

# POLITICAL AFFAIRS

*A magazine devoted to the theory and practice of Marxism-Leninism*

## EDITORIAL BOARD

MAX WEISS, *Editor*; V. J. JEROME, *Associate Editor*

ALEXANDER BITTELMAN, HENRY WINSTON

VOLUME XXVI, NO. 4

## Contents

APRIL, 1947

American Democracy Must Not Commit Suicide	Eugene Dennis	291
A Cablegram to Secretary of State Marshall	Eugene Dennis	293
Organic Unity: Next Point on Labor's Agenda	John Williamson	295
The British Empire Communist Conference	William Z. Foster	302
The People Fight Back for Rent and Housing	Lillian Gates	316
People's Democracy: The Way to the Peaceful Development of Poland	Wladyslaw Gomulka	328
The Connecticut Story	Joe Roberts	336
Toward a People's Tax Program	Donald Freeman	346
The Development of the New German Trade Union Movement	Paul Merker	359
Current Economic Trends	Labor Research Association	368
BOOK REVIEWS:		
Hitler's 3 K's for Woman—An American Rehash	Elizabeth Gurley Flynn	376
Negro History Misinterpreted	Alpheus Hunton	381

Entered as second class matter January 4, 1945, at the Post Office at New York, N. Y., under the Act of March 3, 1879. POLITICAL AFFAIRS is published monthly by New Century Publishers, Inc., at 832 Broadway, New York 3, N. Y., to whom subscriptions, payments and correspondence should be sent. Subscription rate: \$2.50 a year; \$1.25 for six months; foreign and Canada, \$3.00 a year. Single copies 25 cents.

PRINTED IN THE U.S.A.

209

## NEW PUBLICATIONS

WORKERS, DEFEND YOUR UNION!, by William Z. Foster...	\$.01
IS COMMUNISM UN-AMERICAN?, by Eugene Dennis.....	.05
WHAT YOU SHOULD KNOW ABOUT COMMUNISTS —WHO THEY ARE—WHAT THEY BELIEVE IN— WHAT THEY FIGHT FOR.....	.03
WHAT DO COMMUNISTS REALLY WANT?.....	.01
FRANCO SPAIN—MENACE TO WORLD PEACE, by Mil- ton Wolff .....	.05
TAX RELIEF FOR WHOM—THE NEEDY OR THE GREEDY? by Donald Freeman.....	.03
THE COMMUNIST POSITION ON THE NEGRO QUES- TION .....	.25
HOLD THAT RENT CEILING!, by Louise Mitchell.....	.03
WOMAN'S PLACE—IN THE FIGHT FOR A BETTER WORLD, by Elizabeth Gurley Flynn.....	.05
HOW'S YOUR HEALTH?—THE FIGHT FOR A NATIONAL HEALTH PROGRAM, by Robert Friedman.....	.10
THE COMMUNIST PARTY AND YOU, by Betty Gannett.....	.10
WHAT PRICE PHILIPPINE INDEPENDENCE, by George Phillips .....	.10
ENEMIES OF THE PEACE: PROFILE OF THE "HATE- RUSSIA" GANG, by Sender Garlin.....	.10

NEW CENTURY PUBLISHERS • 832 Broadway, New York 3, N. Y.

A ST

THE A  
especial  
of Labo  
In askin  
reaction

It is s  
before t  
push th  
Therefo  
call for  
G.O.P.

In th  
organiz  
munist  
sections  
German  
today i

We A  
the bes  
country  
showed  
nationa  
forefron  
aims fo

Beacu  
current  
arrogan  
peace o  
what th

To d  
movem

# AMERICAN DEMOCRACY MUST NOT COMMIT SUICIDE

*A STATEMENT ISSUED TO THE PRESS ON MARCH 11, 1947*

By EUGENE DENNIS

THE AMERICAN PEOPLE, the followers of the late President Roosevelt and especially the labor movement were shocked at the demand of Secretary of Labor Lewis B. Schwellenbach that the Communist Party be outlawed. In asking this, Secretary Schwellenbach openly joined forces with the ultra-reactionary G.O.P. and its Parnell-Thomas-Rankin Un-American Committee.

It is significant that Schwellenbach's un-American declaration was made before the G.O.P.-dominated House Labor Committee, which is trying to push through legislation designed to cripple and destroy the trade unions. Therefore it was not accidental that the Secretary of Labor coupled his call for repressive action against the Communist Party with endorsing the G.O.P. proposal to amend the Wagner Act.

In this connection, all Americans, especially all trade unionists and their organizations, should remember that in every country in which the Communist Party was outlawed the free trade unions and the liberties of all sections of the common people were also suppressed. This was so in Hitler Germany, in fascist-militarist Japan and in Italy under Mussolini. It is so today in Franco Spain and fascist Greece.

We American Communists, for nearly three decades, have worked in the best interests of the American people, in the best traditions of our country, as the staunchest fighters for democracy, progress and peace. We showed in exemplary fashion our patriotism and devotion to our country's national interest in the great war against fascism. And today we are in the forefront of the struggle to curb the trusts and realize fully the anti-fascist aims for which the peoples fought the war!

Because of this, the Wall Street trusts and cartelists are engineering the current anti-labor and anti-Communist attacks, so that they can, with greater arrogance, carry on their offensive against the American people and the peace of the world. They are trying to do to our people and to all countries what the German fascists did under Hitler.

To defend their own liberties and the Bill of Rights, the labor and people's movements of our great country must speak out and act. In their own inter-

ests, they must defeat the anti-Communist conspiracy of the G.O.P. and the trusts, in which Mr. Schwollenbach and Attorney-General Clark collaborate.

The pro-fascist demand for the illegalization of the Communist Party can be defeated by the aroused and united action of labor and the people. For 1947 is not 1933, when Hitler came to power. The American people have learned something about Hitler's anti-Communist technique in the fires of the anti-Axis war.

Insofar as the Democratic Party and the Truman administration are concerned, they seem to have forgotten what happened to them in the 1946 elections, when they tried to compete with the G.O.P. reactionaries in Red-baiting. They seem to have forgotten what happened in the Presidential elections of 1920 when the Democrats did the bidding of the reactionary open-shoppers of that day by organizing Red scares and Palmer raids.

While the Truman administration may be prepared to commit political suicide by joining with the Hoovers and Tafts in abridging the democratic rights of labor and the Communists—the supporters of F.D.R.'s policies—the mass of the American people, are not.

But time grows short. Every American who cherishes democracy must now actively defend it. Every democrat and progressive must protest and defeat any and all efforts to violate the Constitution and Bill of Rights through the enactment of undemocratic and repressive legislation, whether directed against the Communist Party or the trade unions.

Democracy, like peace, is indivisible. It must be defended for labor and the Communists if it is to be preserved for all the people.

The fo  
George C  
Party of

Hon. Ge  
Secretary  
c/o Unit  
Moscow,

Dear Mr

I have  
presented  
Ministers  
White  
persons  
America  
ation.

I wish  
Chairma  
on Marc  
HR 212  
Commun

The p  
House C  
freely c  
election

It wor  
press an  
Amon  
March 2  
Labor L  
Congres  
it from

# CABLEGRAM

## TO SECRETARY OF STATE MARSHALL

By EUGENE DENNIS

*The following cablegram was sent on March 16 to Secretary of State George C. Marshall by Eugene Dennis, General Secretary of the Communist Party of the United States of America:*

Hon. George C. Marshall,  
Secretary of State, U.S.A.,  
c/o United States Embassy,  
Moscow, U.S.S.R.

Dear Mr. Secretary:

I have read with deep interest the definition of democracy which you presented in behalf of the American government to the Council of Foreign Ministers on March 14.

