

Fourth International

The Conference of the Fourth International *Resolutions and Proceedings*



The World Famine, Nuremburg Trials, Atomic Energy

June 1946

25 Cents

Manager's Column

In the first six weeks of *Fourth International's* 2-month campaign for 500 new subscribers, we have received a total of 336 new subscriptions. As the scoreboard shows we are 10 percent behind schedule. By this time, we should have 75 percent of our quota.

Here is the scoreboard up to May 15:

SCOREBOARD

City	Quota	Subs	Percent
Milwaukee	5	8	160
Newark	20	21	105
Boston	10	10	100
San Francisco	25	25	100
Tacoma	5	5	100
Pittsburgh	15	14	93
Connecticut	10	9	90
Philadelphia	20	15	75
Youngstown	20	15	75
Akron	10	7	70
Baltimore	10	7	70
Detroit	40	26	65
New York	100	61	61
Chicago	50	30	60
Bayonne	10	6	60
Reading	5	3	60
Minneapolis	25	15	60
San Diego	5	3	60
Buffalo	20	10	50
Flint	10	5	50
Los Angeles	60	17	28
St. Louis	5	1	20
Cleveland	10	2	20
St. Paul	10	2	20
Seattle	20	2	10
Allentown-			
Bethlehem	5	0	0
Toledo	10	0	0
Portland		2	..
General		15	..
Total	336	67	

Campaign Directors from almost every city have written in that they are confident of making their quota by June first. It is therefore a question of putting on extra pressure to carry through campaign plans as expeditiously as possible. Newark and San Francisco, both of which have already completed their quotas, have put on well organized campaigns. Anne Alexander reports on methods used in San Francisco as follows: "We too have combined our *Militant* recall work with F. I. sub getting. Besides that, I have made a very careful check of the files and picked those most likely to be interested in a theoretical magazine. Next week I am going to visit these people and see what happens."

Newark sent sample copies of the May F. I. to a list of *Militant* readers with a special letter, enclosing a subscription blank and a self-ad-

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dressed prepaid envelope. However, Campaign Director Reed points out that this method is being tried out after the original quota of 20 was completed. He writes: "We have now gone over our quota of 20 and claim first place over Buffalo, Philadelphia, Youngstown and Seattle with similar quotas. We were too busy getting subs to issue formal challenges, but results count. Moreover eleven of these subs are \$2.50 one year *Fourth International-Militant* combinations. We will now try to claim a further victory by turning in the highest number of subs of these five cities."

Congratulations to Boston, Newark, San Francisco and Tacoma on reaching 100 percent! Milwaukee, which went over its quota in the early weeks of the campaign, has plans to continue sub work, according to Director Carol Andrews.

* * *

As reported in this column last month, a number of challenges were given and accepted by cities with similar quotas. Buffalo, challenged by Youngstown and Philadelphia, replied: "Please inform our many challengers that we take all comers and may the best city win! As an indication that we mean business, ship us more sub blanks without delay." The results of the socialist competition between these 20-quota cities so far are: Newark, 105 percent, Philadelphia and Youngstown, 75

percent, Buffalo 50 percent, Seattle 10 percent.

Youngstown's campaign director, Mark Farrell, accompanied his last batch of subs with this query: "What's the matter with Buffalo?" It will be interesting to watch the neck and neck race between Philadelphia and Youngstown, each of which has 15 subs.

San Francisco, challenged by Minneapolis in a letter published here in the May issue, has won out. L. Lynn, Minneapolis campaign director, says he doesn't know how San Francisco did it, for "Minneapolis has been putting a lot of work into this campaign."

Although San Francisco reached 100 percent first, it behooves Minneapolis to regain their well-established prestige by turning in a larger total number of subs by the end of the campaign.

Two cities which were assigned no quota in this campaign have not only asked to be included but have challenged each other. John Leavitt, Baltimore F. I. agent, having read our suggestion that his city enter into competition with Portland, replied: "I received our copies of the F. I. tonight and read with the greatest pleasure your proposal that we take up the challenge that Portland has thrown into the ring. So before any other city gets ideas, I am writing you to accept the offer on behalf of Baltimore. Since we have

drawn up a list of some fifteen names and have seven subs into the bargain as a handicap, and since we expect a good many call-backs on *Militant* subscribers and intend to follow Newark's suit in getting combination subs, we feel sure that ten is well within the possibilities of realization.

"Will it be possible for you to raise our quota, though it is already established? We would like to hear if Portland is willing and able. East is east and west is west and never the twain shall meet, all in the spirit of a good cause."

To which Portland replied: "We accept your latest challenge. Portland is willing—we don't know if we are able to meet the raised quota but we will try. We hope to prove that east and west shall meet."

* * *

Extracts from F. I. campaign directors' letters:

Cleveland, I. London: "We are planning to call back on the F. I. and *Militant* expired sub lists. We will surely reach our quota."

Connecticut, William Singer: "Here are two more subs—that makes nine up to now. We expect to go way over our new quota of 10. All our subs are from *Militant* readers. We are not doing so badly in Connecticut!"

Pittsburgh, Ruth Massey: "We mean to beat Connecticut on a percentage basis, since they have suggested competition. Here is our fourteenth sub, which brings us to 93 percent."

Tacoma, R. Cappy: "With this sub Tacoma has attained its quota. However, we don't intend to stop here. We will do all we can to push the F. I. subs and go over the top."

Los Angeles, Al Lynn: "I am very glad that we decided on subscriptions as the way of increasing the circulation. It is true that many people who would be interested in the F. I. do not know about it. At the same time due to the excellent analyses of strike events and the international situation, I believe that the magazine is, more than ever before, an attraction to the advanced militants in the labor movement."

Philadelphia, Herbert Newell: "Besides our campaign work, we have a few more newsstands carrying the F. I. now. Wherever the magazine is displayed, it sells well. Please increase our bundle order to 40."

* * *

In the July *Fourth International* we will give the final scores on the campaign. We expect not only to attain our goal of 500 new 6-month for \$1.00 subscriptions but to exceed it!

FOURTH INTERNATIONAL

VOLUME 9

JUNE 1946

NUMBER 6

REVIEW OF THE MONTH

The Conference of the Fourth International— World Famine—The Nuremburg Trials

The Conference of the Fourth International

A GREAT LABOR CONQUEST

The International Conference which convened in Belgium in April is a great conquest for the Fourth International, the world party of the socialist revolution. This Conference was held in the face of seemingly insurmountable obstacles of the postwar period. Despite all the hardships and difficulties, it was a more representative gathering than the Founding Conference of 1938. Participating in the work of the 1946 Conference were delegations from the principal European sections, France, England, Holland, Belgium, Germany, Spain, Ireland and Switzerland; in addition there came representatives from the Western Hemisphere and from colonial countries.

In this issue we proudly publish the main political document, "The New Imperialist Peace and the Building of the Parties of the Fourth International," together with the other resolutions adopted by the Conference and a partial account of its deliberations. The Conference also instructed the newly elected International Executive Committee to draft a Manifesto, the text of which was published in the May 11 issue of *The Militant*. It will soon be made available in pamphlet form by Pioneer Publishers. We urge every reader to carefully study these documents.

They are basic to a correct understanding of the entire period ahead. They, like the Conference itself, express the authoritative views of world Trotskyism. As a system of ideas and as a living organization incarnating these ideas, the Fourth International wields authority by virtue of its unswerving loyalty to the program of Marxism and the traditions of the Russian Revolution. The Fourth International alone can speak with authority in the name of proletarian internationalism because it alone held up this banner in the interval between the two world wars and throughout the war years. It alone was able to swim against the stream in this era of tragic and catastrophic defeats; it alone proved capable of understanding, analyzing and assimilating the lessons of contemporary history. That is why it was able to withstand the crucial test of war. All the others fell by the wayside.

The Manifesto of the International Conference correctly states:

The Second International disappeared without a trace and the Social Democratic parties within it became transformed into miserable propaganda agencies of Anglo-American imperialism. The collapse repeated in more grotesque form its performance of 1914-18. The Third International, after being corroded by years of betrayal,

was merely traded out of existence by Stalin in exchange for Wall Street's Lend-Lease.

All the centrist organizations, like the London Bureau, simply broke up into their component parts.

THE MESSAGE OF TRUTH

Never was truth needed more urgently than today, above all the truth about the system in which we live. Yet from all sides are heard the voices of corruption and betrayal, of confusion and prostration, of weakness and hysteria, of deception and falsehood. *We hail the International Conference because at this moment of gravest crisis it brings the agonized peoples of the world its message of truth and hope.*

The Dark Ages once stood as a popular symbol for unspeakable infamies, horrors and suffering. But the Dark Ages never plumbed the depths of human degradation to which capitalism has sunk. Against the background of miracles of science, amid untold wealth accumulated so painfully through the centuries, at a time when society disposes of a productive apparatus capable of flooding the earth not only with necessities but luxuries—in such circumstances the gangrene of an outlived system is seeping through every pore of the social organism; the very atmosphere is poisoned by fumes of decay; civilization is being drained of all its vital juices. The abominations and villainies of monopoly capitalism have hurled mankind so far back that the human mind is stunned, unable for the moment to grasp the enormity of the disaster.

The bestial visage of monopoly capitalism has fully revealed itself in an unprecedented wholesale destruction of material and spiritual values. Practices and happenings from which men used to recoil in horror have become established as the norm and are being accepted as commonplace.

THE DISASTER OF CITIES

From the dawn of civilization the human consciousness has been shocked by natural calamities, especially those that befell cities. Because these are the hearths of culture and progress and have always been cherished as such. Records and historical accounts of disasters that befell cities have come down from antiquity to modern times. The shelves of libraries are filled with factual and fictional material on this subject. The fate in 79 A.D. of Pompeii, a small Roman vacation resort at the foot of volcano Vesuvius, has been remembered through the centuries. The news of the great Lisbon earthquake of 1755 (between 10,000 and 20,000 lives lost; damage, \$100 million) made such an impression on the German poet Goethe, a child of six at the time, that he recalled it to his dying day. Hollywood periodically produces films

based on the Chicago fire of 1871 (no fatalities listed; damage, \$196 million) or the San Francisco earthquake and conflagration of 1906 (452 lives lost; property loss of \$350 million). But we have just witnessed the man-made destruction, amid patriotic cheers, of city after city in Europe and Asia. The exact number of victims and the extent of material damage will probably never be known.

The imperialist bourgeoisie has become habituated to acts to which the greatest stigma has universally been attached. Bourgeois historians still shed tears over the burning of the great library of Alexandria by the Arabs in 640 A.D. But the imperialist incendiaries have put to the torch more irreplaceable treasures and monuments than all the vandals of the past.

Not so many years ago the destruction of a single French cathedral was accepted in certain circles as incontrovertible indictment of the *Kultur* of the Kaiser. The very same people have in the space of a few years spread devastation unequalled by all the man-made and natural catastrophes recorded in the annals of history. At this very moment the super-vandals of Wall Street are busy preparing weapons for subjecting the remaining cities on earth to the same treatment they accorded Nagasaki and Hiroshima.

THE "CULTURE" OF CAPITALISM Yet we still hear talk of culture. This indecency comes from the lips of those who continue to support capitalism in the name of "democracy." If these are not the greatest enemies of culture who have walked among men, then ordinary words have lost all their meaning and the human mind all its capacity to reason.

Abstract talk of "humanism" and "humanitarianism" today is brutal mockery. Queen Antoinette, as is well known, advised the starving French people to eat cake if they couldn't obtain bread. In this single phrase is laid bare the completely anti-social character of the feudal regime. But the French queen was a humanitarian in comparison with such gentlemen as the U.S. Secretary of Agriculture. Reporting before a Congressional committee on the plight of men, women and children now starving by the millions, Mr. Clinton P. Anderson remarked: "Some people are going to have to starve. We're in the position of a family that owns a litter of puppies; we've got to decide which ones to drown." In this inability to any longer differentiate between animals and human beings is to be heard the genuine voice of the completely degenerated capitalist class, anti-social to its marrow.

The list of material and spiritual values reduced to muck and gore by the capitalist cannibals is far too long to enumerate. Is there a single ideal that has remained inviolate? If any truth is absolute for our generation it is that for mankind to live, capitalism must perish.

We hail the International Conference because it summons to a mortal struggle against capitalism. The simplest as well as the loftiest concepts of morality, ethics, etc., have no meaning today except in relation to the basic problem of our generation, namely, the life-and-death fight to abolish capitalism. As old Spinoza long ago pointed out the will is inseparably bound up with intellect. The impairment of the former inescapably leads to the disintegration of the latter. The distinctive trait of the revolutionary vanguard is its inexorable will to struggle. It expresses thereby in the most concentrated form the character and historic mission of its class. Among the irrefutable proofs of the virility and power of the world Trotskyist movement is that its will to struggle remains unimpaired.

THE WILL TO STRUGGLE

The masses have no way out from the charnel house of capitalism except through struggle. They have risen time and again, only to be defeated. Why? Because their fighting capacity was invariably sapped by their treacherous leaderships. Today, none renders greater service to the imperialists, than the completely prostituted Stalinist parties. But the Stalinists are only the main detachment of the army of prostitutes in the service of the rulers. Their efforts are supplemented in each country by the native variety of Social Democrats and official trade-union leaders. In their wake follow the scientific, academic, journalistic and other intellectual prostitutes for bourgeois "democracy," "morality," "humanism," "ethical values," etc., etc.

We hail the International Conference for preserving intact the main guarantees of the coming victory—the principled program of the socialist struggle and the strategy and tactics of the Transitional Program. The principles, strategy and tactics of the Fourth International were not copied from books nor sucked out of anyone's thumb. They are the product of all the past proletarian struggles, victories as well as defeats, periods of flood-tide as well as of ebb. They represent the generalized experience of the class, the theoretical and political capital handed down from one generation of the proletarian vanguard to the next. They have been tested and re-tested in the fire of events. They have been amended, perfected or altered only to the extent that the historical process itself so dictated. Principled irreconcilability distinguishes Trotsky's movement from all others, just as it distinguished the movements led by Marx and Lenin. Ours is the orthodox school of Marxism. This must not be understood to mean, as our vilifiers and enemies contend, that we consider our program immutable. No. We adapt the program to the needs of the struggle and bring our analysis up to date in conformity with the events. But we cling to Marxism as the one fundamental analysis of capitalism and society, as well as the one fundamental revolutionary program which has been vindicated in the fires of great experiences and struggles. And by the same token we contemptuously reject all light-minded attempts to overthrow it or discard it.

THE BOLSHEVIK ORGANIZATION

We furthermore note with satisfaction that the International Conference reiterated its determination to build Bolshevik-type parties—the main instrumentalities of the revolution. The organizational principles and structure of Bolshevism were created by Lenin. Half a century ago, when Lenin first began building the Bolshevik Party, failure to grasp its historic role was understandable. Today, after the Russian Revolution, opposition to a democratically-centralist proletarian party is the hallmark of an opportunist. The Fourth International remains in this respect as in all others the only legitimate heir and continuator of Bolshevism.

Finally, we hail the International Conference for its unswerving loyalty to the spirit of internationalism. Marxists attach the greatest value to the international ties of the revolutionary proletariat not out of abstract ethical considerations, but because all the burning problems of society permit of solution only on a world scale. Because of the anti-democratic Voorhees law, the Socialist Workers Party in this country is not affiliated with the Fourth International. But as is clear from our position, we are in complete solidarity with the political ideas and the decisions adopted by the International Conference.

This historic gathering marks a new stage in the development of the world Trotskyist movement. The building of the

world party of the socialist revolution was begun in 1928 by small propaganda groups. The tempo of the pre-war epoch forced the revolutionists all the way back to the Marxist circle phase. Recruitment was restricted to individual selection on the basis of theoretical discussion. For a decade the various groups remained almost hermetically sealed from the labor movement. The Founding Conference of the Fourth International in 1938, which adopted the transitional program, laid down the tactical line for the parties to break out of their isolation and win the leadership of the masses. This phase was cut across by the war which furthermore imposed an enforced separation upon the various national sections.

THE NEW PERIOD AHEAD

This International Conference liquidates the conditions of enforced separation caused by the war and enables the movement to move forward once again as a united striking force on the world arena. The tempo of the post-war epoch differs radically from the tempos of the pre-war and war periods. The revolutionists have now to adapt themselves not to conditions of isolation, slow growth, and the onrush of reaction but to the epoch of greatest revolutionary convulsions and greatest opportunities for building the revolutionary parties. Historical circumstances have for years placed monstrous obstacles in the path of the Fourth International. Many of these still remain. But the movement that was able to emerge from conditions of war and savage persecution, stronger in numbers (despite proportionately huge losses) and more tempered ideologically (despite the disruption of all connections) will have the strength to win the leadership of the masses and go forward to the socialist revolution.

The World Famine

THE UNIVERSAL FOOD SCARCITY

The imperialist press no longer denies that there is a catastrophic universal scarcity of food. Official proclamations acknowledge that 500 million human beings are affected and President Truman declared in February that "more people face starvation and even actual death for want of food today than in any war year and perhaps more than in all the war years combined." But the truth is that double and even treble that number are involved and that many more may die than ever died before.

May issue of *Fortune* magazine, whose circulation is highly restricted, contains an illuminating article entitled, "The Food Scandal." According to this article "critical" conditions—that is, widespread famine—prevail in China, India, Malaya, Korea, Burma, Java, Philippines and Japan; and on the European continent in Germany, Austria, Italy, Spain, Poland and Portugal. Listed among countries that verge on "critical" are: the USSR, France, Czechoslovakia, Bulgaria, Belgium, Yugoslavia, Rumania, Finland, Hungary, Greece, Indo-China and Siam. These countries embrace the overwhelming majority of the world's population. The bulk of mankind is thus already living in conditions of a world famine.

Pronouncements by Herbert Hoover and President Truman about the duration of the famine are false. They depict the situation as if it will endure only for a period of approximately 100 days, or until the new harvests come in. The above-cited *Fortune* article sums up as follows the report of the Combined Food Board at the recent UNRRA convention in Atlantic City:

Starvation and hunger are inevitable for large groups of populations of Europe and Asia. The world bread-grains crisis will not end in

1945-46. The 1946-47 outlook gives cause for continuing profound alarm, especially since stocks will have been reduced to the minimum.

The consensus of authoritative capitalist opinion is that even under favorable conditions the situation may not be ameliorated before 1948. Given the best possible weather conditions, the recovery of agriculture in Europe and Asia would nevertheless be seriously retarded by the devastation of war, by poor seed, lack of fuel, feed and fertilizer, by shortages in manpower, agricultural equipment, draft animals, etc. etc.

The London *Economist*, foremost capitalist economic publication in the world, warns in its April 6 issue of the danger that "the next year may be even worse than this year," and goes on to add:

Only a coincidence of fortune as good next year as this year's has been had can secure an improvement. Any more bad luck will ensure a measureless calamity.

THE SITUATION IN MEATS AND FATS

The meaning of these words is plain enough. Let us analyze more closely the basic factors of this "measureless calamity." The production of meats, fats and oils is obviously difficult to restore and requires several years. The imperialist rulers of the world do not even bother to pretend otherwise. The official British White Paper on the world famine, euphemistically entitled, "The World Food Shortage" admits that "world supplies of meat may be expected to continue short of world requirements for some time."

