of war, can only accelerate or retard the movement inherent in the economies.

The truth is that any consistent extension of the period of "concessions" threatens the Kremlin hierarchy with loss of control over the economy and undermines the social basis of the bureaucracy as a whole. This can best be shown by examining what has happened in the satellite countries during the period of "relaxation."

First it must be said that to talk about "planning" either in the satellites, in Russia or in the entire empire, is absurd. *The totalitarian economy is not a planned economy but a command economy.*

Two examples will suffice. In the period of forcing the development of heavy industry, Czechoslovakia doubled its industrial output between 1948 and 1953. But in that same period, according to official statistics, the production of hard coal rose only 13.8 per cent and soft coal 45 per cent.

Again, Russia ordered East Germany, Poland, Czechoslovakia and Hungary to construct huge steel plants. The Russian regime promised to supply engineers, machinery and raw materials. Russia's own shortages, however, prevented her from fulfilling her obligations and in each country the steel plants were either left unfinished or produced at a fraction of planned capacity.

These examples, which are quite typical, only show that extreme disproportion and a lack of synchronization between the different branches of industry are unconditional laws of the totalitarian economy.

SAME DRAMA REPEATS

Naturally, it was easier for the satellite regimes to organize the basic disproportion, that is, to suppress consumption and reduce agriculture to a state of extreme chaos. All that was required was the use of terror: The peasants in all these countries were herded into collectives that had neither the necessary machinery nor equipment. And of course, the peasants' income was reduced to a starvation minimum. If this is to be called planning, then a new word must be found to describe what is meant by a rational allocation of productive means to satisfy the needs of a nation.

The "new turn" in the satellites did not reveal any advantages in totalitarian planning either. In the first instance, the peasants fled or tried to flee the collectives. In the second instance, in the attempt to "rationalize" production and slow down the development of heavy industry, some of the planners, eager to please their Moscow masters, reduced the labor force in industry at a very rapid rate while they made no plans to absorb them in light industry or to shift peasants-turned-workers back to farming. And the attempt to "plan" the production of consumers goods was tangled and strangled in the web of bureaucratic orders and counter-orders.

The inability to synchronize production showed just as cruelly in the period of "liberalization" as in the period of building heavy industry.

But most significant of all was the social effect of the "new line." In Hungary and the other satellite countries, entire sections of the party, police and industrial bureaucracy revolted. They saw their social base dissolving under their feet with the turn to satisfying the needs of the masses.

The "new line" meant easing police control over the masses and how could any plan be fulfilled without the use of terror? Furthermore, the problem of meeting the consumption needs of the masses opened the bureaucracy to the criticisms of the masses. While the failure to build a steel plant does not directly affect a worker and his family, the failure to produce a promised output of winter clothing does. In addition, large quantities of the consumers goods produced were siphoned by elements of the bureaucracy itself onto the black market, so that the regime was doubly unable to fulfill its promises to the people.

As we pointed out in *LABOR ACTION* of two weeks ago, a bitter struggle took place in the CP of Hungary over this issue. The old guard headed by Rakosi refused to submit to the new line and actively sabotaged its working. The same drama was repeated with variations in the other satellite countries.

CLAY FEET OF THE SYSTEM

The developments in Russia followed a slightly different pattern from the satellite countries, and not so much information is available. But the essential pattern is the same.

If one reads the Russian press consistently, one will find a constant stream of complaints about the peasants who persist in putting all their labor and effort into working their own small private garden plots despite the greater prices now being paid by the state for the products of the collective farm. No matter how much the state pays the peasant, it is still less than he can earn by his private labor on a miserable one-acre plot. The result was that even in recent period of "concessions" to the peasant, the regime was compelled to resort to compulsion to maintain control over the peasant.

In a dispatch dated September 12, 1954, the New York Times correspondent reported that the number of days a peasant must work on the collective had been increased. Whereas, in the past, the minimum for men had been anywhere from 100 to 150 days in the year, the new minimum was set at 300 days. The legal penalty for failure to fulfill this norm is a doubling of the tax which the peasant pays to the state. But there can be no doubt that behind the legal penalty stand the party and the police apparatus waiting to catch any persistent offenders.