Whatever one may think about applying those democratic rights to *all* persons in Germany, I believe those rights must be guaranteed for the American people, regardless of race, national origin, creed or political affiliation.

I wish to call to your attention that Representative J. Parnell Thomas, Chairman of the House Committee on Un-American Activities, announced on March 15 that his Committee will open hearings March 24 on HR 1884, HR 2122 and other bills designed to abridge the constitutional rights of Communists and to outlaw the American Communist Party.

The proposed legislation which will be considered by the above-mentioned House Committee hearings, would deny the right, enunciated by you, of "freely constituted political parties" to participate "in a free and competitive election system."

It would also nullify "the uniformly effective guarantee of freedom of press and radio," in all parts of the United States.

Among those who will testify at the House Committee hearings, starting March 24, as announced by Representative Thomas, will be Secretary of Labor Lewis B. Schwellenbach. Mr. Schwellenbach has recommended that Congress shall pass legislation banning the Communist Party and barring it from participating in federal elections.

Legislation is also pending both in the House Committee on Un-American Activities and the House and Senate Labor Committees abridging the "uniformly effective guarantee of the rights of free trade unions" in all parts of the United States.

Included in this legislation is the proposal that patriotic American citizens who are Communists, or who are suspected of being Communists, shall be barred from employment in government and industry, membership in trade unions and denied the right to hold elective office in trade unions. This, too, is in violation of your statement that: "To us a society is not free if law-abiding citizens live in fear of being denied the right to work or deprived of life, liberty and the pursuit of happiness."

I therefore respectfully urge that you authorize the State Department representatives in Washington to submit as testimony before the House Committee hearings, scheduled to open March 24, your definition of democracy.

I also respectfully suggest that you recommend to the Congress that the democratic principles which you outlined in your statement shall be applicable to all Americans, including trade unionists, Communists, the Negro people and the foreign-born. I have special reference to the five basic principles you mentioned:

First, an "effective guarantee of civil rights. . . ."

Second, a "uniformly effective guarantee of the rights of political parties. . . . Freely constituted political parties should be insured the right to participate in a free and competitive election system, win adherents, and obtain just representation."

Third, a "uniformly effective guarantee of the rights of free trade unions. . . . The rights of free and autonomous trade unions to carry on the customary trade union activities in accordance with the wishes of their members should be clearly established."

Fourth, a "uniformly effective guarantee of freedom of press and radio. . . ."

Fifth, an "effective guarantee of freedom of movement for persons."

I respectfully submit, that the presentation of these views by the State Department to the Congress will help every American citizen preserve for himself those "constitutional guarantees of his basic rights and liberties, of which you speak.

Respectfully,

EUGENE DENNIS,

*General Secretary, Communist Party*

ORGAN  
NEXT  
LABOR

THE ANTI-  
celebrated  
press and  
ounds of  
to weaker  
C.I.O. and  
organized  
in the lab  
his gener  
against th  
the Republ  
er. The  
Court aga  
challeng  
is-LaGua  
The Repu  
reactionar  
roy not  
for just t  
trade unio  
Wall  
not only i  
a the im  
remove th  
anti-fascis  
ominatin  
ive is st  
on agai

# ORGANIC UNITY: NEXT POINT ON LABOR'S AGENDA

By JOHN WILLIAMSON

and toward organic unity, even on the part of some reactionary A. F. of L. leaders, who are impelled, for their own reasons, to this course.

## OPENING MOVES

Until today the trade union movement has had illusions about the Republican Party, the Supreme Court, and a Presidential veto of anti-labor laws. Such spokesmen of Big Business as the *Kiplinger Letter* kindled hope by declaring that this Congress would not be reactionary but conservative; that it would not destroy most of the New Deal measures but would "tinker" around with, and "trim," a few. Today the trade unions know the kind of "tinkering around" that Senators Taft, Ball, Smith and company are engaged in.

To meet and defeat these attacks President Murray of the C.I.O. months ago proposed united action of all labor—C.I.O., A. F. of L., and the railroad brotherhoods. After months of delay the A. F. of L. answered, recognizing the seriousness of the anti-labor threat and proposing, not joint action, but organic unity of the trade union movement. Additional letters have been exchanged and committees have been appointed, while the threats multiplied and while individual as well as united actions of C.I.O. and A. F. of L. against anti-labor legislation took place in over 50 cities of America. Participation of masses of workers from both A. F. of L. and C.I.O. were hindered by such notions in

THE ANTI-LABOR ROMAN HOLIDAY NOW celebrated in both Houses of Congress and in many state legislatures sounds off monopoly capital's drive to weaken the trade unions, both C.I.O. and A. F. of L. The well-organized Red-baiting activities within the labor movement also reflect this general offensive of the trusts against the people, accelerated since the Republican victory last November. The action of the Supreme Court against the coal miners, if left unchallenged, would nullify the Norris-LaGuardia anti-injunction act. The Republican Party, supported by reactionary Democrats, is out to destroy not only the Left-led unions, but all the C.I.O. unions, but all trade unions, including the A. F. of L. Wall Street aims to crush labor, not only in order to protect its profits in the impending crisis, but also to remove the trade-union backbone of anti-fascist opposition to its world-dominating imperialist plan. This drive is stimulating united labor action against anti-union legislation

both organizations as "the trade unions must ride out the storm" and "this is not the time for mass demonstrations that will only antagonize the Congressmen."

Some skeptics explain the A. F. of L. proposal as exclusively a maneuver to stop the militant, united front, rank-and-file action which they fear. Others feel such overtures may be directed to the reactionary forces in the C.I.O. leadership—the Careys, McDonalds, Rieves, Altmans, etc.—for joint Red-baiting and for a deal against the Left and against the progressive leadership of Murray.

These explanations are too simple. They ignore the great social forces at work and the consequent contradictions that can be utilized for progressive purposes. The problem cannot be conceived in terms of Left and Communist forces on one side, with all others on the side of reaction. Even though some leaders harbor such ideas, the subjective aims of such "little minds" can be—and have been—swept aside by the big new problems, setting in motion mass forces of labor and the people. Such a movement invariably breaks the boundaries set for it originally, just as the C.I.O. in its life history has transcended the early aims of its chief founders (in 1935 John L. Lewis, whose past had not been progressive, played an objectively progressive role in leading the newly-organized C.I.O.). At such a moment we can overlook the subjective intentions of many reactionaries, seeing them impelled to defend their

positions and organizations from mortal attack. There are conservative forces in the A. F. of L. Executive Council who fear mass action discourage their own rank and file hope for a deal with reaction, but still—for reasons of their own—favor organic unity. The common action encompasses many different forces and different motivations.

#### ARGUMENTS TO BE CONSIDERED

Within the ranks of labor there is considerable discussion, pro and con as to the possibility of realizing organic unity of the trade union movement. Few people challenge the basic advisability of such unity. Some are skeptical as to its realization. Others raise for consideration possible dangers, such as the following:

1. *Organic unity would result in a great over-all strengthening of reactionary top trade union leadership.*

On the basis of a static situation there is no doubt that this would be a serious danger. However, a merger under present-day conditions and hastened precisely because of the great threat of reaction to the existence of the trade union movement, could only have a progressive impact in general, as well as in the trade union movement itself. Such a united labor movement would invariably bring forward new issues which would bring about new realignments in response to such issues, especially if the rank-and-file members exer-

aised their  
tion of  
ivities.