So far as fats are concerned, the same authority declares:

Compared with before the war, the supply of vegetable oils is below normal from the Far East, from India and from tropical Africa. European production of animal fats has fallen off. Whaling was interrupted during the war, and this year's production has been interrupted by severe weather. World exports of fats in 1946 will be little more than half of prewar. . . .

The sole hope therefore lies in supplies of cereals. Yet it is precisely here that the shortages are most acute.

The production of wheat in Europe (excluding the USSR) has dropped to approximately half of pre-war levels. The Food White Paper estimates that 1945 crop failures in India amounted to 25 percent; in South Africa, 40 percent and in French North Africa, 70 percent. The latter area, normally an exporter of wheat, has been and remains a famine area. India alone requires immediately 4 million tons of wheat in order to maintain rations of 960 calories. This is the estimate of the Indian Food Delegation which came to the United States to buy wheat and which had to return home virtually empty-handed.

The world's chief exporters of grain are the United States, Canada, Argentina and Australia. But Argentina's last harvest was only 60 percent normal, while Australia suffered a decline of almost 20 percent. At the same time, Canada's bumper crop failed to materialize. Only the United States, which has harvested six consecutive bumper crops, has been able to maintain its agriculture at high production. The world wheat stocks in these main exporting countries have meanwhile declined by more than half—from the peak of 45.5 million tons in 1943 to 22.4 million in the current year.

THE STOCKS OF U. S. AND CANADA

The bulk of these stocks is in the United States and Canada, the only countries today which can still assure their populations a diet above subsistence levels. A poor crop in the United States in 1946-47 would not only aggravate shortages at home but extend the duration of the world famine well beyond the year 1948.

With respect to rice, the situation is even worse. Japan, normally an importer of rice, has suffered a decline of one-third in her harvests. India is two million tons short of her pre-war rice output; China, more than six millions.

The chief rice exporting countries are Burma, Siam, French Indo-China, Korea and Formosa. If these countries were able to maintain their rice exports at pre-war levels, the total would not cover even the current crop shortages. But they are not in a position to export. The British Food White Paper asserts:

In the three leading rice exporters, Burma, Siam, and Indo-China, which normally exported six million tons annually, this year's crop will barely suffice for domestic needs.

It then goes on to estimate that "total export supplies (of rice) in 1946 amount to 2.4 million tons," and adds: "Recovery will be slow." This means that countless millions in the Orient are doomed unless they obtain wheat. But they will get only an infinitesimal fraction of what is needed.

London and Washington fix the total amount of wheat necessary to tide over this year at "about 32 million tons." This arbitrary figure falls far short of the actual requirements. From all the available data, it would cover merely the needs of Europe. For Europe's 1945 harvest (excluding the USSR) was 28 million tons below the pre-war average of 59 millions. To this shortage of 28 million tons must be added the 4 million tons of imports without which Europe was unable to get along with pre-war harvests. This shortage of 32 million tons is, if anything, an underestimate for Europe in view of the lack of meats and fats. As a matter of fact, food experts last year fixed Europe's 1946 needs at 50 million tons (*Time* magazine, April 2, 1945). The British Food White Paper estimates Europe's current needs at 15.6 million tons, or less than half the normal pre-war levels.

THE REMAINING "DEFICIT" AREAS

This leaves only 16.4 million tons for the remaining "deficit" areas—the Far East, India, South Africa and North Africa. The actual amount required is unquestionably at least double this figure, since not less than 16 million tons are needed simply to make up for the wheat and rice crop shortages in Japan, China and India. North Africa was unable last year to avert famine conditions with imports of 2 million tons. It needs at least this amount again. This still leaves other areas unaccounted for, namely: South Africa, Philippines, Malaya, Java, etc. etc. The official over-all estimate of 32 million is therefore arbitrary and obviously computed on a basis far below minimum nutritional levels. There is more than ample evidence to prove this. Suffice it to cite *Times* correspondent Cabell Phillips who wrote from Washington that "the hungry nations require approximately 20,000,000 tons of wheat between now and the end of July *simply to hold the line against starvation*. The maximum available from all visible supplies is between 11,000,000 and 12,000,000 tons." (*New York Times*, April 28. Our emphasis.)

In other words, the official estimate of 32 million tons is utterly fictitious. But even this amount is not forthcoming. A "deficit" of 8 to 9 million tons is acknowledged by the British White Paper which envisages the *maximum* possible export in 1946 of 23.7 million tons of wheat. This deficit signifies the margin between life and death for more than one billion human beings. The truth is that the perspective of "holding the line against starvation," that is, of maintaining hunger rations, the best that can be hoped for by the peoples of the Far East, India, South Africa, North Africa and Europe is growing dimmer and dimmer.

A SUMMARY OF THE FACTS

Here is a succinct summary of the situation as given by the May *Fortune* magazine:

When the wheat needs of deficit countries for the first half of 1946 were estimated at 17 million tons last year, the United States promised to ship six million tons, at the rate of a million tons per month. Other surplus producing nations, principally Canada, Argentina and Australia, were supposed to match this amount, leaving an anticipated shortage of five million tons that the world's hungry people would just have to do without. But by mid-March the estimated needs had risen to 21 million tons, the anticipated shortage to nine or ten million; and the United States was behind in its shipments by at least 250,000 tons for the year's first quarter.

"Shortages" keep piling up on "shortages." The actual wheat shipments from the United States are just as far below the promises as the official estimates are below the real needs. According to official Department of Agriculture figures (*New York Times*, May 8), total US wheat shipments for the current year have been:

US WHEAT SHIPMENTS (in millions of tons)

	<i>Shipped</i>	<i>Promised</i>
January	1.047	1.000
February892	1.000
March892	1.000
April625	1.000
May (first week)100	.250
TOTAL	3.556	4.250

Thus, by the first week in May, US shipments were 694 thousand tons behind. Literally with every passing day, the margin between life and death is growing thinner and thinner for the world's hungry people. It is noteworthy that the abrupt decline in US wheat shipments took place almost simultaneously with the public proclamation by President Truman of the world food emergency and the adoption of measures that would allegedly increase wheat exports (increase in extraction rate of flour, cuts in weight of bread loafs and other "economy" measures). But the editors of *Fortune* calculate that fully one-half of available US wheat is being hoarded in expectation of higher prices.

AN UNPRECEDENTED WORLD CATASTROPHE

A famine of such cataclysmic proportions has never before afflicted society. For a parallel one would have to go back in the annals of history to a "universal famine" recorded in 879 A.D. In more modern times famines have ravaged Czarist Russia and Asia, primarily China and India. It has remained for "democratic" imperialism—whose spokesmen had promised "Freedom From Want"—to bring about a world-wide famine in the "civilized" Twentieth Century that overshadows all the natural disasters of the past put together. Throughout the planet millions are perishing and must continue to perish from hunger. The only thing that remains in question is the final number of victims and the extent to which it may be possible to keep down the colossal toll of hungry death.

* * *

This is a man-made famine. The responsibility for it lies squarely upon the shoulders of the imperialists who unleashed the Second World War. The same people who cynically promised "Freedom from Want" anticipated the famine, and from the first made use of it for their own predatory purposes.

In May 1945 the editors of *Fortune* wrote:

The Allied war chiefs knew that the liberation of Europe was bound to produce the most violent dislocation of history. . . . That the Allies would have to arrive with civilian supplies, with food and raw materials, was generally understood.

The Allied war chiefs made skillful use of this "knowledge." Thus in August 1940 Winston Churchill pledged that "we can and will arrange in advance for the speedy entry of food into any part of the enslaved area." He told the peoples of Europe, including those of Germany and Austria, to rest secure in "the certainty that the shattering of the Nazi power will bring to them all immediate food, freedom and peace."

The American imperialists harped on the same theme. After the invasion of North Africa, *Victory*, OWI's propaganda magazine, drew the following picture of what happens upon the arrival of the Allies:

Food distribution centers, community restaurants, and clothing centers were set up. . . . Thousands of tons of sugar, powdered and condensed milk, wheat and concentrated vitamin preparations arrived for distribution to civilians. . . .

When the reality of Allied occupation of Italy (and later in the rest of Europe)—with food rations below those under the Nazi regime—came into glaring contradiction with these glowing pictures, the OWI abruptly ceased making any more promises. *In place of food the "liberated" peoples received Allied bayonets.*

THE FACTS WERE SUPPRESSED

In August 1945 the International Wheat Council, which met in London, warned of an over-all wheat shortage. Its figures were suppressed. Washington continued the policy of restricting wheat acreage. Historians of the future will record that amid the greatest world famine in history farmers were subsidized not to produce wheat above their quotas.

According to the English Food White Paper "the full gravity of the position became apparent in mid-December 1945." Again the news was suppressed. Instead Herbert Hoover was sent abroad as Food Commissioner. His task is not to feed the masses of starving people but to repeat his performance after the First World War when he doled out soup-kitchen relief to crush the revolutions in Europe.

Following the armistice of World War I, Woodrow Wilson obtained \$100 million from Congress for European relief. As head of the American Relief Administration, which functioned until June 1922, Hoover used the funds in large measure to supply the White Guard armies in the Russian Civil War of 1919-21. He failed in the attempt to overthrow the workers' state established by Lenin and Trotsky, but he did succeed in destroying the Soviet Republic in Hungary and intrenching there the dictatorship of Horthy. In Poland he backed Pilsudski. He aided the Finnish counter-revolution and was instrumental in stabilizing the bloody rule of Mannerheim.

THE SITUATION IN WORLD WAR II

The American imperialists accomplished their work in Europe at a relatively cheap price at the time. Europe's condition was not as catastrophic after the First World War as it is today. The export of 5 million tons of foodstuffs in a period of 8 months following the 1918 armistice helped to eventually stabilize capitalism in 23 countries. Much greater amounts of food are now required. All the more ruthlessly will the American imperialists starve those peoples to death who refuse to submit to the continued

rule of capitalism. At this stage, Hoover's survey is primarily intended to select those areas in which food may be wielded most effectively as a club against the resurgence of revolutionary movements. Simultaneously he has another job to perform: to organize Western Europe as a base against the Soviet Union.

The American people are today again being inundated with propaganda, this time to help feed the starving masses of the world. The American imperialist masters have cleverly integrated this campaign with their over-all strategy of subjugating the world and propping up the rule of decayed, reactionary capitalist cliques. They aim to kill many birds with the one stone of this propaganda: To throw off their own shoulders the guilt for the world famine; to pose as noble humanitarians eager to alleviate the terrible plight of mankind; and, with a typically cynical trick, to make the overworked, underpaid, exploited American masses themselves responsible for the sufferings of the peoples of the world. If women and children are starving, that is not because a crew of imperialist madmen and incendiaries, Hitler and Roosevelt, the Mikado and Franco, Churchill and Mussolini, aided and abetted by Stalin, set fire to the world and burned the substance of its wealth. Oh no! That is because the American workers and farmers are eating too much!

This hypocritical campaign is raging while the government is permitting the food billionaires to hoard food in order to force through higher prices and while farmers are being subsidized to restrict output.

It is time that the American labor movement demand an end to this imperialist farce. It is time that the American labor movement take into its own hands the problem of feeding the starving millions of the world. Labor can accomplish this only if it launches a genuine struggle to have the whole problem of famine relief taken out of the hands of the imperialists and their agents and placed under the control of a popular organization representing the trade unions, the housewives, the small farmers. Only such a body will take the necessary steps to insure the production of maximum food and its proper allocation for relief purposes. Only the labor movement working through the trade unions, co-operatives and other mass organizations of the various countries, can insure fair and equitable distribution of food to the starving peoples of the world.

The Nuremberg Trials

ORIGINS OF WAR GUILT

The rulers of the past were not greatly concerned about assuming responsibility for the wars they waged. Not infrequently they boasted about it. They conducted military hostilities with relatively small professional armies or mercenary troops; the theater of war likewise remained restricted, with the population behind the lines left as a rule unaffected directly. But for the capitalist rulers the question of justifying their wars and disclaiming all war guilt is of first class importance. Modern wars are waged by entire countries and continents and the civilian population of city and countryside is engulfed. The havoc, suffering, sacrifices, victims as well as the equally fearful consequences of war engender almost automatically universal indignation and speculation concerning the causes of these holocausts and the means of abolishing them forever. Such thoughts are highly dangerous to rulers whose social system gives rise to war as organically as the liver secretes bile. The American imperialist bourgeoisie has been quite skillful and fertile in its efforts to divert attention from the true aims, origin and causes of its wars, and its own criminal complicity.

Among the elaborate devices serving this purpose of deception is the months-long Nuremberg trial of twenty-two top Nazi officials by the "International War Crimes Tribunal." If the task of Wall Street's diplomacy at the beginning of the war was to create the appearance that war had been forced upon this country by the "aggression" of the opposing side, then, at the conclusion of hostilities, the task of the legal chicanery at Nuremberg is to lay the entire war guilt at the door of the defeated rivals.

ALLIED IMPERIALISTS AT VERSAILLES

The idea of resorting to legalistic procedure, "international tribunals," etc., originated in the course of the First World War.

The plan at that time was to turn the German Kaiser into a scapegoat. The imperialist victors solemnly wrote into the Versailles Treaty (Article 227) that "The Allied and Associated Powers publicly arraign William II of Hohenzollern, formerly German Emperor, for a supreme offense against international morality and the sanctity of treaties." They pledged to constitute a special tribunal, extradite the Kaiser from Holland and place him on trial. But they never did.

In all likelihood the step was never seriously contemplated. At all events, such a trial would have proved far more embarrassing to the hypocritical prosecutors and judges than to the lone defendant. Not that the Kaiser was innocent, any more than are the Nuremberg defendants. But in the first place, the Kaiser was in a position to expose Britain's role in precipitating the first world conflict, in particular, the maneuvers whereby English diplomacy deliberately created the impression in Berlin that England would remain neutral, while spurring on Paris and Moscow by assurances of immediate entry into the war. Secondly, the European masses were then leading an intense political life. The proletarian revolution was triumphant in Russia under Lenin and Trotsky. The German revolution, which had overthrown the Kaiser, had not yet been shackled by the counter-revolution. Elsewhere in Europe the masses were seething. Into this white-hot atmosphere the Russian Bolsheviks flung their exposures of Allied war guilt through the publication of Czarist secret treaties with England, France and other countries. The trial of the Kaiser would have provided the powerful Communist movement of that day with an exceptional opportunity to unmask the war guilt of both sides. The victors of the war of 1914-18 remained content therefore with their "public arraignment" of the Kaiser and with inserting another clause into the Versailles Treaty which foisted the war guilt upon the people of Germany as a whole (Article 231).

ALL SPLOTCHED WITH CRIMES

Today the imperialist victors find a much more favorable situation so far as the staging of war-guilt trials is concerned. This is not because the present defendants are much more vulnerable from the standpoint of "international morality" than was the Kaiser, or for that matter, than those now sitting in judgment over them. They are all splotched with crimes. All their hands are drenched with the blood of countless millions.

Nor is it because the charge of "aggression" can be more readily proved against the Nazi butchers. As Lenin long ago explained, when two gangs of bandits arm themselves to their teeth against one another, it does not make a particle of difference which side strikes the first blow. Moreover, it is possible to play the role of aggressor and yet force an opponent into overt acts. This is precisely what Washington succeeded in

doing with regard to Japan. Weeks before Pearl Harbor, Roosevelt and his cabinet were unanimous in their decision to attack Japan. If they delayed it was only because "it was important, both from the point of view of unified support of our people as well as the record of history, that we should not be placed in the position of firing the first shot. . . ." These are the words of former Secretary of War Stimson who in the same document presented to the joint Congressional committee on the investigation of Pearl Harbor: "If there was to be war, moreover, we wanted the Japanese to commit the first overt act." (*New York Times*, March 22.) Pearl Harbor was the price they gladly paid for exactly what they wanted.

The explanation for the favorable position of the "democratic" imperialists is to be found not in the composition of the defendants but in the fact that they have nothing to fear either from the side of the Kremlin or the mass parties under Stalinist or Social Democratic leadership. On the contrary, the Kremlin and all its agents abroad are participating and collaborating zealously in the mockery of justice that is being perpetrated in Nuremberg. The Stalinists cannot do otherwise. How can they indict the "democratic" imperialists for the latter's war guilt without at the same time laying bare their own numberless crimes and betrayals of the world working class?

ONLY VOICE OF TRUTH

The only voice raised against the "democratic" and fascist war-makers alike was and is the voice of the intransigent revolutionary minority, the Trotskyists. This is why the Socialist Workers Party was so savagely persecuted during the war and 18 of its leaders were jailed by Roosevelt. This is why the Stalinists so vilely slandered the press that put forward the views of the SWP, while the postal authorities sought to suppress it. Among the post office exhibits produced to justify the cancellation of *The Militant's* second-class mailing privileges in 1943 was an indictment of all the war criminals. On October 24, 1942, *The Militant* printed an editorial: YES, PUNISH THE WAR CRIMINALS. The postal authorities deleted the paragraphs in this editorial which branded the "war criminals in Germany, the German ruling capitalist class," and then adduced the following quotation:

. . . The English imperialists are not waging a war to destroy fascism. In order to preserve their smallest colony they would readily destroy every democratic right at home. They are sending the masses into the slaughter only in order to preserve their empire. America's Sixty Families pursue aims no less predatory, reactionary and imperialist than do the Krupps, the Kirdorfs and Boersigs of Germany.

They all bear the real responsibility for the war. They are all equally guilty. They, together with their political representatives, are the war criminals.

We are wholeheartedly in agreement with the idea of bringing all these criminals and their respective Hesses to trial without delay. When the workers of all countries have said their final say, this is precisely what they will do. . . .

In 1940, before Stalin murdered him, Leon Trotsky wrote:

The butchers of the second imperialist war will not succeed in transforming Hitler into a scapegoat for their own sins. Before the judgment bar of the proletariat all the present rulers will answer. Hitler will do no more than occupy first place among the criminals in the dock.

The war-criminals who have staged Nuremberg and who now sit in the judgment seat will not cheat history. The world proletariat will yet put them in their proper place before the proper tribunal of revolutionary justice.

The New Imperialist Peace and the Building of the Parties of the Fourth International

Resolution Adopted by the International Conference, April 1946

The initial months of the period following the second imperialist world war already clearly show that the profound changes brought about by the latter have far from eliminated the difficulties and the contradictions which have convulsed the capitalist world, especially since the war of 1914-18. Despite certain existing weaknesses of the revolutionary workers' movement, there is no reason whatever to assume that we are facing a new epoch of capitalist stabilization and development.

On the contrary, the war has acted only to aggravate the disproportion between the increased productivity of capitalist economy and the capacity of the world market to absorb it. The war has aggravated the disorganization of capitalist economy and has destroyed the last possibilities of a relatively stable equilibrium in social and international relations.

By its total and world-wide character, by its duration, by the havoc it wrought owing to technical discoveries culminating in such a terrifying explosive force as that of atomic energy, this war has done more than any other historical event to wreck the economic and political structure of the entire planet. In the economic field, the impressive development of the productive

forces of certain countries, first and foremost the US, stands in sharp contrast with the almost total destruction of the productive apparatus of other countries, and the stagnation and decay reigning on the world market. On the social plane, the war has accelerated, on the one hand, the concentration of property in the hands of finance capital, and, on the other, the proletarianization of large layers of the petty bourgeoisie, either through the increased demand for factory workers, or through the economic ruination of these layers, resulting from famine and inflation.