Just as in the satellites, the increase in the quantity of consumers goods is an invitation to black-market dealing by state and economic officialdom. The enormous extent of theft and misuse of state goods by the members of the ruling class is a constant theme of the Russian press and swells in volume in the period of "relaxation." Out of this extensive practice of theft and black-market dealing, a thick network of private exchange or *blat* grows rapidly in such periods, threatening to escape completely the control of the regime.

The difficulties reach into the process of production itself. The Russian economy remains a scarcity economy, and raw materials must still be carefully allocated by a system of priorities. The entire history of Stalinist emphasis on heavy industry has trained the industrial bureaucracy to satisfy the needs of this branch of production first.

RESISTANCE FROM BUREAUCRACY

A typical example of what is constantly happening is the reluctance of the chemical industry to yield first place to the demands of the clothing and textile industries. Or again, when there is a local power failure in some industrial area, it is the natural habit of the authorities to cut off the power supply first of the light industrial enterprises, as *Izvestia* of October 28, 1953 complains.

A very extraordinary example of this resistance on the part of certain sections of the bureaucracy to fall in with the new line was given by *Izvestia* when it asked why the aviation industry had stopped producing its allocated quota of baby carriages. Obviously, this refusal on the part of the defense plants to produce consumers goods must have been sanctioned on the highest levels. But it reveals how deep the resistance was to the new line.

It is at this point that one can see how the party apparatus, represented by Khrushchev, responded to and utilized for its own purposes the pressure of the army high command and, very likely also, the strata of industrial managers who run heavy industry.

So far as the industrial managers in this branch of industry were concerned, their prestige and importance were challenged by the shift to light industry, and any errors in production and poor quality of output could not be so easily hidden under a protecting cloak of statistical figures.

From the viewpoint of the army high command, any extensive shift to light industry meant a curtailment of output for the armed forces, since so high a percentage of Russian industrial production is geared for armaments.

And from the viewpoint of the old guard Stalinist party apparatus, the turn toward any large degree of consumers goods does not solve the problem of raising the living standards of the masses and only creates all kinds of problems of controlling the apparatus, the peasantry and the workers. When there is no enforced march toward the development of heavy industry, when the emphasis is on "enjoying life," the problem of enforcing discipline at all levels of the Russian economy becomes a serious one.

5

BUREAUCRATIC COLLECTIVISM'S PERMANENT CRISIS

Trotsky once remarked that in developing heavy industry at a forced pace while starving agriculture and consumption Stalin was lodging profound disproportions into the very foundation of the economy. And that is the heart of the Russian crisis. The bureaucracy cannot even think of seriously correcting the disproportions between heavy and light industry, between industry and agriculture, without bringing about a social upheaval at the same time that would threaten privileges and power of the ruling class. And this is what it is not prepared to do.

On several occasions in the past we have commented on the way in which Khrushchev is solving the agricultural crisis. It is Stalinist to the very core. For its essence is to increase the compulsive power of the state over the peasant.

In the republic of Kazakhstan, ruled over by Khrushchev's deputy Ponomarenko, the regime is settling tens of thousands of new farmers. But they are not being installed into collectives; they are pushed into a new form of state farm formed around the nucleus of the machine-tractor stations.

Without a doubt, the thousands of new acres sown to grain in this territory will produce grain, but the transplanted farmers are even more at the mercy of the totalitarian state than the peasants in the old settled areas of European Russia. And just as Stalin built Russia's heavy industry in the thirties by beating the peasants into submission and hunger, Khrushchev now will continue to build Russia's heavy industry with the very same methods.

Khrushchev's new line is so full of contradictions that they are apparent even to the inexperienced eye. For example, the farmers have been given new money incentives, but the production of consumption goods is being cut down. What will the peasants do with their modest increase in income? And as for the workers, they must now even give up the hope, the prospect that was offered by Malenkov, of an improvement in conditions.

Of course, should the workers lag, and the peasants turn to their private allotments, Khrushchev has the answer. He can continue to send more thousands of party workers into the countryside and he can once more let loose the secret police.

This is the ineradicable general tendency of the development of Stalinist society, determined by its ineradicable contradictions; and while there have been and will be all kinds of zigzags, detours and relaxations in the course of its working-out, the motor of Khrushchev's ascendancy over Malenkov was powered by the force which it generated.