2. *Organic  
efforts by  
united tra  
Republica*

Clearly  
astrous, a  
done to d

ever, the  
union mo  
tions pr  
achieved

would m  
tion—and  
to the R

would be  
influence

unions a  
tion and  
file gene

The ex  
trade uni  
stimulate

tion wou  
ment of  
ment in t

the local  
of local  
dependen

this is es  
the prog  
As reg

can part  
borne in  
Lewis di

ment, de  
esses, c  
the Rep  
ered the



pressed their initiative to press for adoption of progressive policies and activities.

2. *Organic unity might result in efforts by some leaders to tie such a united trade union movement to the Republican party in 1948.*

Clearly such a move would be disastrous, and everything should be done to defeat any such effort. However, the path of a merged trade union movement under the conditions previously described, and achieved as a result of a struggle, would move in a progressive direction—and not toward being a tail to the Republican party kite. This would be hastened by the progressive influence of the previous C.I.O. unions as well as by the intervention and pressure of the rank and file generally.

The exact role of such a united trade union movement in helping to stimulate independent political action would depend upon the development of a broad educational movement in the communities and within the local unions for the organizing of local and state movements for independent political action. However, this is essentially true today of even the progressive C.I.O.

As regards 1948 and the Republican party, the following should be borne in mind. In 1940 John L. Lewis discovered that the great bulk of the American trade union movement, despite its ideological weaknesses, could not be dragged into the Republican party. He discovered the same thing regarding the

members of his own union in subsequent elections. New York State A. F. of L. leaders had the same experience in 1946. There is, of course, no guarantee that these leaders have learned anything from these discoveries, just as there is no guarantee that they may not try to do in the future what they did in the past. But if this were the objective motivating them, they would undoubtedly prefer the status quo rather than a united trade union movement which would multiply the forces opposing any dragooning of labor into the camp of the G.O.P.

3. *Organic unity would undoubtedly result in a program less satisfactory to the general interests of labor and the nation than the main policy resolutions adopted by the C.I.O. convention.*

It is quite possible that, in the initial stages, some resolutions on certain questions would not be as advanced as some present-day aspects of C.I.O. policy. With the same approach, however, it is clear that they would all be far in advance of the present A. F. of L. convention policies. Otherwise, organic unity would never be realized. In life, the realization of a merged trade union movement as a result of a serious struggle against certain forces within the trade union leadership; the parallel struggle against the attacks by reaction inside and outside of Congress on labor; the general impact of achieving organic unity on the political life of the country; and the release of a new spirit and conse-

quent upsurge by the rank-and-file members of all trade unions—would lay the foundation for settling satisfactorily the question of program and the struggle to attain it.

While these and any other serious arguments against organic unity must be examined and discussed, those projected so far are not valid.

#### JOINT ACTION IS PATH TO ORGANIC UNITY

*The urgent need of the hour is recognition that joint action by the C.I.O. and the A. F. of L. on all levels against anti-labor legislation is a life and death matter to preserve the great trade union movement of 14 million members; the realization of joint action is simultaneously the path to organic unity of the trade union movement. Neither is it contradictory to say that entering negotiations for organic unity in a serious and responsible manner will immediately promote and realize united action of the C.I.O. and A. F. of L. during such negotiations.*

Toward this end the numerous varied local activities against anti-labor legislation should be channeled into statewide and, especially, nationwide activities. They should be raised to new and higher levels of demonstrative actions, including job actions wherever possible. Especially important to combat the anti-union propaganda of the trusts, which has made headway in confusing some workers even in C.I.O. unions, is the need for all unions to fight for a satisfactory settlement of

the grievances that many times allowed to pile up unsolved from the signing of one contract to the next.

Our Party has consistently projected the slogan of a united labor movement, and during the last few months Comrade Foster again and again took the initiative in awakening the entire trade union movement with his clarion call for "United Labor Action—or Else." At this juncture (written before the C.I.O. Executive Board meeting) it is to be hoped that the C.I.O., while still reiterating the continued urgency of united labor action, will express itself as ready to meet with the A. F. of L. to begin discussions on organic unity.

Organic unity of the trade union movement at this moment is in the interest of the American working class. A divided trade union movement has never been the desire of the average worker. Division became a necessity because the reactionary craft leadership of the A. F. of L., in fulfilling their classical role as labor lieutenants of imperialism, continued to cling to their refusal to organize the workers of the basic industries. Under the stimulus of these workers activated in part by the consistent activities of the Trade Union Unity League unions in some of the basic industries, as well as by the new developments on a world scale, a section of the A. F. of L. top leadership in 1935 gave guidance to the organization of the workers of the basic industries. This activity gave expression to the sentiments of

hundreds of thousands of these workers. Stimulated by the uninhibited new forces of leadership that came to the fore, and with the active support of all Left forces—in the first place the Communists—it resulted in the present-day progressive C.I.O. with its six million members.

#### POSSIBLE EFFECTS OF ORGANIC UNITY

An organically united trade union movement, with nearly 14 million members (and more, if it included the railroad brotherhoods), could have only a progressive impact on the affairs of labor and the nation today. This is true generally and specifically in relation to the members of organized labor itself.

Let us examine its effects in broad general outline as regards the problems confronting labor and the nation.

1. It would immediately challenge the present-day attacks against the labor movement by the trusts and their political stooges. It would upset the plans of monopoly capital to unload the burdens of the coming economic crisis on labor and the common people. It would serve to consolidate all labor, including the unorganized, into a powerful force that would challenge the reactionary drive of monopoly capital. The mere entering into serious negotiations for organic unity between the C.I.O. and the A. F. of L. would in itself serve notice upon reaction in Congress that labor was determined to fight,

and it could thus act as a lever to help defeat the planned anti-labor legislation. In general it would help the labor movement leave its present defensive position and move over on to the offensive against the trusts and reaction.

2. By virtue of uniting the main bodies of labor, a great stimulus would be given to rallying the allies of labor against the forces of reaction. A united labor movement would serve as a stimulus to activate and organize all the democratic, anti-fascist people's forces of America into a great coalition against Wall Street and its program of building a new American empire.

3. An organically united labor movement could immediately throw all capitalist political camps into great consternation as far as perspectives for the 1948 elections are concerned. On the basis of labor's experiences with a Republican Congress in alliance with poll-tax Democrats, as well as with a compromising, capitulating Truman administration, a united trade union movement would be a tremendous force for independent political action by all those committed to the F.D.R. program of Big Three unity, collaboration with the Soviet Union and the Roosevelt Economic Bill of Rights.

4. For all these reasons such a united trade union movement would be a decisive power for influencing our country to follow a policy of durable peace by making U. S.-Soviet collaboration the cornerstone of our foreign policy.

In its more limited and specific trade union sense an organically united trade union movement could have the following equally positive effects:

1. It would make possible a tremendous increase in the membership of organized labor. Instead of two organizing drives, with the corresponding losses due to useless, jurisdictional struggles, there could be a united organizing drive in the South. The unorganized millions in the white collar, agricultural, distributive and servicing industries would be greatly stimulated to join such a united trade union movement.

2. The mass impact of the achievement of organic unity would loosen all present bonds and relationships among trade union members and leaders in many industries and stimulate people to find new bearings, new allies, all on the basis of a new and different program.

3. It would open the doors to the 7 million A. F. of L. members who have tended to be shut off from the 6 million C.I.O. members by an artificial "Chinese Wall" these past years. We have always maintained that there are few differences in the thinking, feelings and aims of the average A. F. of L. or C.I.O. member. The fraternization, the exchange of experiences, the immediate pooling of rank-and-file strength and ideas would be a tremendous force for progress. This would find its immediate organized expression within central labor councils, industry councils and state bodies.