Finally, on the plane of international relations, the war has brought about the collapse and the complete disintegration of German, Japanese, and Italian imperialisms, the crisis and partial disintegration of French imperialism, the weakening and serious decline of British imperialism.

Conversely, it has spurred the tremendous development of American imperialism and, on the other hand, the territorial expansion of the USSR and the growth of its effective influence over large sectors of Europe and Asia.

The World Economic Situation

The evolution of world economy during the war is characterized by two contradictory processes:

The productive apparatus has grown and has become concentrated in a number of countries, and new countries have undergone industrialization, while in other countries the economy has been weakened, disintegrated or destroyed.

The United States has profited the most from the role conferred upon it by the circumstances of the war as the creditor and supplier of all the "United Nations" and has thus developed its industrial apparatus, increased its productivity and *doubled its production* in relation to 1939.

Canada, the major part of whose economy is integrally linked with America's, has made a similar leap forward, doubling her industrial production in relation to 1940 and becoming the third commercial nation in the world, next only to the United States and England.

The autarchy in which the South American countries, primarily Brazil and Argentina, were forced to live during the war impelled them to speed up their industrialization. The same more or less marked process is to be observed in South Africa, Australia, New Zealand, India, Egypt and to a lesser extent certain areas of China and Indo-China.

On the other hand, the war has led to the destruction of European economy, above all that of Germany, which constituted its main base.

The European industrial apparatus has been destroyed or remains paralyzed by lack of power (coal, electricity), lack of raw material and by the decline in the productivity of labor owing to the deterioration of industrial equipment.

A great number of ports lie in ruins, together with the bulk of the land and maritime system of transportation.

Despite an apparent enrichment of the peasantry, the condition of European agriculture has not improved.

Agricultural production is declining for lack of fertilizer, machinery and labor.

The middle and well-to-do peasantry, despite the hoarding of depreciated currency, has been unable either to improve or replace their equipment, their livestock or their buildings.

The utter financial ruin is illustrated by the colossal debts of all the European states, their unbalanced budgets and inflation. The colossal war expenditures were financed through the abnormal lowering of the living standards of the masses, subjected to hunger rations, and through the capitalist states' absorbing (through taxes, loans) the income of the petty-bourgeois rentiers, and through growing deficits.

The increasing disproportion between the scarcity of mass consumption goods and unproductive expenditures for war needs, has culminated in a catastrophic depreciation of paper money and in a staggering rise in the cost of living in every European country.

Thus for Europe the balance sheet of the war adds up to unprecedented impoverishment, a colossal drop of her specific weight in world economy, which accentuates in the extreme her economic dependence upon other countries, America in particular.

Europe is not the lone sufferer from the war havoc and its consequences. The economies of Japan, Dutch East Indies and China have likewise suffered more or less profound shocks.

On the other hand, the disruption of trade relations during

the war and the immense need for raw materials and capital, have resulted in super-exploitation and led to an abnormal decline in the living standard of the colonial masses through food scarcities, famine and inflation.

Thus, the war facilitated the development and the concentration of the productive apparatus of certain countries, and above all the United States, raising the productive capacity of world economy as a whole to levels above those of 1939, but simultaneously it created the universal impoverishment illustrated by the colossal national debts in all countries including the United States, by inflation, by the crisis of agricultural production, and the resulting drop in the absorptive capacity of the world market.

The war has not only failed to resolve the crisis of the markets but, on the contrary, has enormously aggravated it.

Before American imperialism can exploit the financial-industrial potential it accumulated during the war on the world market and before it can attenuate the dangers flowing from the crisis and its social struggles, it must first establish its domination over this market by placing all capitalist countries—not only in Europe, but throughout the world—on suitable rations.

Conversely the purchasing power of these countries already greatly reduced by unremitting wartime impoverishment cannot

be restored without reconstructing their economy and without their regaining at least their former markets.

Under these conditions the most probable perspectives of the evolution of world economy may be outlined as follows: The revival of economic activity in capitalist countries weakened by the war, and in particular continental European countries will be characterized by an especially slow tempo which will keep their economy at levels bordering on stagnation and decay.

American economy will soon experience a relative boom, since it is the only country capable of satisfying the immediate needs of the world market. This fact will facilitate the full functioning of its productive apparatus.

However, this increased production will in a short while run up against the limited capacities of the domestic and world markets.

The United States will then head for a new economic crisis which will be more deep-going and widespread than that of 1929-33, with far more devastating repercussions on world economy.

The relations between the USSR and the capitalist world are not such as to favor and promote an economic revival on a capitalist basis. By striving to build its own economic zone, embracing these countries which are at present under its control, the USSR aggravates the commercial crisis of imperialism.

International Relations

The world situation is dominated by the power conferred by the war upon the United States and the USSR, and by their reciprocal relations.

The United States

The unlimited expansion of Yankee imperialism lies at the root of the prevailing disequilibrium and its further inevitable aggravation. Thanks to the circumstances of the war, American imperialism has effected a penetration throughout the world on a scale never before attained by any other imperialism, and it has actually become the principal manufacturer and banker of the capitalist world.

The United States has left all its imperialist rivals far behind. Thanks to the development and efficiency of its industrial apparatus, thanks to the monopoly of the principal raw materials, the means of transport and the abundance of capital at its command, it possesses an economic power which no capitalist market can long resist.

Moreover, the United States has become the world's foremost military power upon which crushing superiority is conferred by its new weapons, and especially those employing atomic explosives.

The pacifist and "liberal" mask previously assumed by Yankee imperialism in order to accomplish and facilitate its economic expansion no longer corresponds to the conditions of its present world expansion. In order to achieve and consolidate its domination of the world market, Yankee imperialism will be more and more often obliged to resort to open force, either to overawe or, if need be, to attack and crush anyone opposing its plans. Toward rival bourgeoisies and toward the USSR, American imperialism pursues a policy combining economic blackmail and military pressure.

Furthermore, American imperialism has become the most conscious and formidable counter-revolutionary capitalist power and the main prop of political and social conservatism. The

authoritarian and reactionary tendencies are taking shape and are being strengthened within the United States itself as well as in the rest of the world.

The ostensibly temporary anti-labor legislation enforced in the US during the war (anti-union and anti-strike laws, wage freeze) is tending to become entrenched as a permanent rule over the labor market.

In China, American imperialism supports militarily and openly the struggle of the reactionary government of Chungking to crush the revolutionary movement of the Chinese masses and to bring the whole country under its control.

In Japan and Germany, American imperialism manipulates the old reactionary and fascist apparatus as well as using the reactionary gangs of the center and the right.

In Italy at the moment it supports the liberals and the Catholics, financing at the same time the neo-fascist movement of the "Common Man" (l'Uomo Qualunque).

In Spain it tries to retain Franco as long as possible while preparing for his eventual replacement by the monarchy or an "authoritarian" democracy.

In all South American countries it patronizes and lends its support for the most part to the military dictatorships and in general to Bonapartist regimes. It assumes a "liberal" mask only in those colonial countries where it is endeavoring to supplant its imperialist competitors.

The "peace" plans of American imperialism consist in the consummation and consolidation of its conquest of the world market.

The United States has already begun to imprison the world through a network of politico-economic organizations, such as UNRRA, Food Agriculture Organization, the Stabilization Fund, the World Bank for Reconstruction, the UNO Economic Council set up at San Francisco with its auxiliaries, the Export and Import Bank and so on, backed by a permanent army and a system of land, naval and air bases, which wrest from every

nation a part of its sovereignty and which has the long-range aim of establishing the world hegemony of Yankee imperialism.

Nevertheless this tendency to turn the world into an American colony runs up against obstacles, both at home and abroad.

At home, the reconversion from war to peacetime economy, accompanied by lay-offs and wage cuts, gives rise to social struggles which in their turn impede economic recovery.

Abroad, American pressure provokes more or less vigorous resistance from the other imperialisms and above all from British imperialism, impelling the latter to intrench themselves within autarchic blocs and to resume economic warfare.

Moreover the struggle of the proletariat in the metropolitan centers, the national liberation movements of the colonial peoples, the USSR and the zone it controls, are additional factors thwarting the plans of the Yankee imperialists and contributing to the maturing of the crisis of American imperialism.

Thus the world expansion of the United States offers it only in the abstract the advantages of imperialist exploitation capable of unchecked and unlimited development. In reality it encompasses at the same time all of the contradictions characterizing the economic, social and political structure of world capitalism and all this serves to subject the United States to the gravest convulsions, and render it susceptible to every shock and crisis arising in any part of the world.

The Soviet Union

Facing the United States stands the USSR, which has withstood the test of the war thanks to the inter-imperialist antagonisms and thanks to the superiorities of its social system.

In spite of the indirect aid given German imperialism in its open struggle against the USSR by the Anglo-American imperialists, the acuteness of the inter-imperialist antagonisms did not permit the establishment of an effective anti-Soviet united front by the world bourgeoisie. The USSR greatly profited from this division and, based on its nationalized economy and planned production, was able to win the war against that section of imperialism which constituted the Axis. But in the course of the development of the war and due to its consequences, the conditions have been created for a more unified opposition to the USSR on the part of the world bourgeoisie as a whole than ever before; this time, under the leadership of the United States and Great Britain. The actual present position of the USSR can be understood only in relation to the whole complex of changes caused by the war, internally as well as internationally.

Nevertheless, despite its territorial conquests, the war has brought the following consequences to the USSR: 1. The war has enormously weakened the country's economy by "checking its development" (Molotov's speech on the 28th Anniversary of the October Revolution), by decimating the economy of the Ukraine, by wiping out one-sixth of the active population. At the same time, American economy doubled its production in comparison with 1940 and quadrupled it in comparison with that of the USSR. 2. The war has aggravated social differentiation by strengthening the bourgeoisified nationalist and reactionary elements, especially among the peasantry (millionaire peasants), the military caste, and the governmental summits of the bureaucracy.

On the other hand, the war (1) has facilitated the industrialization of other regions of the USSR; and (2) has roused broad layers of the population and lifted them from the rut of conservatism and passivity toward the bureaucracy and its regime, acquainting them with other ways of life and other ideas (Red Army fighters, war prisoners, soldiers in the armies of occupation in the different European countries) thus sharpen-

ing their critical faculties and stimulating tendencies toward self-assertion.

The war has marked for the USSR the abysmal debacle of the nationalist policy of self-sufficiency formulated by the theory of "socialism in one country," and at the same time it marks *the beginning of a period in which the fate of the regime established by the October Revolution will be definitely and finally decided.*

The Stalinist bureaucracy has sacrificed both the interests of the world revolution and the progressive improvement of the living standards of the Soviet proletariat for the sake of a policy which it presents to the masses as a *gradual and peaceful construction of a planned and state-ized economy in the midst of a capitalist world.* In reality, however, this policy corresponds only to the Kremlin's own interests as a privileged, bureaucratic caste.

The war has brought this disastrous experience to a close. The USSR was inflicted with the imperialist war despite the retreats, the concessions, and the betrayals of the revolution, whereby Stalin believed it possible to neutralize the world bourgeoisie.

The war has destroyed in large measure the gains so arduously achieved over a period of years by the Soviet masses in the economic construction of the USSR and has violently hurled back the latter.

In order that Soviet economy rise again, in order that this revival be accomplished without resorting to the exclusive or principal aid of American imperialism, which would take advantage of this opportunity to destroy the USSR's independence, in order that the USSR gain a certain protective cover against the pressure of world imperialism, the Soviet bureaucracy finds it necessary to extend its strategic zones and to draw on the economic resources of other countries, in Europe and Asia alike.

Inasmuch as imperialism has succeeded in maintaining a favorable relationship of forces throughout the whole war and up to the present time, the bureaucracy is seeking to counter-act this pressure as well as the reactionary attempts from within by the following means:

(a) By accelerating the reconstruction of Soviet planned economy (the new Five Year super-plan, 1946-50)

(b) By territorial expansion of the USSR.

(c) By bringing into its economic orbit a number of countries under its political and military control.

(d) By the activities of the Communist parties designed to neutralize the bourgeoisie of the capitalist countries and to prevent their being completely enslaved to American and British imperialism.

In its defense against both the external pressure of imperialism and of the internal reactionary elements, and in its effort to rapidly revive the Soviet economy, the bureaucracy's best chances for success lie in the economic contribution of the countries now under Soviet control.

The rapacious nature and the conservative, cowardly and reactionary policy of the Soviet bureaucracy were revealed from the first by its activity in these countries.

Instead of actively aiding the mass movement for the rapid accomplishment of the socialist revolution, the free unification of these countries with the USSR, the development and harmonious collaboration of their economy with Soviet economy, the bureaucracy has utilized this mass movement only as a reserve threat against the bourgeoisie and the reactionary cliques to which it has, in the first place, entrusted power.

In its initial attempts to introduce its economic control—

agrarian reform, expropriation of foreign capital, more or less extensive nationalization of industry, housebreaking capitalism bureaucratically from above, without calling for the conquest of power by the proletariat—in all this it has met with reverses.

The Soviet occupation and control have given an impetus, although in varying degrees, to civil war and the development of a regime of dual power.

Held in check on one side by the pressure of imperialism and by its own fear of the extension of the proletarian revolution, and driven by the necessities of the social regime upon which it rests, the Soviet bureaucracy pursues in the countries it controls an opportunist policy which, even while tending toward their structural assimilation, realizes the latter only slowly and partially, through a series of advances and retreats, hesitations and convulsions, and political and military crises, conditioned above all by the evolution of the relationship of forces between imperialism and itself.

Up to now the Soviet bureaucracy appears determined to defend in its own way its economic basis in the USSR and its maintenance of control over those countries which it regards as belonging to its own zone of influence. In the USSR itself this tendency is manifested in the strengthening of the dominant position of the center, personified by Stalin-Molotov and the leading fraction of the Communist Party (Zhdanov, Andreyev, Malenkov, Voroshilov, Beria, etc.), through the latter's reinforcement of its control in the government, the administrative organs, and the army; it is also manifested in the attempt to renew its ties with the masses through the decoy of a new left turn directed against the right. In the countries under Soviet control, this tendency manifests itself by the seizure of governmental levers by Communist Party leaders, independently of their real strength in the given country; in the elimination of oppositional elements, the expropriation of foreign concessions, the acceleration of economic reforms, and the promotion of organs of dual power (committees for the control of production and trade, committees of poor peasants to carry out the agrarian reforms).

Finally, on the international plane, the resistance of the Soviet bureaucracy is manifested in its unyielding attitude toward imperialist pressure, at the diplomatic meetings (London Conference, etc.) in a certain note of firmness in its press and in the speeches of its leaders [Molotov on the occasion of the 28th Anniversary of the October Revolution, Stalin's recent speech, and in the decoy of a slight left turn by some of the Communist parties (American, British, Greek and colonial parties)].

Meanwhile, this defense, as long as it devolves upon the bureaucracy, will remain deprived of the only force which can effectively thwart the designs of imperialism, counteract its anti-Soviet pressure, permit the reconstruction of the USSR, and banish the threat of the Third World War, namely: the active support of the world revolutionary movement and the conquest of power by the proletariat. The action of the bureaucracy in the USSR and in the zone under its control, like that of the Communist parties in capitalist countries, instead of advancing the revolutionary movement of the proletariat, only obstructs and demoralizes it and lays the ground everywhere for the counter-offensive of reaction. Thus the best defense of the USSR becomes more than ever a question of the struggle for the immediate overthrow of the Bonapartist Stalinist clique and the spread of the proletarian revolution.

Despite its territorial expansion, the economic retreat and, above all, the weakness of the labor movement demoralized by the policies of the Soviet bureaucracy, divest the USSR of its

most effective weapons against the sustained pressure of imperialism. In the test of strength which characterizes the present relations between imperialism and the USSR, only the intervention of the proletarian revolution can save the Soviet Union from an early and fatal end.

Behind the appearance of power never before attained, there lurks the reality that the USSR and the Soviet bureaucracy have entered the critical phase of their existence.

While explaining to the Soviet and world proletariat the dangers which the Stalinist bureaucracy holds in store for the world revolution by its reactionary policy, and while calling for the immediate overthrow of the bureaucracy, the Fourth International does not revise its position on the character of the USSR as a degenerated workers' state. The Fourth International does not lose sight of the importance for the proletariat of defending against imperialist and reactionary attacks, the nationalized and planned economy of the USSR and the progressive economic reforms in the countries controlled by the USSR. All the sections of the Fourth International, and above all the British and American Trotskyists, are duty-bound to unmask and denounce systematically the anti-Soviet plans and preparations for the Third World War of the imperialists; to explain to the masses the social significance of the antagonism between imperialism and the USSR, as well as the class nature of the latter.

England

British imperialism issues out of the war as the third strongest world power next to the USA and the USSR.

Nevertheless, its specific weight in the world has once again considerably diminished, and it has been so weakened by the war that it actually faces the most critical situation in its history.

The colossal unproductive expenditures of the war were met by indebtedness to the US and the colonies (India, Egypt) and the dominions, and the super-exploitation of the colonial masses.

England is today the greatest debtor country in the world. The equilibrium in its balance of payments has been definitively disrupted by the loss of a large part of its foreign investments and by the maritime, commercial and financial supremacy of the US which has brought about the diminution of England's revenues from her fleet and from her former role as the world's broker. Moreover, the dislocation of the Empire has been accentuated by the war.

The industrial and financial development of the colonies (India, Egypt) and of the dominions (Canada, Australia, New Zealand, South Africa) has given rise to centrifugal tendencies, gravitating in large part to the United States.

In India, in Egypt, in the Near East, the powerful national liberating movements of the masses are shaking the hold of British imperialism on these countries and its economic structure as a whole.

To check its decline and to effect its recovery, British imperialism resorts to the brutal extension of its colonial rule at the expense of positions belonging to defeated imperialist countries (Japan, Italy) or those which have been greatly weakened (France, Holland); it resorts to the intensified exploitation of the metropolitan and colonial proletariat, and to economic warfare. The recourse to economic warfare, the maintenance of the Empire preference system based on customs barriers and the Sterling Pool, the building of other autarchical blocs—these are the best weapons available to British imperialism for the purpose of making a stand against the pressure of the US and bargaining with the latter for a share, however sharply limited, in the exploitation of the world market. The policy of the "West-

ern Bloc" is highly symptomatic of British imperialism's means of self-defense.

In order to resist both the economic pressure of American imperialism and the extension of the political and economic control of the USSR over a large part of Europe, England has outlined a blueprint to construct under its control a closed economic sphere, encompassing the countries of Western Europe, from Norway to Greece and including Germany. The conclusion of the compromise with Washington can modify the anti-American economic orientation of the "Western Bloc" while leaving intact, above all, its anti-Soviet political character.

The Washington agreement, a veritable "economic Dunkirk" for British imperialism, has been accepted by the latter only in the hope of resuming at a later stage the struggle for the preservation of its positions in the world market.