Merely to outline the positive features of an organically united trade union movement is to make dramatically clear that its achievement is in the interest of the American working class and the trade union movement. Clearly it is not going to be achieved easily. It will take a struggle to realize it. But if it is in the interest of the working class then it is correct to fight for its realization, understanding that major stakes are involved for the workers today and in the future. All other considerations of a subjective nature (with whom will one have to associate; what are the motives of some people; what will happen to this or that post; etc.) must be placed to one side. The central determining consideration is that this unification will advance the immediate and more permanent aims of the working class. Everything else must be subordinated to this.

#### POSSIBLE BASIS FOR ORGANIC UNITY

Organic labor unity clearly is a most serious matter. To be effective, as previously outlined, makes especially necessary a minimum agreement on certain basic conditions. The A. F. of L. letter to the C.I.O. fortunately left out all the previous drivel about "returning to the house of labor," thus making it possible to negotiate between equals. Organic unity of A. F. of L. and C.I.O. undoubtedly will be discussed on the basis of a program that includes the following:

1. All A. F. of L. members to be admitted to the new organization, leaving no question of jurisdiction.
2. An industrial union.
3. No regard to election.
4. Affiliation with Trade Union.
5. Pro-Communist leadership.
6. Federalization of any national or international organization.
7. Creation of any commission.

1. All International Unions of the A. F. of L. and the C.I.O. to affiliate to the newly-established United Federation, as they are today constituted, leaving intact their present structure, leadership and membership. All questions of subsequent merger and jurisdiction to be negotiated later.

2. An absolute guarantee of the industrial union structure of those unions so constituted.

3. No racial discrimination in regard to acceptance of membership or election to leadership.

4. Affiliation of such a United Federation to the World Federation of Trade Unions.

5. Proportionate representation of former C.I.O. representatives on the leading committee of the United Federation, with no discrimination of any kind.

6. Full autonomy to each International and guarantees of the democratic rights of its members to adopt their own program and elect their own leaders.

7. Guarantees against expulsions of any International by the leading committee of such a United Federation.

### TO REALIZE ORGANIC UNITY OF TRADE UNIONS REQUIRES A STRUGGLE

Communists recognize that it is not enough merely to be in favor of organic unity. We believe it should be fought for. It will demand more effective united front activities of the members and local unions within specific areas or industries while general negotiations are being conducted. The entire labor movement must reject and defeat the employers' efforts to divide the trade unions by Red-baiting. Above all it demands a hundred times greater activation of the rank-and-file of all trade unions, the development of local machinery to involve the membership and greater democratization of the trade union movement.

We know that the interests of the American working class demand organic unity of the trade union movement. While it is possible of achievement now, it will not be attained easily. Nevertheless, irrespective of the date of its realization—efforts to achieve organic unity now can only have a positive effect inside and outside the trade union movement.

# THE BRITISH EMPIRE COMMUNIST CONFERENCE

By WILLIAM Z. FOSTER

IN LONDON, from February 26 to March 4, the Communist Parties of the British Empire met to consider the vast problems confronting their many peoples. Present were 28 delegates, coming from 12 countries, from all over the far-flung Empire, from Australia, Cyprus, Canada, India, Malaya, Palestine, Ceylon, South Africa, Burma, North Ireland and Great Britain.

The conference was held in the well-known Beaver Hall, headquarters of the Hudson Bay Company, and the prevailing frigid weather, with the delegates wearing their overcoats, was reminiscent of the fur trapping business of this celebrated corporation. Within a few blocks of the Hall are the Mansion House, the Bank of England and many other institutions famous in Empire history. And close by is the heavily bombed area surrounding St. Paul's Cathedral.

## THE CRISIS OF THE BRITISH EMPIRE

The British Empire comprises (with mandated countries) almost 600 million people, about one-fourth of the population of the world. Of these great masses only about 70 millions (in Great Britain and the four Dominions of Canada, Australia, New Zealand and South Africa) are self-governing. The rest are in British-dominated colonies and mandated territories. The great Empire, the biggest ever built by man, holds vast possessions in all the continents of the earth. And the proud boast of the British imperialists has long been that the sun never sets on this tremendous political system stretching, as it does, around the world.

For over two hundred years Great Britain ruled the world. Its imperialist traders and conquerors seized territories here and there pretty much as they saw fit; its industrialists led the industrial revolution and made Britain "the workshop of the world"; its Navy dominated the seven seas and bade defiance to all rivals. The British imperialists believed they were indeed firmly established as the world's rulers for ages to come.

But now this great Empire is in deep crisis. Economic and political forces are now at work that are tearing away its very foundations. The purpose of the Empire Conference was to analyze this crisis and to indicate ways for the many peoples of the Empire to avoid even greater hardships than they are now enduring

and to work toward a livable economic and political system. It was not the aim of the Conference to set up a definite Empire-wide Communist organization and a detailed program of action, but rather to give the many Communist parties an opportunity to talk over the complex problems facing them and to indicate general principles of policy. It was the first conference in the history of the British Empire in which the oppressed millions of enslaved colonial peoples were truly represented.

Already, at the turn of the century, the British Empire was showing distinct signs of losing its supremacy to rising imperialist rivals, particularly Germany, the United States and Japan. World War I dealt the Empire a heavy blow. Between the wars the vaunted British never-setting sun moved steadily toward sundown, and World War II gave the Empire a further blow, leaving it in such a state of crisis as to create a widespread belief in Great Britain and abroad that the British Empire is about to collapse.

The crisis now afflicting the Empire is very complex. At least five major phases of this crisis, all interconnected, may be indicated. These are: (a) the crisis in Great Britain itself; (b) the crisis between Great Britain and her colonies; (c) the growing contradictions between Great Britain and the Dominions; (d) the critical situation for Great Britain within the Anglo-American bloc; and (e) the unfavorable position of Great Britain in relation to

the rest of the world. Let us consider each of these phases separately, always bearing in mind their interconnection.

#### ECONOMIC DIFFICULTIES IN GREAT BRITAIN

As a result of the many contradictions between the home country and its colonies and dominions, as well as with its imperialist rivals (which we shall discuss later), Great Britain finds itself, together with its Empire as a whole, in deep crisis. This crisis expresses itself in the home country, especially in an economic sense. Great Britain's industries have become debilitated and obsolescent; so much so that today a British worker produces, on the average, about one-third as much per man-hour as an American worker. British industry obviously stands in most urgent need of rehabilitation, since in its present state it is quite incapable of competing with American industry on the world market. The serious weakness of British industry was graphically illustrated by the partial collapse during the recent severe cold spell in Britain when, because of primitive methods in mining and transport, the heavy snow storms and bitterly cold weather created a coal shortage that shut down one-fourth of British industry, threw British cities into a blackout and deprived homes, factories, offices, trains, etc., of heat. The coal crisis actually, for a while, jeopardized the existence of the Labor government.

What makes the weakness of Britain's industries all the more apparent and intense, is the country's urgent need to double its efforts in order to keep up living standards, to repair the terrific damage from war-time bombing, to improve the acute housing situation, to rebuild Britain's decimated merchant fleet, to overcome the profound shortage of consumers' goods and to provide indispensable exports. To add to these difficulties, there is an acute manpower shortage. A major factor contributing to this shortage is Britain's aggressive foreign policy which keeps large bodies of British troops in various parts of the world and ties up large numbers of workers in England to feed, clothe and arm these imperialist armies.

Britain's economic troubles are intensified by a disastrous lack of capital. During the war Britain lost one-third of her national wealth. She also spent half of her international investments, rolled up a gigantic national debt and is operating at a yearly deficit of £400 million. Great Britain, which for many decades was the world's big money lender, has now become a debtor nation. She is heavily in debt to India, Canada and the United States. After World War I she had to repudiate her war loans from the United States, and there is not the slightest possibility that she can pay the debts she has contracted during World War II.

The recent American loan of 4 billion dollars was supposed to provide the means to make real head-

way in modernizing British industry, but this hope is proving a vain one. Already, nearly half of the loan is gone, from the effect of price rises in the United States and of purchases of consumer goods for the current needs of the British people. Almost nothing has been done to rehabilitate the sadly run-down industries. R. Palme Dutt, the British Communist Party's well-known expert on Empire and world affairs, who made the main report at this Empire Conference, thus summed up the general causes leading to Great Britain's present serious plight:

This crisis of the Empire is centered in the heart of the Empire, in Britain. The traditional economic, social and political situation in Britain has been built upon the world monopoly which British capitalism was able to establish in the nineteenth century, the domination and exploitation of one-quarter of the globe, and the drawing of overseas tribute. By the eve of the war one-half of Britain's imports were no longer paid for by exports of goods. This system led to neglect of development of Britain's basic industries, which lost their former primacy to newer capitalist rivals, especially Germany and the United States. The whole situation was already weakening and leading to conditions of chronic crisis in the years before the war. British capitalism was declining in the world market, compelled to introduce a closed system of tariffs and Empire preference to maintain its grip of Empire markets, and a deficit in the balance of payment had begun to appear. The effects of the war have brought this serious economic situation to a menace of catastrophe,

which is  
Britain h  
is not a  
longer a  
The def  
ments r  
only te  
America  
desperat  
to maint  
strategic  
the worl  
power a  
construct

In G  
ards ar  
tioned  
of living  
easily e  
cially p  
uries.  
(cents)  
shilling  
possibi  
rations  
a Cons  
in this  
the A  
spent  
ards w  
cent.  
among  
ate fu  
creased  
economi  
which  
paraly  
enfect

THE  
CO

A



which is now universally recognized. Britain has lost its overseas investments, is not able to export capital, and is no longer a creditor, but a debtor country. The deficit on the balances of payments runs into colossal figures and is only temporarily concealed by the American and Canadian loans. The desperate effort under these conditions to maintain imperialist domination and strategic influences over one-quarter of the world, is overstraining British manpower and resources and crippling reconstruction at home.

In Great Britain mass living standards are low; nearly everything is rationed and price-controlled. The cost of living is high (the rich, of course, easily evade these restrictions). Especially prohibitive are the small "luxuries." Peaches cost 2 shillings (40 cents) apiece, and grapes sell at 10 shillings a pound. There are grave possibilities of further reductions in rations. Mr. Oliver Lyttleton, M.P., a Conservative, making political hay in this situation, recently stated that the American loan would soon be spent and that British living standards would drop by another 40 per cent. There is much uneasiness among the people as to the immediate future. This uncertainty is increased by the growing fear of an economic crisis in the United States which, if at all severe, would have a paralyzing effect on Britain's already enfeebled industries.

#### THE CRISIS IN GREAT BRITAIN'S COLONIAL SYSTEM

A major phase of the crisis of the

British Empire is the already tense and rapidly worsening relations between Great Britain and her colonies and mandated territories. "All Asia is in revolt," said G. Adhikari, well-known Communist of India, in his booklet, *Resurgent India*. He points out that the whole colonial and semi-colonial world in the Middle and Far East is seething with national liberation struggles: India, Burma, Ceylon, Malaya, Egypt, Palestine—all British holdings—are blazing with revolt. The Dutch Empire in the Far East, which is a satellite of Great Britain, is also deeply affected, through the Indonesian Republic, by the vast upsurge of the colonial peoples. French Indo-China is likewise in the throes of revolt. The Communist parties are important forces in these mass movements fighting for freedom.

The causes of this tremendous struggle for freedom, perhaps the greatest in human history, are manifold. For one thing, all these colonies were heavily depleted economically during the war. Their economies were thrown into confusion, and their peoples fell victims to a plague of profiteers and black-marketeers. Now that the war is over, their peoples face inflationary high prices, greatly increased taxation and a sharp growth of repressive measures from the imperialist powers. These difficulties are stoking the fires of revolt.

Another basic cause of the present general colonial upsurge is the tremendous loss of prestige suffered by the white imperialists — British,

French and Dutch — during the course of the war. The colonial peoples saw the armed forces of the "invincible" European oppressors collapse and flee in the face of the Japanese offensive. They saw Burma easily overrun, and Singapore and Hong Kong fall like rotten fruit. They saw the erstwhile all-powerful British Navy, practically helpless, virtually abandon the whole Pacific. These events gave a tremendous impetus everywhere to the colonial national liberation movements.

Another major factor contributing to the present situation is the disappointment felt by the oppressed peoples in the Middle and Far East at the failure of the Labor government to put an end to the outrageous colonial system of Great Britain. At the Empire Conference delegate after delegate told the bitter story of how the hopes of the colonial peoples in their respective countries had soared when the workers of Great Britain put the Labor government in power and, in 1945, how these same peoples were disillusioned and angered by Bevin's continuance of the old Tory colonial slave policy.

The general result has been the present unprecedented mass liberation struggles in the colonial countries. These struggles are straining the British Empire at its very foundations. In particular, the resolute fight of the Indian people is threatening to topple the whole British colonial system.

R. Palme Dutt, at the Empire Conference, evaluated the colonial crisis

as follows:

Already after the first world war British imperialism emerged weakened and faced widespread colonial revolt which resulted in varying forms of constitutional compromise, such as the cession of Dominion status with partition, to Ireland, the cession of formal independence with military occupation to Egypt, and constitutional reforms in India. But in the new world situation, after the defeat of fascism, the crisis of British imperialism is enormously intensified. . . . The colonial peoples are in full revolt.

The upheavals in the colonies and mandated territories are having far-reaching negative effects on the home economy of Great Britain. They are also sharpening the Empire crisis in every other direction. They are, in addition, drastically undermining Great Britain's strength and prestige as a leading world imperialist power.

#### BRITAIN AND HER DOMINION RIVALS

Another dart in the neck of the bedevilled British Empire is the growing rivalry, economic and political, between Great Britain and her four Dominions, particularly Canada and Australia. These countries, as Tim Buck of Canada, the reporter on Dominion problems at the Empire Conference, pointed out, are no longer mere dependents on Great Britain but are independent lands:

The British Dominions, which but a

few years ago, came, at the end of the war, to Canada, which dominated the world, and the British Empire, with its capitalist

These hesitations as well as the dependence of the Empire on the home economy, they take her on to see fit. Laurentien's internal and external policy, Canada's weakness, its [the] position of "tender" to Canada, the deviation of the development. Pointing out the magnitude of the Empire's problems to Harry Campbell, the Communist stated: None of the net, the Canada, the British

few years back were still dependent upon the United Kingdom, have become, as Engels foretold fifty-five years ago, politically independent capitalist states. Two of them, Australia and Canada, have developed to the stage in which their national economies are dominated by finance capitalist oligarchies, and the domestic and foreign aims and policies of the monopolists and their governments are stamped with the characteristics of finance capitalist imperialism.

These ambitious Dominions unhesitatingly declare their economic, as well as their political, independence of the mother country. Nor do they talk at competing openly with her on the world market when they see fit. Tim Buck said that Louis St. Laurent, Canadian Minister for External Affairs, recently declared Canada would oppose "any 'freezing' of its [the Empire's] forms of organization or supra-national authority," or "tendency" to become an obstacle to Canada's relationship and cooperation with other governments, or to the development of a world organization."