However, American imperialism has so outstripped the British that the latter prefers at present to find a stable basis of compromise with Wall Street rather than conduct a consistent and decisive struggle against it. On the other hand, in all questions which bring it into conflict with the USSR, British imperialism counts on the direct support of Washington. In this sense, despite their internal frictions regarding the share of British imperialism in the exploitation of the world market, the entire immediate phase of the present international situation is dominated by the close cooperation of Anglo-American imperialism against the USSR, the liberating struggle in the colonies, and the revolutionary struggles of the people in Europe and the entire world.

France

French imperialism, although listed among the "victors" of the war, no longer occupies any place in the international line-up beyond that of a second-rate power.

The war has consummated its definitive decay. The destruction it has suffered has enormously weakened the productive potential of the country.

Its unproductive expenditures, conjoined with the general impoverishment, the decline of production and the scarcity of commodities, have acted to unbalance the budget, to debase the currency, and to raise the cost of living. The economic revival proceeds only very sluggishly and without perspective, hindered by the lack of raw materials, capital and machinery.

The colonies which have not as yet fallen into the grip of English and American imperialism, far from contributing to the recovery of the metropolis, are at the height of a crisis of their own, and in the midst of convulsions brought about by the developing national liberation movements.

In order to escape, at least in part, the catastrophic consequence of its own balance sheet of the war, French imperialism attempts to play on the reciprocal antagonisms between the United States, England and the USSR. But its hopes have proved to be illusory of thus ultimately preserving the unity of its empire and its economic independence, and of wresting from conquered Germany a large part of the resources of the Saar and Ruhr territories. The needs of English and American imperialism for expansion leave no latitude for French imperialism. The settlement of accounts between the "Big Three" invariably operates, in the final analysis, at its expense, as well as at the expense of all other secondary powers.

French imperialism has entered into a long period of crisis full of great economic and political difficulties; a crisis, the development of which will influence the entire situation in Europe. France combines within it in a way the characteristics of the situation in Italy as well as in Germany after the First

World War. It is passing through a period of "democratic" and parliamentary instability which can end only in a dictatorial regime or in revolution.

China

China emerges from the war and the defeat of Japanese imperialism apparently as the fifth great world power. In reality, in its present economic, social and political structure, it is almost as incapable as ever of conquering genuine national independence and of playing an important independent role in world politics.

The Chinese bourgeoisie, constrained by its fear of the independent activity of the poor peasantry and the proletariat, and shackled by its economic ties with imperialism, concerns itself above all with consolidating its regime of exploitation against the attacks of the masses, by allying itself with the feudal elements and appealing to Yankee imperialism for material and military aid. The Chinese market, with its 400 million inhabitants, its enormous natural resources, its unlimited supply of exceptionally cheap labor power, constitutes for the US one of the principal outlets for its over-abundant production, a source of raw materials and a market for the export of capital; and, in addition, provides the key to its hegemony over the whole of the Far East and the Pacific. The Chinese bourgeoisie is all the more disposed to favor the expansion of Yankee imperialism, since the latter provides it with substantial aid in its armed struggle against the masses, against the Yen'an regime, against the threat of the expanding influence of the USSR, while still leaving it the appearance of independence and national unity.

The completion of the bourgeois-democratic revolution in China, and the full development of its productive forces, are impossible without the struggle of the worker and peasant masses, led by the revolutionary party of the proletariat, for the regime of soviets, for the dictatorship of the proletariat.

The line of democratization of the Kuomintang recently adopted by the Stalinist leaders of Yen'an can end only in inevitable defeat and a new demoralization of the Chinese masses.

China is destined, moreover, to serve in Asia and in the Pacific as the principal arena for the conflict between Yankee imperialism and the USSR, and to become in case of open hostilities one of the most important anti-Soviet bulwarks. Any repetition of the Stalinist policy of 1925-27, the policy of liquidating the independent movement of the masses and subordinating it to the bourgeois leadership of the Kuomintang, will have the effect of destroying irretrievably the new Chinese revolution and of throwing away one of the best opportunities for the defense of the USSR.

On the other hand, a policy directed to the worker and peasant masses, based on a clear and courageous program of transitional demands calling for agrarian reform, democratic rights, the election of a Constituent Assembly, etc., and penetrated with a socialist perspective, can harness all the revolutionary dynamics of the Chinese masses which has been revived in the course of the war and victory, and once again bring to the fore the Chinese revolution. That is the task incumbent upon the Bolshevik-Leninists of China, who are fully aware of the tremendous influence which the Chinese movement can exercise on the international proletariat.

Germany - Italy - Japan

The imperialist conflict has enormously reduced, and almost eliminated from the world market and from the international scene, three of the greatest powers: Germany, Italy and Japan.

German imperialism has suffered a debacle without precedent in the history of any capitalist nation.

Its productive apparatus has been largely reduced to ashes. Its biggest cities, its ports, its means of transportation, have been demolished. In addition to the enormous mortalities caused by the war, military defeat and the occupation have brought about the imprisonment of virtually the entire active male population. The pillage and destruction which the American, English, French and Russian occupying forces have carried on, have accentuated the economic disintegration of the country's economy. On the day after the military defeat, the material and human premises for all important revolutionary activities by the masses in Germany were already lacking.

The rebuilding of the German labor movement will henceforth reflect the progress of the revival of the country's economic life, of the integration of the proletariat into production, and the amelioration of the new repressive regime of the occupying forces.

The occupying powers, the USSR and the various imperialists, are each following with regard to Germany a policy conforming to their own interests.

The United States has sought and achieved through the war the elimination of German economy as a competitor on the world market. The occupation of Germany now serves the following two purposes:

First, to keep Germany's potential at levels which permit a limited reconstruction of its economy nurtured by American capital. Second, to exert by means of military occupation of Central Europe, constant pressure against the USSR and its zone, and to exercise an effective counter-revolutionary control over the rest of the continent.

These considerations will increase in the future the tendency of the United States to recreate Germany as a unified state, with a central government. In this respect, clashes with contrary plans (France) aiming at an impotent and dismembered Germany can be expected.

British imperialism has just as great an interest in the economic reconstruction of Germany and its unification under its control.

Germany economy, deprived of its power of expansion, represents the most important European market for London. Brought with other countries of Western Europe into a system of finance and customs preferences under England's aegis, Germany could contribute more than any other European nation to the formation of a bloc which would eventually be capable of resisting the economic pressure of the United States, and serving especially as an anti-Soviet bulwark. French imperialism follows in Germany a policy of pillage in order to make up for the deficiency in its own anemic economy, and carries on intrigues aimed to prevent at any price the unification of the country and to accentuate and maintain its dismemberment.

Finally, the USSR veers between a policy tending to maintain and aggravate Germany's weakness, in dread lest it again become the principal anti-Soviet bulwark of imperialism in Europe; and a policy tending to win and include in its own zone of influence the greater part of Germany and Austria.

The campaign for a united party of Social Democrats and Stalinists, as well as the agrarian reform accomplished in the zone occupied by the USSR, are aimed at creating a mass base and at destroying or neutralizing the forces opposed to the Stalinist bureaucracy. The agrarian reform in particular has been undertaken with the aim of shattering the power of the Prussian military and Junker caste and thus gaining the sympathy of the peasants who have acquired land. But this remains a vain hope as long as Soviet economy is incapable of furnish-

ing the peasants abundant industrial products cheaply, of raising their material standards. On the other hand, these progressive economic measures can be correctly evaluated only in the framework of the general policy of the bureaucracy toward the masses—which strangles their democratic rights beginning with the right to self-determination, bureaucratizes the workers' movement, engages in brutal transfers of whole populations, dismantles whole factories, etc. This policy compromises the prestige of the USSR in the eyes of the masses as a workers' state and arouses them against the Stalinist bureaucracy as well as against the USSR.

Italian imperialism, already in the throes of a profound crisis before the war, has—as a result of the defeat, the virtual loss of her colonies, her financial ruin and material devastation—retrogressed to the rank of a second-rate power which is already decisively in the grip of British and American imperialism.

Japanese imperialism has suffered a disaster in many respects comparable to that of Hitler Germany.

Its economic potential has been seriously affected by the devastation, the loss of the colonies, by its reduction to strictly metropolitan territories and by the costs of the war and of the occupation.

Military defeat has shattered the social regime, dominated by the complex alliance of feudalists and capitalists, and characterized by class relations of great explosive force.

Despite the atomization of the masses by the terror exercised for several years by the possessing class against the proletariat and the peasantry, there is taking place since the defeat a slow but sure ripening of the revolution. Yankee imperialism, which has reserved exclusively for itself the actual control of Japan, with the object of strengthening and consolidating its grip over the whole Far East and the Pacific, has maintained in power the old reactionary repressive apparatus beginning with the institution of the monarchy, the pillar of the social system.

Its intention is to retard, reduce, and finally stamp out any revolutionary explosion, and to make only secondary and unimportant concessions to the masses, while introducing changes which, although depriving the Japanese economy in the immediate future of its power of expansion, will not bring about any profound modification of the reactionary social structure.

In Japan the task of the bourgeois-democratic revolution, which has never taken place, devolves henceforth upon the proletariat. It alone will know how to combine the former with its own socialist aims under the regime of its dictatorship resting on workers' and peasants' soviets.

* * *

The general situation of world economy, the ruin of Europe, the exacerbation of all the inter-imperialist contradictions, the eruption of all the latent antagonisms partially camouflaged during the war by a facade of common struggle of "the United Nations against fascism," the tense relations between imperialism and the USSR—all these *determine a lengthy period of grave economic difficulties, convulsions, and partial and general crises.*

The boundless development of American imperialism, amid universal economic exhaustion, the weakening, the retreat and collapse of other imperialisms, has essentially modified the conditions for the reestablishment of the capitalist equilibrium, which can take no other form than that of an almost exclusive domination of the United States.

To the extent that the revolutionary movement of the masses fails to grow stronger, but on the contrary weakens or becomes demoralized, the contradictions of the international economic

and political situation, and above all the antagonism between the United States and the USSR, will goad imperialism into once more attempting to bring, within a briefer interval than in the past, the issue to a head through the outbreak of a new world conflict.

The factor determining whether humanity will evolve toward

The Tension of Social Antagonisms and Revolutionary Perspectives

The war, which exacted enormous sacrifices from the masses, and drove down their standard of living to new lows, has also placed a mortgage on the current period of "peace."

A tremendous creation of new capital is the essential prerequisite for restoring world economy, which has been paralyzed by the destruction of its productive apparatus, by colossal state debts, and by inflation.

This would be possible only if the proletariat were willing to continue to work under far worse living conditions than those existing before the war. That is precisely what the capitalists demand. The treacherous reformist leaders so advise the workers, as do, but even more vociferously, the Stalinists: First help to reestablish and strengthen capitalism, and then demand and fight for improving the lot of the workers and other toiling strata.

The war has brought to all countries an enormous growth of fictitious capital, in the form of paper money and state obligations (Treasury Bonds, etc.) while the productive capital has at the same time undergone a real decline.

The consequences of this are skyrocketing prices, unbalanced budgets and the breakdown of exchange. Inflation is wildly rampant in every country in Europe, and is also brewing although in more benign forms in England and the United States.

The bourgeoisie and the capitalist state attempt to meet this situation by resorting to devaluation, increasing taxes, freezing wages and raising domestic prices, all of which add up to a reduction in the income of workers and all other toiling strata. Involved here is a real attempt to proceed to a new redistribution of the national income, in which the regeneration of capital will be achieved by further driving down the living standards of the masses. This attempt of the bourgeoisie inevitably provokes violent reactions on the part of the masses, as can already be seen everywhere; it disturbs class equilibrium more and more every day; and it gives a powerful impetus to the workers' struggles. The problem of ascertaining whether capitalism can again achieve a relative stabilization cannot be resolved without taking into account this determining factor: *the resistance of the proletariat, demanding an improvement in its living conditions, an improvement which is incompatible with the possibility of reviving capitalism.*

If the war did not immediately create in Europe a revolutionary upsurge of the scope and tempo we anticipated, it is *nonetheless undeniable that it destroyed capitalist equilibrium on a world scale, thus opening up a long revolutionary period.* All self-criticism which we can and should make today on the perspectives which we developed during the war, wherein we foresaw mass activity, particularly in Europe, of far greater scope and depth than has been the case to this date, all such criticism limits itself essentially to the *tempo* and not to the *fundamental character* of the period which follows the imperialist war.

Only the superficial and cowardly petty-bourgeois mind can see a refutation of our revolutionary perspective in these facts:

barbarism and annihilation or toward its emancipation through socialism, is thus lodged in the development of revolutionary movements, which are in their turn conditioned by the consolidation of a genuine revolutionary leadership, in the course of that long series of social convulsions which must inevitably accompany the new imperialist "peace."

that war did not, either during its course or immediately thereafter, bring about the revolution in Europe; that the German revolution has not taken place; that the traditional organizations, and foremost among them, the Stalinist parties, have experienced a new and powerful rise. While recognizing that all of these facts represent so many defeats for the revolutionary proletariat, the Fourth International cannot for one moment forget that the mortal crisis of capitalism, the destruction of its equilibrium, the sharpening of all of its fundamental contradictions, constitute far more important facts, and upon them rest our revolutionary perspective and our vastly increased opportunities for building the revolutionary party.

The economic and political conditions under which capitalism is currently trying to achieve its revival presage a rising revolutionary curve, despite temporary declines and fluctuations *which can tend to disappear only in proportion as the new revolutionary leadership asserts itself in the course of struggle.*

Although we have, until now, witnessed only the first battles waged by the masses against the will of capitalism to restore its economic power by intensifying exploitation, these struggles already demonstrate clearly that the proletariat is far from having consumed its revolutionary potential.

In continental Europe, which is not under the control of the USSR, the economic conditions under which capitalism is compelled to undertake its reconstruction impel the worker and petty-bourgeois masses into action.

The curve of strikes, which have as their driving force the will of the workers to defend themselves against the increasing cost of living which is debasing their wages, is on the rise everywhere, despite the systematic opposition of the reformist and Stalinist leaderships. For the same reasons, petty officials and white collar workers often enter the struggle even before the workers. Other layers of the urban and peasant petty bourgeoisie, ruined by inflation and crushed by taxes, are becoming a revolutionary ferment which is destroying and intensifying the crisis of the regime.

Under these conditions a prolonged and relatively full and stable development of the forces of political democracy seems more problematical than ever.

The few democratic concessions which the bourgeoisie has granted since the end of the war are the result, on the one hand, of the pressure of the masses, and on the other, of the conciliatory and capitulatory policy of the reformist and Stalinist parties.

When the German occupation apparatus collapsed, a first wave of revolution shook most of the countries of the European continent.

But this wave was of a fragmentary character. Organs of dual power arose only spontaneously. The absence of the German revolution prevented the extension and generalization of this revolutionary movement, permitted the Stalinist and reformist parties to retain exclusive control of the masses and thus facilitated the replacement of the German military administration by that of the Anglo-Americans. The native bour-

geoisies thus obtained the breathing spell necessary to rebuild their own state apparatus, swiftly liquidate the elements of dual power and disarm the workers with the direct aid of the Stalinists (France, Italy) or by means of violence supported by the occupying forces (Greece, Belgium).

In order to halt the first revolutionary wave, the bourgeoisie had to pay the price of governing by means of the Stalinist and reformist parties, or of coalitions based on them in the main. This price implies: the maintenance of the broad political and trade union organizations of the proletariat, the retention to a certain degree of the possibility of mass action (right to strike), the preservation of the "democratic" apparatus of which the bourgeoisie is not entirely sure. But at the very moment when the bourgeoisie because of the pressure of the masses concedes a "democratic" government, it is forced by its material conditions, by the necessity of rebuilding its economic power at the expense of the working masses, to prepare its transition toward authoritarian forms of government. It has already succeeded, behind the smokescreen of "parliamentary legality" and "social peace" in reestablishing a military and police apparatus which it holds firmly in hand. Basing itself on this apparatus, as well as on all the traditional bastions of conservatism in society (church, nobility, monarchy, etc.), finance capital, which was permitted by the war to increase its ever more complete hold on the state, prepares to go over to undisguised military or Bonapartist dictatorships. Only the pressure of the proletariat, which up to the present has not been decisively defeated in any country in the continent, prevents the bourgeoisie from abandoning what remains of classic "bourgeois democracy."

In varying degrees, according to the different countries, the governmental experience of the reformist and Stalinist "leaders" has been marked by a new disillusionment of the proletariat. As long as the revolutionary parties are still too weak to transform this disillusionment of the masses into a lever for a new offensive, it objectively strengthens the position of the bourgeoisies. In general, the present situation in most countries of the continent is characterized by this fact. On the other hand, although the pressure of the urban and rural petty-bourgeois strata is still canalized within the workers' parties and the parties of the democratic center, the insoluble and prolonged crisis of capitalism, the economic ruin, proletarianization and pauperization of these strata cannot in the long run fail to produce anew the same causes which gave birth to the fascist movements. Thus, in Italy, the impotent and demoralizing politics of the official workers' parties has already caused the polarization of broad petty-bourgeois masses around "neo-fascist" leaders (l'Uomo Qualunque). These masses of the middle class in Belgium, not so long ago very partial to the Stalinist party, have reverted to the most reactionary bourgeois party. Similar processes are taking place in Greece, in France and elsewhere. But it must not be forgotten that the present slow pace of the workers' political movement in Europe is sketched against a background not only of a world revolutionary upsurge, but also of a radicalization of the toiling masses on the continent itself. Under these conditions partial defeats like those in Greece, temporary periods of retreat like those in France and Belgium, do not demoralize the proletariat. On the contrary, in the course of the coming economic struggles, the treacherous character of its leaders is revealed anew by the experiences. The repeated demonstration by the bourgeoisie of its inability to reestablish an economic and political regime of the slightest stability offers the workers new opportunities to go over to ever higher stages of struggle. Only if the Fourth International proves in the long run unable to build strong and influential sections, only if the

successive waves of workers' struggles end in defeats, will powerful fascist organizations appear everywhere and the present period of upsurge in which we live be brought to a close with a series of defeats in the principal countries of the continent.

In the part of Europe controlled by the USSR, the working class movement has in several places attained the level of dual power, but it has experienced at the same time the bureaucratic straitjacket and the demoralization which are provoked by the Stalinist bureaucracy.

In Germany, the disintegration of the working-class movement has reached a very advanced stage, following upon its previous defeats, the atomization of the proletariat under the repressive Nazi regime, the chauvinist policy of the Stalinist bureaucracy during the war, the destruction of property, the loss of life, and the present imperialist and Soviet occupation. This fact already weighs heavily on the collective situation of the working-class movement in Europe; it conditions the slow tempo of the revolutionary movement, its irregular rhythm, the temporary restraint upon its dynamics. We cannot count on the revolutionary activity of the German proletariat until the material basis for its existence has been reorganized in Germany and until the millions of German war prisoners have been reintegrated into the economy of the country.

In the meantime, other revolutionary fires are growing in importance in continental Europe, in Italy and in France, as well as outside of the continent, in England, the United States, and in the colonies.