Pointing up this competitive attitude economically, of the Dominions toward the United Kingdom, Harry Pollitt, general secretary of the Communist Party of Great Britain, stated:

None of us can forget that Mr. Bennett, the former Prime Minister of Canada, said in London last November, that if there exist any in Great Britain who believe that Canada and

Australia were not going to enter into competition with the Motherland in relation to shipbuilding and heavy engineering, they were being deluded.

The Dominions are no less independent and aggressive in their foreign policies. Said Tim Buck:

The role of the Dominions in the shaping of world policy has changed greatly and is still changing. The period and the conditions in which the Dominion Governments were content to influence events solely, or in the main, by influencing the opinion of the Imperial Government is already far in the background. The Dominion governments now seek to exert their own direct influence upon world policy in pursuit of their own aims which . . . do not always coincide with those of the British Government.

The Dominions, particularly Canada and Australia, are tending to fall into the orbit of the more powerful American imperialism. Also, like the mother country, this is in the role of junior partners and on terms that often injure British interests as such. On this point Tim Buck remarked:

The turn of the Dominions' monopolists and their governments toward junior partnership with the United States is in fact part of a re-grouping of world finance-capitalist interests, with United States imperialism as its center and spearpoint in place of the British Isles.

The Dominions, it is true, still actively support the Empire, since it

gives them a good bargaining instrument with which to secure better terms from the ruthless United States monopolists. Nevertheless, their general lines of competitive economic policy and of independent political action definitely tend to undermine the world position of Great Britain. The latter's weakening hold on her Dominions is an important part of the general crisis of the British Empire.

#### GREAT BRITAIN, JUNIOR PARTNER OF THE UNITED STATES

Great Britain has been so completely outstripped by the United States in the fight for world leadership that her role of second fiddle in the Anglo-American bloc is now taken for granted even in Empire circles. In many parts of the world, in Argentina, Spain, the Middle East, the Far East and in various British Dominions and colonies, British imperialism is putting up a stubborn

battle against the encroachments of American imperialism, and this antagonism always threatens Anglo-American relations. However, overriding interests lead the two great imperialist groups to make common cause against the rising world forces of democracy and for joint world domination. And in their joint activities the United States, because of its superior economic strength, holds the whip-hand.

In a recent article, Eugene Varga, the noted Soviet economist, while warning sharply that the weakness of Britain must not be exaggerated nor the significance of the Anglo-American antagonisms underestimated, paints a picture of declining British imperialism being forced into second place by rising American imperialism in the spheres of industry, finance, military strength and world political influence. Among many facts, he presents the following three tables, which tell the basic economic story vividly:

#### IN 1848

	<i>Great Britain &amp; Ireland</i>	<i>U.S.A.</i>
Population (in millions) .....	28	22
Coal production (million tons) .....	50	6
Iron smelting (million tons) .....	2	0.6
Cotton consumption (million tons) .....	0.32	0.1

#### IN 1900

	<i>Great Britain</i>	<i>U.S.A.</i>
Population (in millions) .....	41	76
Coal production (million tons) .....	225	241
Iron smelting (million tons) .....	9	14
Cotton consumption (million tons) .....	1.5	0.4

Populati  
Coal pro  
Steel pro  
Electric

R. Pa  
Empire  
ing to s  
tween t  
tems:

At the  
represent  
power in  
damage.  
profited  
is two-f  
tion. It  
seas fro  
in the a  
atom bo  
and air  
globe.  
world  
tained  
jingo b  
domina  
unconce

"Am  
ing and  
ish im  
thrown  
known  
pansion  
the Br  
prize."  
while  
Great I  
world  
time d  
British

IN 1946

*Great Britain*    *U.S.A.*

Population (in millions without Eire) .....	46	130
Coal production (million tons) .....	232	352
Steel production (million tons) .....	10.5	29
Electric power (billions of KW) .....	31	116

R. Palme Dutt in his report to the Empire Conference had the following to say regarding the relations between the two great imperialist systems:

At the present time the United States represents the strongest imperialist power in the world. Untouched by war damage, it alone among the powers has profited from the war. Its production is two-fifths of capitalist world production. It has taken over command of the seas from Britain and holds superiority in the air, as well as monopoly of the atom bomb. Its strategic military, naval and air bases extend over the entire globe. The aims of expansion and world domination which are entertained by the ruling militarists and jingo big business Republican sections dominating its policies, are open and unconcealed.

"American imperialism is advancing and expanding," said Dutt. "British imperialism is declining and thrown on the defensive. It is well known that the aims of American expansion extend to the absorption of the British Empire as the richest prize." American imperialist policy, while utilizing the alliance with Great Britain to facilitate its drive for world domination, is at the same time directed toward weakening the British Empire and toward removing

it as a dangerous obstacle to the expansion of American imperialism. All of this the British big businessmen and government leaders realize, but with their imperialist line they are unable to circumvent it. In this connection Dutt further remarked:

The British imperialists are well aware of the menace of American designs to their interests. But they are also aware of their economic dependence on the United States, expressed in the American loan, and of their strategic inferiority and dependence on the United States. They know they can only hope strategically to maintain the Empire by the aid of the United States, even though they know equally well that the price of that aid means the continuous cession of the Empire to penetration and domination by the United States.

In short, in the realm of U. S.-British relations in the Anglo-American bloc the general crisis of the British Empire expresses itself by a growing retreat—a surrender of one position after another to American imperialism. The present result of this fact is that the British Empire, for all its vast territory and its stubborn resistance to the advances of its great American rival, is definitely the lesser and diminishing factor in the Anglo-American bloc.

### BRITAIN AND THE WORLD CRISIS IN IMPERIALISM

The crisis in the British Empire is further accentuated by the deep difficulties in which imperialism in general finds itself following World War II. Dutt, in his brilliant report to the Empire Conference, listed these difficulties of imperialism under five heads (which I have greatly condensed), as follows, especially as regards the situation of Britain:

1. Imperialism has been weakened by the downfall of Germany, Japan and Italy, and by the rise in strength and influence of the Soviet Union and the new democracies in Europe.

2. The establishment of the United Nations, despite its many present defects and weaknesses, reflects a new world balance of forces which in many respects is disadvantageous to the imperialist powers.

3. The increased world influence and leading role of the Soviet Union is of especial significance for the colonial peoples.

4. The increased strength of the working class, democratic and progressive forces in all countries, including the imperialist countries, powerfully assists the liberation movement of the colonial peoples.

5. Most important of all for the future of colonial liberation is the rising upsurge of the colonial peoples themselves.

These increased obstacles for world imperialism are having the specific result of intensifying all the contra-

dictions within the British Empire and of sharpening every aspect of the general Empire crisis.

American imperialism, upon the close of the war, undertook to break through all these obstacles and to establish its world control by launching a great diplomatic offensive. Its idea was by this offensive to set up its domination *immediately*. To this end, it made full use of diplomatic pressure, the political use of foreign loans and food reserves and the menace of war with the atom bomb. Its general plan was to smash the resistance of the Soviet Union; break up the democratic forces in eastern Europe; take over Germany, Italy and Japan as satellites; establish control over the weakened countries of western Europe; beat down the flames of colonial revolt; fasten tighter the American grip upon Latin America; and, last but not least, undermine the position of the British Empire. Great Britain went along with this grandiose scheme for the immediate realization of world domination by the Anglo-American bloc, in which it is playing the role of the minor partner.