The accelerated decline of British imperialism, the contraction of its economic base, its impoverishment, as well as its need for resisting the pressure of Yankee imperialism by concentration and modernization of its productive apparatus and the reduction of its net costs, are now inspiring a furious offensive by the bourgeoisie and the capitalist state against the standard of living of the English proletariat. The latter's reply is powerful. 1944 has already proved to be the year marked by the greatest number of strikes registered since the previous war, with the exception of the general strike of 1926. 1945 has seen the electoral victory of the Labor Party, which reflects the first stage of radicalization of the worker and petty-bourgeois masses. The strike movement, despite the temporary braking action of this victory, continues to manifest itself. Inherent in it is a direct conflict between the masses and the bureaucratic apparatus of the trade unions and the Labor Party (dock workers' strikes), and by virtue of this, serious perspectives for the building of the revolutionary party are opening up.

In the United States, reconversion which is accompanied by unemployment, by the reduction of workers' incomes due to the elimination of overtime, is unleashing the most powerful movement of workers' demands ever recorded in that country.

By becoming the best defender of the interests of the American proletariat, the revolutionary vanguard has the greatest possibilities of building a powerful revolutionary party in the course of the long crisis which faces American capitalism as a consequence of its expansion in the world market—a market which is more out of balance and more disorganized than it has ever been.

The movements for emancipation by the colonial peoples have now reached heights which have never been attained in the past.

This is the result of the growth in consciousness of the colonial masses and of the weakening of the imperialist rule resulting from war.

The development of imperialism determined by the industrialization of the colonies and the war accelerated this trend,

particularly in Egypt, in the Near East, in India, in certain parts of China and Indo-China, and the Netherlands Indies. The economic evolution has favored the birth of an agricultural and industrial proletariat and certain urban petty-bourgeois strata, merchants, functionaries and intellectuals, together with a national bourgeoisie of varying importance.

On the other hand, the war intensified super-exploitation of the colonial masses and drove their living standard down to incredible new lows. These facts, together with the weakening of all the imperialist powers as a result of their own struggles and antagonisms, have particularly on the morrow of the defeat of Japanese imperialism, accelerated the maturing of the national and revolutionary consciousness of the colonial masses and fortified their will to conquer their independence by force of arms.

The absence of a proletarian revolutionary party and the repetition by the Stalinists of the Menshevik policies applied to the Chinese Revolution of 1925-27 are the contributing factors for the predominance of nationalist and Stalinist petty-bourgeois intellectual elements in the leadership of these national movements of emancipation. Despite this fact and despite the real dangers which this leadership means for the development of the colonial revolution, these movements already constitute an in-

tegral part of the world revolutionary upsurge insofar as they aggravate the crisis of imperialism and give a mighty impetus to the proletariat in the metropolitan centers.

Especially in China and in India where we find a well developed bourgeoisie and consequently an advanced industrial proletariat as well, the joint exploitation of the masses by the national bourgeoisie, the feudal remnants and foreign imperialism, is already creating the conditions in which the revolutionary movement of the proletariat, drawing behind it the peasant masses, can surge to great heights and become one of the principal revolutionary centers in the world.

Thus it is impossible to draw conclusions about the real dynamics of the revolutionary upsurge when limiting ourselves to the European scene and simply noting the absence, for a certain time, of the German revolution, however important this absence may be.

What confronts us now is a world-wide crisis transcending anything known in the past and a world-wide revolutionary upsurge developing, to be sure, at unequal tempos in different parts of the world, but unceasingly exercising reciprocal influences from one center to another, and thus determining a long revolutionary perspective.

The Building of Our Parties and Our Political Tasks

The masses are already furnishing such proof of their energy, their readiness for struggle, and their spirit of sacrifice, that we can exclude any question of exhaustion of the revolutionary potential of the proletariat and of its will and capacity for overthrowing the capitalist regime, given a genuine international revolutionary leadership, well prepared and strongly centralized, at its head.

The problem of building the revolutionary leadership remains as always the key problem. The Fourth International is fully conscious of the role of the revolutionary party, not only in making the proletarian revolution victorious, but in accelerating the revolutionary ripening of the objective situation. Objectively, revolutionary situations have existed, exist now, and will exist, independently of the presence of the revolutionary party. But in the absence of the latter, they have ended, are ending, and will end, in retreat, demoralization and defeat for the masses.

In the pre-war period, however, the objective possibilities for building the revolutionary leadership were restricted, whereas at the present time it is impossible to blame the objective situation for the stagnation or slow rhythm of the formation of the revolutionary leadership.

Current events in all countries prove that the objective possibilities for creating the parties of the Fourth International have never been as great and are increasing all the time. In a whole series of countries, among them England, the United States, Canada, the South American countries, Australia, South Africa, and several colonial countries, the obstacles of Stalinism and reformism do not have a determining importance.

On the other hand, the swelling of the ranks of the traditional organizations in Europe, above all of the Stalinist parties, reflected the first stage of radicalization of the masses, and this has now reached its peak almost everywhere. *The phase of decline is beginning.*

The reformist parties have undergone a change in their social base with the sharpening of the crisis of European capitalism, losing their hold upon the working class, and winning over

the radicalized petty bourgeoisie, which is leaving the old bourgeois center parties.

The Stalinist parties have won over the worker elements of the Socialist parties, at the same time gaining the most radicalized layers of the urban and peasant petty bourgeoisie.

But the reformist program on which the "Socialists" and "Communists" are at present in agreement is more than ever incompatible with the possibilities of European capitalism; their inability to find a way out of the crisis will become more and more obvious to the masses. A further growth of these parties, or even the retention of their present positions must be considered as rather problematic, since these parties, in order to maintain their collaboration with the bourgeoisie, will be obliged to put brakes upon and at times even oppose, the struggles of the masses for their demands, and will make themselves responsible in the eyes of the masses for the inevitable failure of all the experiments with so-called "structural reforms."

The Stalinist parties are, in addition, handicapped by the development of the international situation and the tension of relations between imperialism and the USSR, which forces them to push their opportunist policies to the limit and makes these more uncertain and contradictory than ever.

On the other hand, in the countries controlled by the USSR, and particularly in Germany, Austria, Finland, Czechoslovakia and Hungary, and even in Rumania and Poland, concrete experiences with the policies of the Soviet bureaucracy are tending to become the best remedy against the contamination of the masses by Stalinist ideology.

Under these conditions, the development of oppositional currents within the Stalinist and "Socialist" parties is inevitable.

The civil war in Greece, the prolonged political crisis in Italy, the situation in England, have already given birth to such currents in the "Communist" parties.

The Dutch CP has recently undergone a series of factional struggles, the result of which is the formation at present of a Leninist opposition.

The situation in France, in Belgium and in Western Europe

in general is creating conditions making the reformist parties susceptible to disintegration.

But the maturing of these oppositions, their evolution, their more or less rapid break with the bureaucratic leadership are not only dependent upon the general political conjuncture. The active intervention of our sections is just as important an element in this process. In the measure in which the latter will be able to combine programmatic firmness with the greatest tactical flexibility and prove to be capable in action of inspiring confidence in the best of the oppositional elements, they will facilitate the integration of these new currents into our movement and prevent their crystallization into new centrist tendencies.

The essential precondition for harnessing ourselves with enthusiasm and faith to the task of building the parties of the Fourth International is that we first acquire the firm conviction that great possibilities now exist in this sphere.

The greatest threat to the accomplishment of this primary task is the development in our ranks of defeatist tendencies which, impressed by the relative slowness of the ripening of the revolutionary situation in Europe, as well as by the slowness of our own progress, advocate more or less openly the reduction of our transitional and socialist program to democratic slogans alone and to a policy of wholesale or even total "entry" into the reformist and centrist parties in Europe. This is due to the fact that these tendencies, which in general were the ones which correctly criticized the leftist exaggerations in evaluating the tempo of events during the war and in the first phase of the period succeeding the war, proceed in reality from a different and false general perspective as regards the nature of the period which we are entering.

In a general way, the road for the construction of our parties, particularly in continental Europe, leads at present through the combination of our independent work, guaranteed by our organizational and political autonomy, with patient, systematic and sustained fraction work in reformist, centrist and Stalinist organizations. Every national leadership must prepare to set up

the orientation and concrete organization of its work after the most careful analysis of the general situation of the country and of the condition of the working-class movement, its organizations, their internal atmosphere, etc., and to proceed to the best division of its forces for independent work and for fraction work.

As against the conditions which characterized the pre-war situation, we now find that independent work by our European sections and their autonomous existence separate and apart from the traditional organizations, are in general acquiring greater importance than fraction work and can serve as the only attracting pole for vanguard worker elements who want to struggle and who, shocked or disappointed, break with the traditional organizations.

But we cannot ascertain our real opportunities to influence these elements, we cannot correctly evaluate our genuine possibilities for development, as long as we continue to hope that in some way the masses will spontaneously discover our existence and the correctness of our program, and that the militant workers will spontaneously pour into our ranks.

Large sections of workers want to struggle, are suspicious of and even breaking with the treacherous "Socialist" and "Communist" leaderships, are searching for another banner, but we do not adequately show ourselves to them.

In order to win them over we must, in action and in struggle, be an effective revolutionary party, possessing a serious organization, with concrete policies, a regular press and above all, taking an active part in their daily struggles. It is in action that we will show that we aim to be and that we can be the pole for the regrouping of the revolutionary forces, and it is in action that we will really obtain that objective.

The problem is to build the revolutionary party by patient, systematic work, under favorable objective conditions, counting on a long period, and not one of discovering, thanks to new "ingenious formulas," the secrets of the spontaneous generation of "mass parties."

Our Tasks in Continental Europe

At the present stage, the political tasks of all the European sections must be determined by the following factors:

1. The very favorable objective conditions for the development of revolutionary struggles.
2. The fact that the masses still follow in their greatest majority the reformist and Stalinist parties.
3. The fact that the Anglo-American armies constitute in a number of countries the principal prop of the capitalist order (Germany, Italy, Greece).
4. The contradictory character of the actions of the Soviet occupation forces in Eastern Europe.
5. The young and limited forces of our own organizations.

In all the countries not occupied by the USSR, the pressure of American imperialism is making itself felt more and more openly, although by varying means. Our sections must strive to accelerate the disappearance of the illusions which still mask the character of the Anglo-American occupation as well as the multiple economic interventions of Yankee imperialism. They must make the masses ever more conscious of the fact that this occupation can only accentuate the decadence of European economy and menace in the long run the independence of viable nations, as well as the fact that it aims at systematically strangling the socialist revolution.

Just like the German occupation, the present occupation of Europe by the Anglo-American, French and Russian armies is also the cause of a certain national oppression. Given the perspective of a definite decline in the revolutionary movement, the prolongation for several years of this occupation could throw certain nations back to the level of colonial countries and open a new era of national struggles and wars.

But just as during the war, so now, it is not for us a question of proceeding with a perspective of decline and decisive defeat of the revolutionary movement, but rather with the perspective of revolution which continues to remain open.

The vicissitudes of the imperialist war which brought about the temporary occupation by the German armies of certain capitalist and imperialist nations (France, Belgium, Holland, Czechoslovakia, etc.) did not at all throw them back into the category of oppressed nations and thereby justify the struggle conducted by the bourgeoisie of these countries against German imperialism as "national wars."

The war remained imperialist on both sides and the task of the proletariat was to safeguard its political and organizational independence and to advance its anti-capitalist, internationalist and revolutionary program.

It was the duty of the revolutionary proletariat to fight the bourgeois leadership and ideology of the resistance organiza-

tions, which exploited the just indignation of the masses against the imperialist occupiers and the collaborating layers of the national bourgeoisie in order to mask the imperialist character of the war and divert the class struggles toward "national" goals.

The revolutionary proletariat responded to the desire and will of the national masses for struggle against the consequences of occupation and for the reconquest of national independence, by making these preoccupations of the masses its own, by declaring that it inscribed the struggle for independence in its own

program but by its own methods; by fighting within Germany itself for the revolutionary overthrow of the Nazi regime and the withdrawal of the German armies from the occupied countries; and by advocating in the latter countries mass opposition, *conducted in a class and internationalist spirit*, against the occupiers and against the national bourgeoisie.

The duty of the revolutionary proletariat was first and foremost to combat the prostration of the working-class movement, brought about by the chauvinist ideology and "class peace" policy of its traditional organizations.

The Struggle Against the New Imperialist "Peace"

The imperialist "peace" which is being organized under the direction of the "Big Three" is introducing into Europe a system of national oppression which is particularly heavy for Germany and Italy.

The Fourth International proclaims the right of self-determination for every people, fights for this right, and puts forward in every occupied country the slogan: "*For the Immediate Departure of the Occupation Troops!*"

In the oppressor countries (USA, Great Britain, France insofar as Germany is concerned) the Fourth International actively defends the right of the occupied nations to independence and demands the recall of the occupation troops.

In the occupied countries, the Fourth International places the emphasis on conducting the opposition against occupying forces in the internationalist spirit of class struggle, in the sense of safeguarding the independence of the workers' movement, of combatting "national" coalitions with the bourgeoisie. The Fourth International fights for the fraternization between the occupation troops with the exploited masses in each country. It stresses likewise that genuine independence cannot be achieved without the abolition of imperialism and the free federation of the European countries into the Socialist United States of Europe.

On the other hand, at the very moment when the "peace" conference is being prepared, broad masses in Europe and in the whole world have clearly grasped the irreconcilable contradictions which have developed within the very midst of the "United Nations" at all the diplomatic encounters preceding it, as well as the dangers of a third world war.

Our sections must vigorously denounce the deceptive character of the UN which, like the former League of Nations, aims to replace in the consciousness of the masses the idea of an international federation of revolutionary workers' republics with that of an international association of the capitalist states and the USSR dominated and directed by the "Big Three."

They must denounce all projects of annexations and reparations. They must demand an end to secret diplomacy and the publication of the secret treaties. Our sections will take advantage of all the conflicts between the great powers to point out that the retention of the capitalist system will inevitably produce a new world war which threatens to lead all of humanity to complete destruction.

They will demonstrate concretely how only the class struggle of the proletariat combined with the struggle of the colonial peoples constitutes the decisive factor in preventing the outbreak of new wars, and that only the abolition of capitalism can once and for all do away with war.

The propaganda and agitation of our sections regarding international politics must have a concrete and pedagogic character. The experiences of the war have developed in the masses a

very keen sense of the importance of political events. The skepticism toward the attempts of the victors to settle the fate of the world "definitively" and the fear of a new world conflict are at present among the most favorable factors for our propaganda. Provided, that the latter abandons its often merely declamatory, general and abstract form, follows the actual events, explains them adequately to the masses and concretizes our internationalist and revolutionary position on each distinct problem.

The German Question

With the absence of a strong German workers' movement still hanging heavily on the development of the revolutionary struggle in Europe, the German problem constitutes from every point of view the main abscess on the body of decadent Europe.

In the treatment of Germany, the victors of the Second World War have revealed at one and the same time, the barbarism of their methods of oppression, their lack of co-ordination, their irreconcilable mutual contradictions and the complete bankruptcy of their economic and political "plans."

Every section of the Fourth International is duty-bound to denounce vigorously the organized famine imposed upon the German masses, the forced deportations and migrations from and into Germany (Czechoslovakia, Poland, etc.) of the German population, as well as the other "racial" measures taken against it.

The Fourth International rises against the occupation, against the military rule, the dismemberment and the pillage of Germany. It is completely opposed to the plans of transforming this industrial heart of Europe into an agricultural half-desert. It demonstrates concretely to the European masses that the result of these plans can only signify the conclusive decadence of the entire continent. It proclaims fraternization by the workers of all countries with the German workers, prisoners of war and deportees. It fights for their inclusion in the trade unions, for equal working and living conditions, and equal rights for the German workers with those of the workers in each of these countries.

In Germany itself, the Fourth International fights for fraternization between the German workers and the occupation troops. It demands the purge and punishment of the Nazis by the German workers themselves. It demands complete freedom for the German workers' movement, the reestablishment of all democratic rights for the German workers and for the masses.

The Socialist United States of Europe

Under the present conditions of complete economic disorganization and disintegration of Europe, of national oppression imposed on a number of viable nations by the victors of the second imperialist war, the slogan of the Socialist United States of Europe acquires enormous propaganda value.

Our sections must demonstrate concretely that the economic unification of Europe is a life-and-death question for all countries composing it; that the accomplishment of this task is possible only if carried out by the exploited masses of the continent under the guidance of the revolutionary proletariat. The interests of imperialism, the mutual antagonisms of the European bourgeoisies, are opposed to the unification of European economy. They maintain and aggravate its Balkanization, the ruin of its productive forces, of its civilization and culture.

To the "peace" program of the imperialists our sections oppose the program contained in the slogan of the *Socialist United States of Europe*.

A Socialist Europe will be based on the economic unification of the continent, suppressing all tariff walls, planning its economy, and at the same time presenting the best framework for the development and flourishing of its national civilizations and cultures. National borders in the new Socialist Europe will be determined democratically according to language, national culture and the freely expressed sympathies of the populations.

A Socialist Europe will grant complete independence to all the colonies, establishing friendly economic relations with them and leading them progressively, without the use of violence and by example and collaboration, toward a Socialist World Federation.

The USSR, freed of its directing bureaucratic caste, will join the Socialist European Federation, which will aid it in solving its difficulties, and attain a level of prosperity and culture never before achieved. The slogan of the *Socialist United States of Europe* is the only realistic alternative to the plans of reaction which are leading the continent toward barbarism and chaos.

Socialist-Communist Governments

While objective conditions are very favorable for the precipitation of revolutionary crises in most of the countries of Europe, the masses are still following in overwhelming numbers the "Socialists" and "Communists" who by their policy constitute the major obstacle to the revolutionary mobilization of the masses.

On the other hand, in view of the as yet unstable policy of the bourgeoisie and the relationship of forces between it and the parties based on the workers, the slogan "*For a Workers' and Farmers' Government*" is concretized in the formula systematically addressed to the old conservative leadership: "*For a Socialist-Communist Government! Break with the Bourgeoisie! Take Power, All the Power!*" It is a political necessity of the greatest importance and constitutes "an extremely important weapon for exposing the treacherous character of the parties and organizations of the Second, [ex-]Third and Amsterdam [Trade Union] Internationals" (*Transitional Program*).

For the entire present conjuncture, this slogan occupies the central place among the slogans of our sections on the continent. Far from bolstering up the democratic illusions of the masses, this slogan is on the contrary designed to be the most powerful lever for destroying these illusions. But that depends on the degree to which we will be able to constantly emphasize the need for such a government to base itself on the independent action of the masses aiming at the application of a genuine minimum program of the workers.

That is why this slogan is a *transitional* slogan, whose purpose it is to prepare the masses for revolutionary action and to help them to understand, by the very logic of their action, the necessity of going beyond the framework of bourgeois democracy.

As in the case of the united front tactic (of which the "workers' government" is an inevitable consequence) this slogan is a double-edged weapon. Our sections must constantly be on guard against the opportunist deviation on the one hand, which consists of promoting it in a purely parliamentary sense—presenting the possible establishment of a Socialist-Communist government on a parliamentary plane as in itself a solution of the problems agitating the masses. But they must also avoid, on the other hand, the sectarian deviation which consists of placing all the emphasis on the "maneuverist" nature of this slogan aimed at unmasking the traditional leadership and on the unreality and impotence of such a government—thus depriving it of its genuine importance.

"The slogan 'Workers' and Farmers' Government' is thus acceptable to us only in the sense that it had in 1917 with the Bolsheviks, i.e., as an anti-bourgeois and anti-capitalist slogan, but in no case in that 'democratic' sense which the epigones later gave it, transforming it from a bridge to socialist revolution into the chief barrier upon its path.

"Of all parties and organizations which base themselves on the workers and peasants and speak in their name we demand that they break politically with the bourgeoisie and enter upon the road of struggle for the Workers' and Farmers' Government. On this road we promise them full support against capitalist reaction. At the same time we indefatigably develop agitation around these transitional demands which should in our opinion form the program of the 'Workers' and Farmers' Government.'" (*Transitional Program*).

On the other hand it is necessary to underline the danger of a mechanical utilization of this slogan. It is self-evident that its presentation differs from country to country, according to concrete political conditions.

Democratic Slogans

As the central slogan of the present period, the slogan of the *Socialist-Communist Government* encompasses a whole series of economic and political transitional demands.

Democratic slogans are at present an integral part of this whole program in all the countries of the continent.

Like the economic transitional demands, they can form, under varying appearances and to different degrees in each country, points of departure in the daily agitation to launch the central slogan of the *Workers' and Farmers' Government*.

Their importance at the present stage flows precisely from the extremely precarious character of the "democratic" regime, from the fundamental tendency of the bourgeoisie toward Bonapartist regimes. It is precisely around the slogans most accessible to the present stage of political consciousness of the masses that broad mobilizations are possible (struggle against the monarchy in Belgium, Italy, Greece).

1. Immediate election of a *Constituent Assembly* by universal secret suffrage for all men and women over 18 years of age, including soldiers.

Complete liberty of propaganda guaranteed by free distribution of paper stocks, presses, radio, meeting halls, etc. . . . for all parties.

2. Abolition of the monarchy in all European countries where it still exists.

3. The setting up in accordance with the experience in North Italy of Popular Purge Committees having as their objective to ferret out the fascist and reactionary agents in administration, police, army, and in economic bodies, and to put them up before popular tribunals, democratically elected.

Disarming of reactionary and fascist bands and of the paid

police. Against the disarming of partisans and other popular formations. For the rebuilding of the workers' militias.

4. Complete restoration of all democratic and workers' liberties, freedom of the press in relation to the state and the big capitalists, freedom of assembly, of speech, of unionization, right to strike, elimination of every form of censorship.

A ban against the reappearance of all reactionary and fascist organizations, open or camouflaged, as well as their press. Struggle against every form of compulsion, binding workers to a place of work or to any given branch of industry; against every form of state control over the trade unions, the press, and working-class organizations.

5. For dissolving the standing army; for arming the people.

However, so that the democratic slogans can serve as a lever for revolutionary action and not as a strangling noose around the neck of the proletariat, the following factors must be taken into account in their application:

a) The slogans must not in any case be put forward as isolated slogans, but must be linked to the entire transitional

program and be integrated especially in the agitation for a *Socialist-Communist Government* as instruments for the creation of organs of dual power.

b) The agitation around the democratic slogans must be supplemented with a constant campaign of clarification against the parliamentary illusions of the masses, and a constant campaign of propaganda for workers' committees, soviets, and the proletarian dictatorship.

c) The question as to which democratic slogan shall be emphasized depends upon the concrete circumstances in each country.

But most essential is the penetration of our whole agitation with a militant revolutionary spirit, the avoidance of that timidity and passivity which necessarily impose failure upon our policy by means of half-centrist routinism. On the other hand, in the present situation, brusque changes are possible and even inevitable, and certain slogans which have previously been emphasized can thus be relegated to the background or lose their timeliness altogether.

Transitional Demands

On the other hand we must particularly call the attention of all national leaderships of our European sections to the necessity of immediately tying up the struggle for these slogans with the struggle for the following transitional slogans which remain valid for the whole present period, and whose goal is not the reconsolidation of the tottering capitalist system, but its overthrow.

1. The dominant problem in all countries at present is the growing disproportion between wages, which have been more or less stabilized, and the cost of living, which is continually increasing.

Our sections will demand the *Immediate Unfreezing of Wages*, and setting up a *Sliding Scale*, based on the price index as established by the trade unions; and the fixing of a minimum standard of living.

2. Against the high cost of living, our sections will launch the slogan for *Price and Market Control by Committees of Housekeepers, Poor Peasants and Small Merchants*, who will also organize, on an increasingly enlarged scale, a fair distribution of all goods.

3. The rise in prices of foodstuffs has definitely been profitable only to the middlemen and to the trusts in transportation, in retail, and in wholesale dealings. There is an enormous spread between the sale price to consumer and the price received by the grower. To unite the producers of city and country in a bloc, our sections will launch the slogan of *Price Control Committees*, composed of elected worker and peasant delegates. They will demand the complete suppression of all large middlemen and the creation of peasant selling cooperatives and working-class associations for purchasing and transportation.

4. The general atrophy of economy translates itself into a new rise in unemployment. Our sections will demand the realization in practice of the "right to work" and will launch the slogan of a *Sliding Scale of Hours of Work*, demanding a division of the available work among all available hands, and the compulsory reopening of factories under workers' control.

5. Against the inefficiency and sabotage of the bourgeoisie, which demonstrates its incapacity to raise economy from its ruins, our sections will defend the idea of a *General Rebuilding Plan* for the country, to be developed by the trade unions and carried out under workers' control. They will expose the demagogic and lying character of those planning promises which are

based on non-intervention by the workers and are under the complete control of the bourgeoisie. They will summon the "Socialists" and "Communists" to carry out their promises of planning by the only possible effective method: by *Workers' Control* of factory management, of supply, of hiring and firing, and over-all production, through the medium of *Factory Committees*; as well as by control of banking operations through committees of qualified employees. This concept of workers' control is radically opposed to the bureaucratic set-up for organization of the national economy under capitalist control by mixed committees, with a worker minority, as proposed by the treacherous leaders of the traditional organizations.

Our sections will also explain the need for tying these plans on the national scale to the idea of coordinated planned economic cooperation of all European countries within the framework of a Federation of the Socialist United States of Europe. They will insist on the fact that in the absence of this perspective, every serious attempt to restore national economy is doomed to certain failure, and will expose the reactionary and demagogic character of the "national" and chauvinistic policy of the Socialist and Communist parties.

6. They will demand the immediate confiscation of all war profits. Against the fraudulent activities of the bourgeoisie, they will demand the *Elimination of All Business Secrets*; they will urge the workers to force the capitalists to show their real books. In this way their parasitic character, wastefulness, and economic sabotage will appear in full daylight before the eyes of the masses.

7. The most decisive step on the road of economic planning will be the *Nationalization without Compensation or Right of Redemption and Under Workers' Control* of the banks, mines, insurance companies and key industries (except the small share holders and small depositors). Our sections will expose the "nationalization plans" of the liberal bourgeoisie as well as those of the "Socialists" and "Communists," who wish to burden an economy, already paralyzed, with indemnities; and who wish to give to the capitalist state the task of "managing" and "controlling" "nationalized" credit.

8. As regards the transitional demands of the small and middle peasantry, we must stress the point of eliminating the middlemen and revising wholesale prices; we must struggle against the trusts in fertilizers; we must fight for cheap credit

and cheap means of production, for a fair distribution of agricultural equipment among the small and middle farmers, for exemption of small farmers from taxes and for the cancellation of all their debts.

Until the confiscation of the land and all its inventory for the benefit of those who really cultivate is realized by the revolution, our sections struggle for:

a) The improvement of the living conditions of the tenant farmers by reducing the share allotted to the landlords.

b) The reduction of the rents for the small farmers, obligatory compensation for all improvements made on the land by the farmers in the course of the contract, etc.

c) Renting of land, cattle, and machines to all poor peasants at a rate which will assure them a living.

9. As regards the demands of the urban petty bourgeoisie, and particularly of the new middle classes (functionaries, technicians, white collar workers), the general demands of all wage earners are valid. As for the small craftsmen and business men, whose situation varies from one country to another but is deteriorating everywhere, the struggle against the fraudulent monetary maneuvers of finance capital, against the domination of the large retailers and trusts, is of special importance.

Tasks in the Countries Occupied by the USSR

In the European zone occupied by the Red Army, our sections, while taking first place in the struggle for completing the agrarian reform and for state-ization of large industry, banks, transportation, as well as for the realization of our democratic slogans numbered 2 to 5 inclusive, also demand the right of each people to self-determination and the defense of national minorities. They oppose the forced integration and federation of other peoples with the peoples of the USSR, as well as the forced transfers of populations, and every measure of national oppression.

They demand the right of free development of the workers' movement in those countries, guaranteed by the free constitution and free functioning of workers' parties, trade unions, and soviets. They tolerate the presence of the Red Army only to the extent that it is a friendly proletarian armed force having as its objective to guarantee the fulfillment of agrarian reform and the state-ization of the means of production against imperialism and against national reactionary elements, without hindering in any way whatsoever the free development of the working-class movement.

In all cases where the Red Army, obeying the reactionary orders of the Soviet bureaucracy, opposes insurrectionary movements of the masses and their struggles for the overthrow of capitalism and the installation of the proletarian dictatorship, our sections will be for the defeat of the Red Army and the victory of the workers. They will work for this defeat by resorting simultaneously to military means and to propaganda for fraternization addressed to the soldiers of the Red Army, inviting them to revolt against every executant of the reactionary orders of the Soviet bureaucracy and to join the masses struggling for the proletarian revolution.

Organizational Tasks

Our European sections, having for a long time prior to the war lived on general propaganda, and then during the war having lived isolated from the masses, inexperienced and in the strictest illegality, are today finding it difficult to break with obsolete ideas and methods of organization and activity. We must insist on the necessity for all European sections to adapt

themselves as rapidly as possible to the new conditions which now characterize the working-class movement in Europe, and with this as our objective, the following recommendations are valid:

1. All our European sections must in the present stage cling with the greatest tenacity to the legal positions which they have already acquired and must avoid any kind of blunder which would permit or help the bourgeoisie to drive them back into complete illegality.

The sections which have not yet achieved legality must immediately undertake an energetic, intelligent, seriously thought-out campaign to win legalization from the bourgeoisie.

2. Special attention must be given to the question of the press. Our sections must struggle to secure the legal publication of their central, regional and local organs, and in the event that these attempts fail, they must not hesitate to go over to the publication of local organs, not signed by the party, for conveying to the masses the essence of our propaganda and our program.

3. On the other hand, in cases where the bourgeoisie systematically bans our political meetings, our sections must pass over to other types of meetings, such as lectures, private meetings, artistic and cultural affairs, sport excursions, etc., in order to maintain contact with our sympathizers and to increase our influence. Comrades who are influential in their factories or neighborhoods must in general appear before the masses as spokesmen for our organizations and our program and must abandon their political anonymity.

4. Our sections must devote the greatest attention to the trade union movement which is experiencing a tremendous upsurge in all European countries at the present time. Our militants must appear as the best organizers for the trade unions and of the struggles by the masses for their demands, and must there defend our program.

In a general way, they must in all countries be the best fighters for trade-union unity, for the reorganization of the unions on an industrial basis, for working-class democracy, for international proletarian solidarity, for a concrete program of action having for its goal the organization and mobilization of the masses in the struggle against the high cost of living, against the danger of unemployment, for starting up production, and against bourgeois reaction and police repression.

Our sections will everywhere strive to confide the over-all trade union work to a commission consisting of the comrades most qualified for this work. The main task is to organize an opposition movement within the trade unions on the basis of the program defined above.

5. Our sections must strive to create and consolidate, in all political, cultural, and sport working-class organizations, points of support and fractions, having as their objective to win over to our program the progressive tendencies which appear in these organizations, by patient, systematic, and persistent work.

Particular attention should be paid to youth organizations.

6. The activity of the reformist, and especially of the Stalinist leaders, in systematically destroying all socialist traditions and education in the working-class cadres, makes it an urgent task for the sections to conduct Marxist educational work in their own ranks (cadre schools) as well as in the working class itself (Marxist circles, publication of Marxist works, libraries, etc.).

7. The passage from illegality to legal work must be accompanied by a radical transformation of the methods and organizational forms of illegal work, with the objective of increasing our efficiency and avoiding useless delays.

Nevertheless, this passage from illegality to legal work must in no case cause our sections to lose sight of the fact that they may at any moment again be driven into complete illegality. The structure of each section, and we imply thereby the maintenance of Bolshevik organizational forms (factory and neighborhood cells, locals, etc.), must be placed under the strictest rules of democratic centralism. The national leaderships of our European sections must take all necessary measures to safeguard, complete, and strengthen the Bolshevik structure of their organizations and must resolutely oppose all syndicalist, Social-Democratic, dilettante, and petty-bourgeois conceptions of organization and activity.

Our Tasks in England

The coming to power of the Labor Party requires the re-orientation of the agitation and propaganda of our English section. Up to the 1945 elections, their central slogan was: "Labor to Power."

The present stage necessitates the formulation of a precise and clear program of transitional demands which corresponds to the interests of the masses and shakes the power of capitalism; it requires that we demand of the Laborites that they carry out this program, that we criticize their activity in a way that will be profitable for the actions of the masses, and that we push to the maximum their movement and organization into dual-power forms (Workers' Control Committees).

Our British section must, furthermore, intensify its struggle against British imperialism, must actively support the national movements for emancipation by the colonial peoples and especially in India, and must conduct a systematic campaign for the withdrawal of British troops from the occupied countries of Europe.

Tasks in the United States

The power of the movement for workers' demands which is accompanying the passing over of American economy from war to "peace," and the definitive exit of American capitalism from its state of equilibrium, determining a long perspective of crises and convulsions, creates more favorable conditions than ever for our central slogan: *For an Independent Labor Party* based on the trade unions, with the objective of accelerating the political awakening of the American working class. The American revolutionary party must mobilize the proletariat of its country against Yankee imperialist policy, against its anti-Soviet plans, against military intervention in China, and against the maintenance

of American occupation troops in Japan, Germany, and other Asiatic and European territories.

Our Tasks in the Colonies

The revolutionary ferment which is now seething in the colonies supplies a favorable terrain for the creation of revolutionary parties. The proletariat of these countries, by placing itself in the democratic and national sphere, can become the real revolutionary leader of all exploited layers, and can combine the task of accomplishing the agrarian reform and national independence, with its own socialist objectives. The primary conditions for its success are safeguarding the organizational and political independence of its party, the flexibility of its tactics, its ability to draw the peasant layers under its leadership, and to combine wisely, in accordance with the dynamics of the struggle and the degree of maturity of mass consciousness, those slogans which are essentially democratic and national with the transitional slogans and the struggle for *Soviets*.

Our colonial sections, while safeguarding their political independence and their own revolutionary physiognomy, must not hesitate to engage in practical alliances with national revolutionary movements of the urban and peasant petty bourgeoisie which are fighting effectively against imperialism.

The objective of these alliances is to deal joint blows with these tendencies against a common enemy, while all the time reserving for our sections the right of criticism, and the right to explain their full program. Our sections must furthermore undertake systematic and patient fraction work within the revolutionary national organizations of these countries, with the goal of creating a Marxist-revolutionary tendency within them, to facilitate the leftward development of the revolutionary national elements, and to foil and combat the designs of consciously reactionary national bourgeois elements and agents of foreign imperialism, to lock them and their organizations in an ideological vise.

Our sections in the imperialist mother countries, and in all capitalist countries, have the duty to defend actively the struggle of the colonial people for their emancipation from imperialism, even in those cases where this struggle is led by nationalist and bourgeois-democratic elements. They will claim the rights of colonial peoples to immediate self-determination, without any limitations, and by appealing to the international working class for solidarity in action, will energetically oppose all shipments of troops and arms to the colonies to crush their revolutions.

Proceedings of the International Conference

Belgium, April 1946

Motion on the Character and Authority of the Conference

MOTION: To establish the authority of this Conference and of the Executive bodies elected by it.

This representative conference of mandated delegates from . . . sections of the Fourth International, which is the first representative gathering since the Emergency Conference of 1940, having heard the organizational report of the European Secretariat and taken cognizance of the opinions expressed by the members of the existing International Executive Committee, and with a full understanding of the difficulties in the preparation for the Conference, decides:

1) To sit as a world conference of the Fourth International

and to take binding decisions on all questions that are on the agenda; and

2) To dissolve the existing IEC and IS and to elect from this Conference a new IEC and IS with full authority to act until the next world congress.

Adopted unanimously.

Note: The representative of the Canadian minority, who was not present, later cast his vote against this resolution. The representative of the French minority later declared that, while voting for it, he would present some reservations.

Criticism of Theses of the February 1944 Conference

(Resumé)

What self-criticism are we to make today of the Theses of the European Conference of February 1944?

In my opinion this criticism should cover three points:

- (a) The perspective of the German Revolution.
- (b) The tempo of development of the situation in Europe.
- (c) The use of the Red Army.

It is true that we banked on the inevitability of the German revolution as the inevitable result of the certain military defeat of Nazism. This perspective was commonly shared in the International, and was in my opinion a correct, that is, the most likely perspective, if one started from an analysis of the sum-total of factors which characterized the situation in Europe in this epoch. We thought in fact that even if the Nazi terror should succeed, up to the moment of military defeat, in averting the revolutionary explosion in Germany, the defeat once consummated would open up a period of revolutionary crisis in the country. But in elaborating this perspective, we had not envisaged what the actual consequences might be of the war and of the combined military occupation by the "Allied" armies and the Red Army. In other words, we underestimated the effects which the coordinated and consciously counter-revolutionary action of the imperialists and the Soviet bureaucracy could have on Germany. Germany was the pivotal center of Europe, the danger of revolution was very real there. This has been demonstrated, negatively if you will, by the savagery which the imperialists and the Soviet bureaucracy have shown in destroying a large part of the material and human premises for any large-scale action of the masses, in demoralizing the German proletariat with their chauvinist propaganda, and in submerging the country under the flood of their armies which have kept up and sharpened the paralysis of Germany.

We are resolutely opposed to any statement that Nazism has altered the class consciousness of the German proletariat. The absence of the German revolution has, however, conditioned the slowness of tempo of the revolutionary development in Europe. The European Conference was perfectly correct in insisting on what is now the *world* character of the revolutionary crisis, and in indicating its three chief arenas: decaying Europe, the colonial world, and America.

But the irregular rhythms of the maturing revolution in the first of these arenas have not yet been brought to realization.

The European revolution, momentarily deprived of the support of the German proletariat, has up to now sent out only its first waves, which were weaker than had been expected.

The third point of self-criticism of the theses of the European Conference concerns the role of the Red Army.

As a whole our analysis of the USSR, of the Soviet bureaucracy, of the role of Stalinism, was correct; but since we were always banking on the revolution in Germany and its consequences for all Europe, we considered as very unlikely the extended occupation of Europe—and especially the occupation of revolutionary Germany—by the Red Army.

We must recognize all this frankly and clearly, and we have already partly done so, but this must not cause us to revise our perspectives on the fundamental character of the period we are

entering, the tasks which flow from it, the way of setting about the building of the Party. In the course of the political report we shall have more ample occasion to speak on all these problems.

Report on the Activity of the European Secretariat

(Resumé of Report by G.)