But things have not gone as well as these imperialist plotters had expected. The peoples of the world, just escaped from the international menace of fascism at such a heavy cost, are in no mood tamely to put on the yoke of Wall Street. Resistance has been much greater than anticipated by the imperialists in the case of the U.S.S.R., the peoples of colonial Asia and Africa, democratic

Europe,  
Britain  
popular  
perialist  
bloc. Th  
nitely sl  
the imp  
stopped  
not stop  
is now  
all corn  
the Mi  
Europe  
South P  
power.  
America  
propoga  
against  
table.  
The n  
paign o  
has still  
tion of t  
ing we  
has int  
Britain  
ain fro  
nomic r  
democr  
the col  
East; i  
Britain'  
and, ab  
Britain  
United  
lically  
imperia  
States,  
junior  
rialism,  
the cris  
spect.

Europe and Latin America. In Great Britain, too, there has been strong popular resistance to the wild imperialist drive of the Anglo-American bloc. This world resistance has definitely slowed down the progress of the imperialists. But it has not yet stopped them. In particular, it has not stopped the United States, which is now weaving imperialist plots in all corners of the world—in China, the Middle East, Latin America, Europe and even the North and South Poles—in its ruthless drive for power. In this general connection American reactionaries are widely propagating the idea that war against the Soviet Union is inevitable.

The rabid postwar imperialist campaign of the Anglo-American bloc has still further worsened the situation of the British Empire. By straining weakened British resources, it has intensified the crisis in Great Britain itself; it has prevented Britain from establishing valuable economic relations with the U.S.S.R. and democratic Europe; it has inflamed the colonial revolts all over the Far East; it has weakened still further Britain's bonds with her Dominions; and, above all, it has made Great Britain more dependent upon the United States economically and politically. Britain's attempt to keep imperialist pace with the United States, even in its accepted role of junior partner of American imperialism, has deepened and intensified the crisis in its Empire in every respect.

### THE IMPERIALIST POLICY OF THE LABOR GOVERNMENT

The policies of the Labor government, both foreign and domestic, despite the wishes of Attlee, Bevin, *et al*, are not alleviating, but are intensifying the crisis in which the Empire now finds itself. So far as the situation in Britain proper is concerned, the government's timid approach to nationalization and economic planning and its solicitous care that the financial interests and managerial positions of the capitalists shall be protected, in no sense constitute the drastic course necessary to lift British industry out of its present serious condition.

Nor does the Labor government's attitude toward the Dominions, which is a continuation of Tory policy, improve the situation in the sphere of the crisis. Likewise, as regards the Anglo-American bloc, the Labor government is going right along with that alignment and all its imperialist adventures under American leadership. Bevin's policy in this respect is hardly to be distinguished from Churchill's. The general result of the Labor government's Anglo-American bloc policy is to drive a wedge between Britain and the U.S.S.R. and the new European democracies and thus to make Britain more and more dependent upon the United States with all the negative economic and political consequences that this entails, including the danger of a new world war.

Labor government policy is no less

disastrous in its effects upon the relations between Great Britain and the colonies. The Social-Democratic leaders loudly proclaim that they are liquidating imperialism and have the objective of liberating the colonies. But the plain facts are that the imperial-minded heads of the Labor government are using every device to hang on to the colonies, especially India, and their methods, although heavily buttered with liberal demagoguery, do not differ basically from those of their predecessors in power, the Tories.

Conference delegates from all over the Empire told harrowing stories of *violent* efforts on the part of the British authorities, with their age-old British policy of divide and conquer, to break up the national unity of various colonial peoples and to hang on to what they can of the colonies and mandated territories. The Empire Conference declaration, in which the work of the Conference was summarized, thus emphatically repudiated the present general imperialist policies of the Labor government:

We condemn the continued occupation of Greece, the subjugation of Cyprus and Malta, the holding down of Palestine, the bolstering up of reactionary feudal puppet regimes of Iraq and Trans-Jordan, the retention of British troops in Egypt, the categorical refusal to recognize the national independence of India and Burma, the denial of a democratic constitution for Malaya, and the maintenance and use of British troops in those countries to

suppress their freedom movements, and the military aid given by British imperialism to crush the liberation struggle of the peoples of Indonesia and Viet Nam.

Mr. Winston Churchill, in a famous wartime remark, stated that he had not been elevated to the head of the government in order to preside over the dissolution of the British Empire. But it is precisely the policies long carried out by Churchill and his fellow-Tories, and now being so actively applied by the Labor government, that are resulting in the disintegrating tendencies so strikingly evident within the British Empire. One of the ironies of history is that although the Social-Democratic leaders of the Labor government are busily trying to save the Empire's colonial possessions if they can, their efforts, which are clearly in line with Tory policy, are much deprecated by the ultra-reactionary Mr. Churchill. Characteristically, he said recently that the Labor government is "casting away our Empire."

#### THE GENERAL PROGRAM OF THE EMPIRE CONFERENCE

The Empire Conference adopted a set of demands that would drastically change the government's policy toward the Empire. So far as Britain itself is concerned, there was an implicit acceptance of the line of policy adopted at the Congress of the Communist Party of Great Britain which was held on the eve of the Empire Conference. The major fea-

tures of  
come  
situatio  
main,  
the c  
planned  
sion o  
of hea  
of the  
ers, an  
ent c  
nation  
menta  
ments  
So  
cerne  
for t  
with  
Unite  
Angl  
ence  
full  
politi  
and  
of E  
dema  
coun  
but  
State  
crati  
it d  
dom  
unit  
labor  
T  
Con  
nies,  
it d  
gran  
fere  
qual  
ma



tures of this line, designed to overcome the present serious industrial situation in Britain, consisted, in the main, of the following major steps: the development of a national planned economy, the rapid extension of nationalization into the area of heavy industry, the improvement of the living standards of the workers, and the replacement of the present capitalist-minded personnel in nationalized industry and governmental departments with reliable elements.

So far as the Dominions are concerned, the Empire Conference called for their close working together with Great Britain within the United Nations. Regarding the Anglo-American bloc, the Conference called for its dissolution and for full collaboration economically and politically, between Great Britain and the planned-economy countries of Europe. The Conference did not demand an economic bloc of these countries against the United States, but it did propose that the United States be required to work democratically with other lands and that it desist from attempts at world domination. It demanded Big Three unity and genuine international collaboration.

The main business of the Empire Conference had to do with the colonies, and it was on this matter that it developed the most thorough program. Briefly summarized, the Conference called for the immediate, unqualified independence of India, Burma and Ceylon. It demanded the

evacuation of Egypt, Palestine, Iraq and Trans-Jordan, and it opposed Britain's attempt to dominate the Arab countries. It insisted on the right of self-determination for Malta and Cyprus. It also demanded the establishment of full civil rights in the African and other colonies of the Empire, with "full support of these peoples in their aspirations for freedom and the right of self-determination."

The Conference sharply signaled and condemned the developing war danger:

A great responsibility rests upon the working class and peoples of the Empire countries in the struggle between the forces of reaction fomenting a new world war and the forces for peace and progress. The imperialist policies continued by the British Labor government are a betrayal of its election pledges. Aided and abetted by the Dominion governments, it is stimulating and encouraging the warmongering elements everywhere.

The Conference linked up the struggles of the workers and oppressed peoples throughout the Empire. The policy declaration said:

The fight for the peace of the world, the advance of the subject peoples to independence, the struggle of the workers for Socialism, are all part of a common fight. The alliance of the freedom movements of the subject peoples and the working-class movement is vital for the victory of the aims of both.

The declaration further stated:

The British Communist Party has a special responsibility in association with those forces of the labor movement now struggling for a complete change in the Labor government's foreign, colonial and Empire policy. The Communist parties of the Dominions also have special responsibilities along similar lines, particularly in Australia and New Zealand where Labor governments are in power.