The ES was set up about August, 1943 with the participation of French, Belgian, Greek, Spanish and German representatives.

It first took the name of Provisional European Secretariat and set as its chief aim the preparation of a Conference of European Sections of the Fourth International.

It began the publication of a theoretical organ, *Quatrieme Internationale*, which after two mimeographed issues, has appeared in printed form since January 1944.

From August 1943 to February 1944, the date when the European Conference was convoked, the activity of the provisional ES consisted of the following work:

Preparation of the political report for the European Conference; publication of *Quatrieme Internationale*; establishing a German group in France and publication of its paper *Arbeiter und Soldat*, following the work of the Spanish Group, the French Section, and the Belgian Section. In February 1944, the European Conference was held, with French, Belgian, Spanish, German and Greek representatives attending. The work of the Conference lasted for six days, with the following principal results:

(a) Elaboration of the Theses and other documents which were published in *Quatrieme Internationale*.

(b) Decision of the two French organizations, the POI and CCI, to unite in a single section of the Fourth International.

(c) Election of a European Executive Committee and of a European Secretariat which abandoned its provisional title.

The European Conference unquestionably marked a very important step forward on the road of reorganization of the International in Europe, and made possible for the executive bodies which it elected (the EEC and the ES) a more coordinated, wider and more effective activity.

In June 1944 came the landing of the "Allied" forces in Europe, and the new conditions created since then have little by little made possible the reestablishment of contact with the other European sections and especially with the non-European sections of the International.

It was especially during the year 1945 that the activity of the EEC and the ES broadened considerably.

The EEC during the past year has held four plenary sessions and has been progressively enlarged to eight European sections, plus one colonial section (the Indo-Chinese in France); English, French, Belgian, Spanish, German, Swiss, Greek and Dutch Sections.

The ES has furthermore been in contact with the Italian, Irish and Danish Sections.

The chief political resolutions during this period were those of the EEC meetings of January 1945 and June 1945, published in *Quatrieme Internationale*.

The necessity for calling an International Conference made itself felt early and steps for its preparation were taken at the June 1945 meeting of the EEC.

But it seemed well-nigh impossible, in view of the present state of contact and communications between the different countries, to organize within a short time a genuine international

discussion, and to get a really wide representation from the sections of the International.

We therefore came to an intermediate solution: A preliminary Conference should be called within as short a time as possible and with the widest possible representation from the International.

The aim of the Conference should be twofold:

(a) On the political plane, to define a preliminary general political orientation of the International, and to demarcate the revisionist or opportunist tendencies which have manifested or are in the process of manifesting themselves in its ranks.

(b) On the organizational plane, to elect a new representative leadership of the International and to decide upon its transfer to Europe. This new leadership would be responsible for carrying on a discussion in the International on all questions where agreement might prove to be impossible or difficult at the time of the Pre-conference, and to prepare, as soon as conditions permitted, and if possible toward the end of this year, a World Congress representative of the entire International.

It is within this framework that we propose that you regard this first International Conference today, for which we have drawn up the following agenda:

(a) Report on the activity of the ES and IS.

(b) Discussion on the report "The New Imperialist 'Peace' and the Building of the Parties of the Fourth International" published by the ES and sent to the various sections.

(c) Discussion on the situation and reorganization of the German section.

(d) Election of the new IEC and IS.

We ourselves believe that the need for a representative International leadership, centralized and effective, is now most urgent.

We shall discuss the details of the composition and the election of the new executive bodies of the International three days from now, when this question will come up on the agenda. But right now we want to insist upon the necessity of putting this Conference on record at the very outset as having a determined desire to affirm the existence of the International as a World Party endowed with a centralized leadership, and to work toward this task.

The youth of our International and the conditions of war have caused a lax and often ineffective functioning of our executive bodies. I do not know under what conditions, for example, the IS has worked. But I do know very well under what conditions we have worked on the ES. Here are a few details which will clearly describe the situation:

I am the only one remaining of the group which formed the ES in 1943. Since 1943, the ES has been re-formed several times without ever having fully attained a composition which would allow it to carry out effectively its role of leadership. There were several reasons for this, among others the limited number of cadres at our disposal internationally, and the desire of each section to keep them for national work rather than to "sacrifice" them somewhat for the leadership of the International.

However, if we start from the point of view of the International as a World Party with a capable and centralized leadership, and not as an International which is simply a federation of national sections, we must make the necessary sacrifices to meet first of all the needs of the International as a World Party. This means that it is necessary before everything else to send to the leadership of the International not observers, not more or less passive by-standers, but energetic and capable comrades,

from among the most energetic and most capable whom we have at our disposal internationally. This also means that we must give material aid to the International leadership in every way possible. Again I repeat, on the question of the ES—it would be very difficult for you to understand under what material conditions we were obliged to work during the war and even after.

Our resources were and are extremely limited, since very few of the sections have formed the habit of paying their assessments regularly, or of increasing them, or of suggesting to us other ways of increasing our resources.

The leadership of the International must assert itself in every field.

It is time to bring to an end the present situation which, prolonged, could lead to the strengthening of centrifugal tendencies disintegrating our International, and to the creation of a climate favorable to the development of ideas and currents hostile to our program.

We will show that we have a profound understanding of this necessity, by endowing the International with a leadership composed of comrades who are among the most politically capable at our disposal internationally, and by furnishing it with all the assistance it must have if it is to fulfil its role effectively.

Resolution on Report of European Secretariat

The International Conference adopts the report presented by Comrade G. on the activity of the ES since it was set up. It points out the errors made at the time of drawing up the Theses of the European Conference of February 1944, on (1) the perspective of the inevitability of the immediate German revolution; (2) the scope and the tempo of the revolutionary upsurge in Europe; (3) the narrow limits given to the counter-revolutionary intervention of the Soviet bureaucracy in Europe; and characterizes these as errors in estimating tempo, not as errors in fundamental perspectives. It instructs the IEC to publish as quickly as possible a document expounding completely and clearly the self-criticism of our past policy.

Adopted by 22 votes against 2 (French and Canadian Minorities).

Resolution on Character of Present Political Situation

Having heard the report of the ES on the main political resolution of the Conference, and on the basis of the general discussion, the Pre-conference, before passing on to discussion of the amendments and adopting a final text, affirms again:

1) The fundamentally revolutionary character of our epoch on a world scale and chiefly in Europe.

2) The increasingly favorable objective conditions for the building of Revolutionary Parties of the Fourth International.

3) The necessity for centering the political work in all the world Sections, and especially the European Sections, around the Transitional Program.

Adopted unanimously.

Note: The representative of the Canadian minority later cast his vote *against*. The representative of the French minority *abstained*.

Proposals for Amendments Submitted by the RCP (England)

Opening Section. Rewrite along following lines:

Sketch general objective conditions.

Characterise general situation:

Epoch of wars, revolutions and colonial uprisings.

Differences between present period and period following World War I. Characterise period as the period of *the Fourth*.

Bring to fore primary questions facing us today. War has resulted in revolutionary conditions on a world scale but this alone not enough. Explain role of Social Democracy and Stalinism as *objective* obstacles to the revolution.

Develop present process: Weakness of bourgeoisie; vanishing of fascism; retreat of reaction everywhere; radicalization of masses but slowness of *revolutionary* development; all these factors compel bourgeoisie to lean on reformist and Stalinist agents—result: unstable bourgeois democracy.

Our tasks—see later section.

Economic Section. Condense statistics, or rather include in text only the general conclusions which flow from them.

Immediate perspective—measure of *relative* economic recovery and stabilization already partially beginning, to be sketched within the general framework of decline and does not contradict general revolutionary perspective. On the contrary will give impetus to offensive of masses (Germany) and slump which will follow will create *revolutionary crisis*.

Recovery in Europe will be largely on basis of US loans.

US major power dominating world market; conflict with British imperialism. Reduced status of British imperialism correct but weaknesses over-emphasized. Factors for partial recovery should be brought out:

Measures of industrial rationalization through nationalization. Multilateral trade as against unilateral trade of USA. USA, whilst undermining Britain must also make concessions—dual process of assisting and controlling.

Section on USA. Reactionary *aspirations* of US bourgeoisie not in correspondence with conditions existing abroad; forced to combine military repressions with “democracy” and to lean on reformist bourgeois democratic methods because of mood of masses including US armed forces.

Antagonism between USA and USSR. Conflict inevitable unless proletarian revolution intervenes—USA already maneuvering for positions (e.g. preparing Japan as a base against the USSR); but this is a *long term* perspective; impossible to use troops against USSR in period of revolutionary development. War against the USSR possible only *after* decisive defeat of proletariat; next period is period of proletarian revolution.

USSR. Rewrite in line with RCP Conference Resolution. Eliminate conflict in ES Report between strength of USSR as a world power and probability of bourgeoisie destroying economic base by economic penetration and diplomatic maneuvers.

Examine reason for USSR not being defeated in war—importance of nationalized economy.

Recuperative powers of USSR underestimated in ES Report.

Elaborate general contradictions e.g., insofar as bureaucracy plays progressive role in developing (bureaucratically of course) productive forces of USSR, this tends to undermine world capitalism and in that sense aids world revolution.

Develop inner contradictions—explain “left” swing of bureaucracy; note pressure of Russian masses, particularly the youth.

England. Full re-elaboration necessary.

Spain. Section on Spain necessary. Also eliminate present reference to “authoritarian democracy”.

China. Paragraph I underestimates capacity of China to win national independence and does not bring out revolutionary significance and possibilities of such a struggle. Lacks revolutionary perspective for China.

Germany. Raise question of national oppression and related issues. Take up clear position on questions arising.

Deal with counter-revolutionary aims of Stalinism in Germany and policy of plunder being pursued by the bureaucracy. Show danger of Stalinism being associated in minds of masses with Communism.

Note economic importance of land reform in Soviet zone and eventual political repercussions in favor of Russia.

Contradiction between the conception of politics that arises from economic policy in Germany and politics which arise from general economics in rest of Europe. Deal with dismemberment of Germany. Note difference between Germany and colonial oppression. Need for struggle for democratic demands.

Social Antagonisms and Revolutionary Perspectives. Characterise regimes in Europe—not Bonapartist although *elements* of Bonapartism exist. Unstable bourgeois-democratic regimes existing in a revolutionary period.

NOTE: *After* defeat of proletariat, and NOT before, we will have military regime and Bonapartist dictatorships. To say that Bonapartist dictatorships exist *now* is to say that the proletariat is already defeated and a counter-revolutionary period exists in Europe. Proletarian revolution *not* defeated. Bourgeois democracy distinguished by existence of mass organizations of the working class and the rights they possess. Disarming proletariat by saying that Bonapartism exists when it does not. Central element of Bonapartism is the rule of the sword.

Self criticism. Elaborate and show the extent to which our perspectives have been confirmed and where revision is necessary.

Building up of Parties and Our Political Tasks. Major emphasis of this section should centre around forthcoming developments in reformist and Stalinist organizations of the masses. Analyze probable development of centrist currents and state our attitude and approach.

Importance of Stalinism and Reformism.

Rewrite section on entrism to effect that possibility of total or almost total entry in reformist and centrist organizations in Europe be recognized (as for Britain) and not excluded. Independent work not necessarily the “sole” pole of attraction.

Cut out polemics and broadsides against minorities or state the negative position and deal with it properly.

Our Tasks in Europe: Write along lines of RCP Conference Resolution. Include demand for democratic republic. Our task to transform small cadre organizations into mass revolutionary parties.

Necessity for flexible tactics and application of democratic and transitional demands not only as bridge between present level of consciousness of masses and revolutionary consciousness but also as a bridge between our small cadre parties and the workers. Need for twofold activities: extending and building cadre parties and conducting mass work.

Clarify demand for suppression of fascists. This from governments composed primarily of workers’ parties, but not from governments in which bourgeois parties predominate.

Democratic and Transitional Demands. Should be interwoven into a single program and not artificially separated.

Workers’ and Peasants’ Government not a transitional de-

mand but a central task. Communist-Socialist-CGT (France) government is a transitional concretization.

Program of such a government. Explain reason for demand and relation to program—development of consciousness of masses and crisis in given country. Example: in England outright disagreement with LP program and call for “program of demands in workers interests”. In Russia (see “Threatening Catastrophe”) Bolsheviks demanding much *less* than Mensheviks were demanding in words, but with more revolutionary content. Not a static position but must be worked out for each country and each stage of development.

“The Soil Belongs To Those Who Till It.”

General. Raise demand for withdrawal of *all armies* from Europe, including Red Army. Changed situation as result of end of Nazi-Soviet conflict. Right of independence for all nations including those occupied by Russia. Simultaneously stress defense of nationalized property in occupied countries (Baltic States, Eastern Poland, etc.).

Organizational Tasks. Reorganization of T.U.’s on basis of factory branches. Our tasks in Britain and USA—inadequate, to be elaborated by British and US comrades.

France. Importance for Europe. Should have section dealing fully. Add sections on Racism, Food, UNO. Deal with development of Fourth International during the war.

Motion on the Political Resolution Presented by the Secretariat

The Conference adopts the text of the report of the ES and instructs the new IEC to elaborate it in final form, incorporating all the amendments which are in conformity with its general line.

Adopted—18 for, 2 against, 4 abstaining.

Against: French and Canadian Minorities.

Abstaining: 3 English and 1 Irish.

Note: Regarding this, the delegation of the British majority makes a statement explaining their abstention: The delegation is in complete agreement with the fundamental line of the resolution, established in the preceding resolution. It has sent a short statement to the ES, and as a basis for criticism has composed a series of amendments which should be submitted by the International Organization for discussion.

Resolution on the IKD and Reorganization of German Section

The Conference of the Fourth International meeting in April 1946, having discussed the political line followed by the leadership of the old German section of the Fourth International, the IKD, in exile abroad, and the problems posed by present conditions in Germany, declares:

(a) It unanimously condemns the revisionist ideas contained in the documents written since 1941 by the IKD leadership (“Three Theses,” “Socialism or Barbarism,” “Problems of the European Revolution”). The leadership of the IKD has substituted for our transitional and socialist program, which corresponds to the objective historical character of our epoch and remains fundamentally that of the socialist revolution, a national-democratic program, based on “the necessary detour of the democratic revolution” and on the perspective of the “coming

great national-democratic wars of liberation of all the oppressed peoples of Europe.”

The Fourth International does not minimize the importance of the slogan of self-determination for every people, or of other democratic slogans in general; but it does not separate them from the rest of its transitional and socialist program, it does not put them forward even for a limited period as ends in themselves, nor does it proclaim any intermediate stage of “democratic revolution,” to be accomplished by “all the people” and distinct from the socialist proletarian revolution.

(b) It considers that a sustained effort must be made by the new IEC and IS, in close collaboration with the present leadership of the IKD to regroup all the elements who base themselves on the platform of the Fourth International and submit to the discipline of its conventions and its executive bodies, and to organize them in Germany itself as the official German Section of the Fourth International. To this end the IEC and the IS must be instructed immediately to take, in close consultation with the present IKD leadership, every necessary measure to bring about the reorganization of the German Section and the resumption of its work in Germany itself.

(c) It invites the leadership and the members of the IKD still abroad to carry out the decisions of the Conference, to submit to the discipline of the new IEC and IS, and to prepare as rapidly as possible for their return to Germany, in accordance with the instructions and directives of the International.

Adopted—19 *for*; 4 *against* (British majority delegation and French minority representative). The Canadian minority representative later entered his vote against.

NOTE: The British delegation (Majority) presented a different resolution as follows:

(1) Condemns the political line of the “Three Theses.”

(2) States the necessity for reconstituting the work in Germany.

(3) Asks the present leadership of the IKD to prepare immediately the reconstitution of the German Section, under the direction of the new IEC and IS, which commission it to work out a policy for Germany.

The resolution of the British majority delegation was *lost* 4 to 19.

* * *

Remainder of the Agenda

In view of the need for adjournment, the remainder of the agenda was voted to be turned over to the new IEC for action.

Resolutions of Eleventh Convention of the American Trotskyist Movement

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The Scientists and Atomic Energy

By JOHN G. WRIGHT

In a recent public speech at St. Louis, Dr. Harold C. Urey, Nobel Prize winner and one of the world's outstanding physicists, expressed the fear that he and all those associated with him in nuclear research will be "cursed by generations to come." Dr. Urey's somber prediction puts into words the mood of pessimism verging on prostration which prevails among the overwhelming majority of the men of science.

It might appear that the explanation for this pessimism is to be found in the very nature of their discovery. The scientists made atomic energy initially available on a large scale in the form of an explosive. But in and of itself there is nothing alarming in such a development.

In the first place, it is much easier and simpler to gain releases of energy at slow rates and in small amounts than it is to obtain such vast and sudden quantities of energy as will produce an explosion. In the very process of exploding nuclear energy, the scientists were obliged at the same time to solve many of the *key* problems of releasing this energy in forms which are easily adaptable to industrial and civilian use.

Moreover, explosives can be and have been harnessed. Let us recall that the first combustion engine was the cannon. The internal combustion engine is essentially a mechanism whereby millions of small explosions are controlled and converted into motive power. The jet propulsion engine, still in its infancy, is a mechanism for controlling much larger and more powerful explosions. To be sure, atomic explosives are far more difficult to control, but, as every qualified scientist knows, it is a practical problem. In return for all the difficulties, undreamed-of motor forces will eventually be at the disposal of society. A sober and conservative sketch of the theoretical perspectives of the "atomic age" seems more far-fetched than ever did the most imaginative flights of Jules Verne or the Arabian fairy tales. The tapping of nuclear energy is the most revolutionary discovery in history.

All social progress depends, first and foremost, on the sources of energy at the disposal of society. Every advance in this field has led to momentous consequences. But these advances have been few and far between. Hence the painfully slow and tortuous development of society. For untold centuries, social progress ran up against material limits, especially the fact that no other source of energy was available except the muscular energy of the human organism. The discovery and application of tools could multiply this energy and render its utilization more efficient only within a very narrow framework. The use of domesticated animals was in its time an epoch-making invention enlarging man's power. Throughout the pre-historic periods, as well as thousands of years later, it was still possible to work upon nature primarily through animal power, primarily through millions of slaves. Man's extremely limited mastery of nature in the past was maintained by the establishment of man's mastery over man. Let us note, in passing, that this tended to stabilize the age-long institution of slavery.

The harnessing of water power (watermills) and of air currents (windmills, sails) played an important role in advancing technology but did not add greatly to the reservoirs of energy.

The giant leap of modern society is correctly dated back to the so-called industrial revolution of only a few centuries ago. The material premise of the latter was the discovery and use of

coal as a new and revolutionary source of energy. The principle of the steam engine has been known for 17 centuries. But lacking was the fuel to operate it, as well as the knowledge of metallurgy to construct adequate boilers.

With the industrial revolution, science and technology made colossal strides. Nevertheless, the fact is that in terms of power resources, the situation has not altered as much as one might imagine. Coal, for instance, is still the key fuel. Of the total world energy produced, coal still accounts for more than 70 percent; oil and natural gas—25 percent; waterpower—5 percent.

Things have been literally altered overnight by the work of the atomic scientists. They have tapped the secret of secrets, making available the basic source of energy not only on our planet but in the universe. It is estimated that a pound of fissionable fuel (uranium) is equivalent as a source of energy to several thousand tons of coal, more than a quarter of a million gallons of oil, and approximately 50 million cubic feet of natural gas. In terms of electrical power, one pound of U-235 is equivalent to an annual output of 1,400 kilowatts per hour. This means that a single atomic power plant with 5 tons of U-235 would match the annual output of all the existing hydroelectric plants in this country, whose capacity is rated at 14 million kilowatts. Atomic power plants of 300 ton capacity would match all the energy (coal, oil, and waterpower) produced in the US. [These figures are estimated on the basis of utilizing one-one-thousandth of the total energy in one pound of uranium.] There are no grounds whatever for the contention (deliberately propagated) that such use of atomic energy will require research of untold years. At this very moment there exist sources of heat, light and electricity capable of replacing coal. The atomic piles in the State of Washington which are now heating up the Columbia River are such rudimentary power plants. An infinitesimal fraction of the huge sums still being spent on the production of atomic bombs would suffice to convert these atomic piles for industrial and civilian purposes. No less fraudulent are the contentions that such enterprises would be extremely dangerous, or more costly, less efficient, less reliable, etc., than existing power facilities.

We do not mean to say that the full potentialities of nuclear energy, or even a major part of them, can be realized within a brief period. Eventually this discovery will transform not only every branch of industry, especially metallurgy, but also every branch of science. Future chemistry, physics, biology, etc., will differ as profoundly from their present state as modern industrial processes differ from those of the stone age. The vast and still undreamed-of possibilities of the application of atomic energy to research, medicine, agriculture, industry and other fields of activity—that is the music of the future. But the whole point is that in the very process of exploding atomic energy, the scientists have placed in the grasp of mankind an *unlimited source* of power, heat, light, electricity.

Assuredly those who have opened up such vistas could with justification expect their names to be enrolled among the greatest benefactors. Universal acclaim and honor have invariably been accorded to those who have enlarged human resources. For the sake of illustration, suffice it to cite the case of Edison. By his invention of the electric bulb, Edison became a symbol

of progress, an almost legendary figure among the peoples of the world. It would enter no one's mind to affirm that posterity will brand his name with infamy. Still, the attainments of Edison were relatively modest. In any case, they pale by comparison with the scope and significance of the work of the atomic scientists. Here are men who have achieved the dreams of their predecessors. Theirs is the crowning discovery of all the past scientific endeavors. They have scaled heights that seemed to be beyond the reach of contemporary science.

And yet what is their own verdict? They gloomily foresee, in Urey's words, the condemnation of history. In their own eyes, they appear, by implication, to be worthy not of respect but contumely. The foremost scientists expect in reward for their greatest successes—to be forever cursed by the future generations. Why? Because they expect their discovery to be used only for purposes of destruction.

Pessimism of Scientists

The pessimism of the American scientists is all the more startling because if they had any faith at all it was faith in unlimited progress, above all through science. Their view of the march of history was primitive but optimistic in the extreme. In the words of the historian Charles A. Beard, it meant:

... moving from one technological triumph to another, overcoming the exhaustion of crude natural resources and energies, effecting an ever wider distribution of the blessings of civilization—health, security, material goods, knowledge, leisure, and aesthetic appreciation, and through the cumulative forces of intellectual and artistic reactions, conjuring from the vast deeps of the nameless and unknown creative imagination of the noblest order, subduing physical things to the empire of the spirit. . . .

This harmonious and uninterrupted movement from "one technological triumph to another" is a purely arbitrary construction. It represents a simplification and vulgarization of all movement in nature, society and science in particular. What such an outlook really advances is the inevitability of gradualness. Yet as every scientist knows, side by side with slow, molecular (gradual) changes there occur in every sphere sudden (catastrophic) changes, explosions, leaps forward and backward. At a certain stage, gradualness becomes transformed into its very opposite.

By the savage irony of history, upon reaching the very gateway to unlimited scientific horizons, implicit in the unlimited source of power they have discovered, the scientists find their traditional optimistic outlook in complete conflict with reality.

While assimilating the most advanced ideas in their own specialized fields, these men have remained conservative and even reactionary in the sphere of social thought and action. If they thought about it at all, they took it for granted that there existed complete correspondence between contemporary social organization and social needs. To be sure, a few things might be amiss here and there, but it was only a question of some minor readjustments, which would be solved in passing as science marched on from one triumph to the next.

The fact, however, is that there is no such correspondence at all. From a relative obstacle to progress, capitalism has long since turned into an absolute brake upon it. Almost one hundred years ago, Marx and Engels warned that the welfare of society was incompatible with the regime of capitalism. Today it is no longer a question of inevitable social stagnation and decay, but literally of physical survival.

"The life of monopolistic capitalism in our time," wrote Leon Trotsky, "is a chain of crises. Each crisis is a catastrophe.

The need of salvation from these partial catastrophes by means of tariff walls, inflation, increase of government spending, and debts lays the ground for additional, deeper, and more widespread crises. The struggle for markets, for raw materials, for colonies makes military catastrophes unavoidable."

Summed up in these words is the actual movement of contemporary society, especially during the last three decades. It may not be as consoling as the thesis of gradualism, but it has the advantage of being scientifically exact. Moreover it points the only way out of the impasse in which humanity finds itself today. Unconditionally necessary is the abolition of a social system that is capable of surviving, even temporarily, only through periodic destruction of the productive forces in a series of increasingly devastating economic and military paroxysms.

The parasitism of monopolistic capitalism is malignant. The latest symptom of this malignancy is the use to which nuclear energy has been put since its discovery. Unlimited power is being applied solely for the purposes of unlimited destruction. This is not a theoretical forecast but the grimmest of realities. It has provided the dominant theme for the public utterances of most of the atomic scientists. It is the keynote of their latest publication, *One World or None*.

And they are now in process of making still another shocking discovery. They are discovering how impotent they are even to mitigate the situation. Despite all their collective efforts, not a dent has been made in the military control of atomic energy. The MacMahon Bill, on which they pinned such great hopes, perpetuates this military control through the simple device of a revised amendment by Senator Vandenberg. This "revision" consists merely of adding a little red tape to the original amendment, which aroused such universal protest among the scientists, not to mention the bill's sponsor MacMahon. The Brass Hats retain the veto power, only instead of exercising it in their own name they must henceforth do it through the Secretaries of War and the Navy. Moreover, there are secret provisions to the bill, which, as reported by columnist Drew Pearson, make it a crime even to gather "commercial" information concerning nuclear energy.

In the meantime, the plants producing atomic explosives continue to operate around the clock, 24 hours a day. The stockpile of bombs and explosive materials is growing by leaps and bounds. Periodically the public is informed that new improvements are either on the way or have already been introduced. Vast sums continue to be secretly spent. The cost of operating the existing plants alone runs in the neighborhood of a half-billion dollars a year.

An international atomic armaments race is on. It is not true that even the "know-how" can long be kept a secret; nor that only countries with the most advanced industrial plant can manufacture these bombs. The minimum requirements are: adequate laboratory equipment, technical personnel and the necessary raw materials. Authoritative scientists have testified before Congressional committees that atomic armament plants can be built for 100-million dollars, and even less.

The Race for Pitchblende

In the previous struggles over raw materials (oil, rubber, tin, etc.) the great powers were content with grabbing the lion's share. It is otherwise with pitchblende, and other ores bearing fissionable raw materials. Here, the precondition for supremacy is nothing short of world monopoly. American imperialism is determined to achieve such monopoly. This is the gist of the Acheson-Lilienthal report, drafted and issued under the aus-

pices of the US State Department. Furthermore, complete control of raw materials is not enough; it must be supplemented by a world monopoly of all the industrial processing of these materials. This, too, is provided for by the Acheson-Lilienthal report.

Bleakest of all are the prospects of the United Nations organization, upon which the scientists tend to look as the surest avenue of salvation. This "world" body is the very center of preparations for the next world war and will continue to serve in this capacity so long as it exists.

The helplessness of the scientists is not a temporary condition, but is inherent in their social position. They are precluded by the dynamics of the class struggle from playing an independent role. The decisive word in society rests only with the classes that play an independent role in the productive process. The scientists play no such role. They are therefore faced with the choice of allying themselves with labor or with the capitalists. An alliance with the latter can only help precipitate the very catastrophe the scientists hope to avert. On the other hand, in alliance with labor's struggle for socialism they can individually and collectively play a very great role.

Civilization can be saved from atomic explosives in the hands of the imperialists only through a social explosion, or revolution. It ought not be too difficult for those who readily accept explosions as an integral part of the natural processes and who guided by that knowledge succeeded in exploding the tiniest particles of matter—it ought not be hard for them to understand that the same thing holds true of social processes.

All the conditions for revolution are prepared by the uninterrupted series of economic, political and military crises into which society is plunged by monopolistic capitalism. Human beings cannot continue to live indefinitely in a society that totters on the brink of the abyss. When the break in mass

moods comes, heralding the objectively revolutionary situation in this country, the revulsion will be all the more violent, and the tempo of revolutionary events all the more rapid.

Here an objection may be raised that to stake everything on the revolution is to invite disaster, especially in face of the atomic bomb. This is merely a restatement of the hoary argument of all those who counted up the number of rifles, guns, tanks, planes, and soldiers in a country and invariably credited them to the side of the counter-revolution. Naturally, if the existing apparatus of repression remains intact in the hands of the ruling class, then no revolution is possible. But the revolution is precisely a revolution by reason of the fact that it permeates every nook and cranny of the social organism, leaving nothing untouched. The ruling class finds itself isolated. Even the servants, the cooks and butlers depart. The rulers begin to vacillate, and finally become rendered incapable of action. Under the onset of the masses, their apparatus of repressions crumbles to pieces.

During the Russian Revolution the Czarist officers were confident that all they needed was a single strong regiment to put down the masses. In his "History of the Russian Revolution," Trotsky wrote:

One strong regiment is all the enemy needs! . . . This idea, by the way, will meet us in different versions throughout all the stages of the revolution. "Give me a strong regiment," gallant colonels will more than once exclaim to their friends, "and in two seconds I will clean up all this mess!" And some of them, as we shall see, will make the attempt. But they will all have to repeat Khabalov's words: "The regiment starts, starts under a brave officer, but . . . there are no results." Yes, and how could there be results?

The handful of monopoly capitalists can hardly expect any different results once the overwhelming majority of the American people, led by the working class, rises up against them.

Profiteering in the Second World War

By J. THORNE

For two decades after the sensational profiteering scandals of the First World War, we were frequently assured in the capitalist press that all the necessary legislation had been worked out to keep the next war financially respectable—strictly a non-profit enterprise. The slogan to "take the profits out of war" became a national shibboleth. But this all-national slogan was soon manipulated by the monopolists to help sell the bloodier and more profitable Second World War. Roosevelt, it will be recalled, employed the slogan in his "Equality of Sacrifice" program. "No war millionaires," he promised the American people.

Within only four years the number of billion-dollar concerns in America had risen from 32 to 44. Assets of the 44 had risen to \$103 billions, more than a third the entire national wealth. Wall Street has become the "world's banker."

Whereas the First World War produced \$28.5 billions of net profits and created 22,000 millionaires, the Second practically doubled the "take," enriching the monopolists by \$56 billions—so far. Never before in history has any venture proven so profitable.

The Trillion Dollar War cost the people of the United States \$336 billions, not counting destruction and suffering. On a world scale it claimed about 60 million casualties (so far). There were 1,071,266 American casualties (294,765 dead and

missing). On this basis the \$56 billions war profits meant that the monopolists raked in \$933 every time blood was spilled anywhere in the world. Every time an American fell in battle the Wall Street tills rang up \$52,000 blood profits.

Today the American financiers not only own two-thirds of America but hold a mortgage on the rest. The \$279 billion war debt amounts to a mortgage of nearly \$9,000 on every American family, a lien of \$2,551 on every man, woman and child in the nation. American workers are being forced to pay \$25 billion yearly, including \$5 billions or more interest, toward this debt and other government expenses. Nobody believes the debt will ever be paid off; it will hang over the people indefinitely, as the World War I debt did.

The "60 Families" had their own unique theory of how to keep down the number of new millionaires: the more billionaires the less millionaires. They simply paid less dividends to the ordinary stockholders and kept more "reserves" under control of the top executives who represent the real owners.

Before 1940, corporate dividends were often as high as two-thirds of profits. But after 1940 the dividends were less than half of profits. The banks went even further in concentrating wealth. They kept back 80 percent of profits as "capital accounts." (Federal Reserve report, February 6, 1946.)

Consequently, liquid asset holdings of business increased

277 percent from 1939 (\$17.5 billions) to 1944 (\$66 billions). (Federal Reserve Bulletin, June 1945.) But as assets grew, the number of firms dropped by hundreds of thousands. In three and one-half years, 1941 through June 1944, according to Department of Commerce figures, the number of business establishments in the United States fell by 410,400, or about 13 percent. In the same years profits rose 30 percent.

But even the foregoing figures of doubled blood profits and increasing concentration of wealth into ever fewer hands, do not give the full picture of the actual degree of war plunder, on the home front. These are over-all figures, averaging the profits of the richest monopolies with the losses of the little fry. Actually profit increases ranged up to 2,431 percent for whole industries and up to 11,743 percent for individual concerns. Following are Office of Price Administration figures for percentage increases of 1944 profits over 1936-39 averages, by industries (Congressional Record, January 22, 1946):

Industries	Percent Increase
Motor vehicle parts	896
Iron, steel and byproducts	252
Lumber and timber byproducts	1,064
Electrical machinery	434
Communications equipment	521
Industrial electrical equipment	399
Other electrical products	772
Non-electrical machinery	360
Engines and turbines	2,431
Transportation equipment	658
Aircraft and parts	1,686
Railroad equipment	318
Food and kindred products	150
Meat products	271
Apparel	280
Textile mill products	522
Petroleum and coal products	159
Rubber products	698
Bituminous and other soft coal	1,148

The Special Senate committee investigating the National Defense Program stated:

The Planning Division of the War Production Board has estimated that net profits, after renegotiation and taxes, of the war industries (metals, chemicals, petroleum and rubber) for the four war years will be about \$16,000,000,000. Since the proportion of civilian business in these industries had been very small, almost all these profits may be regarded as coming from Government business. Such profits are about twice the pre-war average of such industries.

The Senate committee also discovered that of the 100 corporations having the largest volume of war business, three increased profits 10 times, 19 trebled their pre-war profits and 24 others had war profits 1 to 3 times normal profits. Of the rest, 12 companies which had shown losses in 1936-39, earned between \$1 and \$18 millions in 1942. Labor officials who accused the corporations of a "Business As Usual" policy were quite wrong. It wasn't usual at all. It was quite unusual.

The 200 largest steel corporations more than doubled their annual profits during the war. The CIO United Steelworkers of America published an analysis entitled "Five Years of War Profits," declaring that open and concealed steel profits from 1940 to 1945 exceeded \$2 billions, an average of \$245 millions yearly. Reported profits, after taxes, were: 1936-39, \$576,000,000; 1940-44, \$1,225,000,000, an increase of 113 percent.

And these fantastic profits were over and above equally fantastic salaries paid to top corporation executives. There was

no salary freeze for Charles E. Wilson, President of General Motors. GM paid him more (besides dividends) in 1943 than the combined salaries of the United States President, Vice President, entire Cabinet, entire Supreme Court, Speaker of the House and General Eisenhower.

The 802 New York, New Jersey and Connecticut member banks of the Federal Reserve System had net profits of 7.2 percent in 1943, 9.5 percent in 1944 and 11.6 percent in 1945. The Federal Reserve reported "The principal reason for increased net profits of most banks was the increase in volume of earning assets, chiefly Government securities." These banks also made "sizable additions to current net earnings from profits on securities sold during the year." Not only the war debt but the war inflation, paid off for the big bankers.

The Excess-Profits Taxes

Not all the profiteering was strictly legal. *Fourth International* reviewed the typical frauds in December 1943 (George Breitman, "Wartime Crimes of Big Business"). But the profits cited in this article had the full approval of Congress and the Administration. Obviously, the "excess profits" taxes were essentially window dressing.

Now the government is returning 10 percent of excess profits taxes and guaranteeing profits for the next 10 years. The rebate of excess profits taxes amounts to about \$2,840,000,000, more than half the total net corporate profits in the banner year of 1937.

Besides, if the profits of any company in the next 10 years drops below its so-called normal profit level, it is entitled to a cash refund from the US Treasury to make up the difference. Industry could collect in this manner a total of \$62 billions from Uncle Sam's 10-year profit-guaranteeing fund.

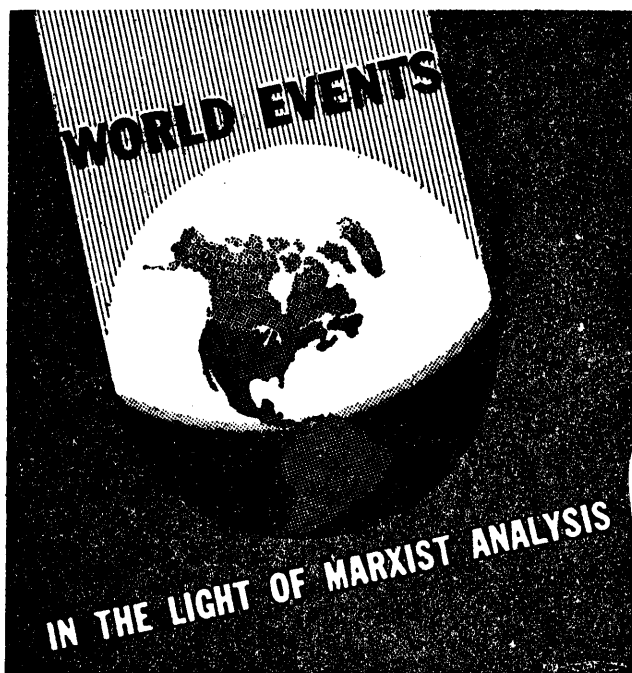
The steel industry, already having net working capital of \$2 billions, will get \$200 millions rebate from the Treasury. If no profit is reported in 1946, a further rebate of \$149 millions is guaranteed. This would be 29 percent more than average peacetime profits. Here is how it works. Bethlehem Steel Corporation took advantage in 1945 of the carryback-carryover provisions of the tax law to write off \$44,100,000 for amortization. Thus, instead of its actual \$22,676,000 profits, Bethlehem showed a paper loss of \$27,218,000 on its tax returns. So Bethlehem applied for a refund and the US Treasury dug into the American public's pockets to hand Bethlehem an additional \$34,980,000. Bethlehem's final profits were therefore actually \$57 millions, 60 percent of it an outright gift from the government.

While the corporations were piling up unprecedented reserves, the government was providing more than two-thirds of the \$25 billion for the new plants. What little the corporations invested in plants did not even equal the depreciation and was furthermore charged against taxes or to current operating expenses. But that did not prevent the corporations from acquiring a 50 percent increase in machine tools during the war. General Motors increased its machine tools almost 100 percent, from 75,000 in 1940 to 143,774 in 1943. The total of machine tools rose from 934,000 in 1939 to 1,400,000 by 1944 (Congressional Record, January 22).

The leading corporations increased their productive wealth in other fields in similar proportions—all at the expense of the people.

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