#### THE PERSPECTIVE FOR THE EMPIRE

The capitalist world is now greatly alarmed at the serious situation existing within the British Empire. New York is almost as much worried about it as London is. The capitalists understand that the breakup of the British Empire would shake the capitalist system of the world. Mr. Sydney Gampell, a British economist writing in the *New York Times* of February 25, says that "Britain's economic difficulties are in reality a world crisis." And the headline written to the same article, shouted that "World Chaos Seen If British Collapse." Mr. Gampell sums up Great Britain's plight in these significant words: "Britain, whose national existence depends on exports, at present is not producing a cent's worth of exports."

American imperialists, who are bent on achieving world domination, do not want to see the Empire fall to pieces. They want to weaken

Britain, so that she will no longer be a dangerous rival to them; but they are afraid that if the Empire breaks up many of the pieces will go to the democratic Left. The prospect of the dissolution of the British Empire is indeed one to make capitalist hearts everywhere quake.

Of course, as Varga warns, we must not overestimate the severity of the present Empire crisis. The British Empire is still tough. Even during this war, which did so much to accentuate the crisis, the Empire managed to extend its swollen land mass substantially. Nevertheless, the Empire is in real difficulty, as we have seen, and its troubles increase daily. A British Empire without India, and India is almost surely on the way out, would be a very different, and weaker, Empire indeed. Such an Empire, if it continued along present imperialist lines, could be only a weak satellite of the United States.

At the Empire Conference no little attention was given to the question of the perspectives of the Empire. The consensus of opinion seemed to be: (1) that the colonies must be freed in the interests of all sections of the Empire; (2) when the colonies are freed, they may find it profitable to develop collaboration with what is left of the Empire; (3) if not, the home country and the Dominions would find it advantageous to cooperate together, especially in view of the menace of American imperialism. In the main report, R. Palme Dutt expressed the Empire perspective as follows:

There interests the int On the Britain and pe would present

There is no antagonism between the interests of British working people and the interests of the colonial peoples. On the contrary, we are fighting in Britain for such changes in the policy and personnel of the government as would guarantee a change from the present imperialist exploitation of the

colonial peoples and lead to a real friendship between the free and equal peoples. On such a basis, the continued association of the British people with the peoples now in the British Empire, if they desire it, can be to our mutual benefit.

# THE PEOPLE FIGHT BACK FOR RENT AND HOUSING

By LILLIAN GATES

FIVE MONTHS HAVE ELAPSED since the November elections, when the Republicans and Tory Democrats loudly proclaimed that the American people had voted for a "new era", an end to New Dealism and a "return" to "unrestricted free enterprise." Only a few days after Election Day President Truman took this as his cue to lift all price controls except those on rice, sugar, and rent and warned that "an adjustment in rents may be necessary."

The contention that the people voted for "unrestricted free enterprise" was not true, but it has served as a convenient excuse for the onslaught against labor and further attacks on the living standards of the people. That contention is now being exploded, in dramatic fashion, in the developing struggles of the people against rent increases and on related problems. Despite the powerful lobby of the real estate interests Republicans and Democrats alike have discovered that killing rent control is not as easy as it promised to

be in the first flush of the "new era." Eager as they are to grant the wishes of the real estate interests for rent increases and the end of rent control, neither the Republican nor the Democratic leadership wishes to be held responsible for such an act.

## THE POLITICAL LINE-UP

Of course, differences between the Democrats and the Republicans due to their maneuverings for political position are no safeguard for the maintenance of effective rent control. With the exception of a handful of Senators such as Wagner, Murray, Taylor, and some members of the House of Representatives, Congress is basically united on the elimination of rent control. It has already been seriously hampered and undermined. For one thing, there is the refusal by Congress of sufficient funds to O.P.A. for the proper enforcement of rent control after April 30. Another serious dent in the rent control machinery is the new "hardship" ruling announced by Major General Fleming in February, under which landlords will find it easier than ever (and it was never too difficult) to secure rent increases.

Congress is expected to act on a rent control law in April. The Senate Committee on Banking and Currency, which has jurisdiction over rent control legislation, has been seriously divided on this issue. The chairman, Senator Tobey (Republican, N. H.), is reported to be against a general rent increase (although he, too, is concerned about "genuine

hardship" cases among landlords), with Senator Hawkes and Buck for a flat increase and for ending any real rent control enforcement through the device of leaving it "up to the courts." Senator Taft finally came to the rescue of the Republicans and offered them a way out of their delicate political dilemma. Under his plan, the same thing would happen to rent control that happened when he master-minded the "zombie" O.P.A. bill: Certain areas and classifications of buildings could be decontrolled at the discretion of a Rent Adjustment and Decontrol Board, new housing would be decontrolled, and further adjustments would be made in landlord "hardship cases." The very name "decontrol" reveals what Taft really has in mind. His plan amounts to killing rent control by gradual means rather than sudden, the aim being to prevent the people from knowing that the murder is taking place or who was responsible for it.

The Truman administration which was fully prepared to grant a ten per cent increase earlier in the year, certainly has not led and will not lead the fight to save rent control.

Without administration support, Senators Wagner and Murray introduced a rent control bill which would continue controls as they now are. Labor and all those genuinely interested in maintenance of rent controls are supporting the bill.

Governor Dewey has tried to make political capital of the fact that New York State was the first state in the Union with a rent control law. This

maneuver has become more difficult in the face of the threats to federal control. The New York State rent control law has several basic defects: it sets no definite "freeze" date for rent ceilings in the state; it has no apparatus for enforcement and practically no funds. The Republicans refused to amend the law to overcome these defects.

State rent control bills are being considered in at least eleven states. The drive is on to model other rent control laws after the ineffective New York statute. Virginia has adopted a rent control law, providing for a 15 per cent increase, should federal rent control be lifted or amended to allow an over-all increase.

All this means that the fight to keep rents from going the way of all commodities will be a bitter one, against a gigantic array of financial interests and their tools in Congress and the state legislatures.

The fight on the national front, and in the state, for maintenance of rent control must be continued and accelerated.

#### PEOPLE'S LINE-UP

The fight has begun to take shape in a growing number of cities and to involve all the basic elements of the democratic coalition. Both the A. F. of L. and the C.I.O. are on record for retention of control intact. It was especially the last-minute intervention of Philip Murray, added to the mass protests, which forced Presi-

dent Truman to cancel the "mysterious" ten per cent rent increase order after it was all set for public release.

Further proof of the scope of the movement is the formation of the National Fair Rent Committee, with former New York Mayor LaGuardia as chairman, and including Henry A. Wallace, Chester Bowles, Governor James E. Folsom of Alabama, Secretary-Treasurer James B. Carey of the C.I.O. and Charles Bolte, of the American Veterans Committee. All major veterans' organizations, with the exception of the national leadership of the American Legion, are opposed to rent increases. (The Legion's Housing Committee is dominated by big real estate men.) The Negro people's organizations—the Urban League, the N.A.A.C.P., the National Negro Congress—are opposed to rent increases, as are such groups as the National Council of Jewish Women and the American Jewish Congress.

Of the greatest importance is the rebirth and upsurge of a grass-roots tenants' movement, broader than any previous ones, and based on organization of the individual tenants of apartment houses. In New York City at least 85 consumers' and tenants' councils exist. Attached to them are hundreds of organized houses with a potential membership of tens of thousands.

### "HAD ENOUGH"

There are three main reasons for the firmer opposition to an increase in rents which is now taking form.

One is that rent is such a major portion of the income of the family and affects so many families. At least 25 per cent of the average family's income goes for rent, the percentage being higher for Negro families. Fifty per cent of the families in the United States are tenants. (The figure is 84 per cent in New York City, and it is also high in other large cities.) Another reason is that the housing shortage is so acute and progress made in meeting it so insignificant that glib talk about the "law of supply and demand" is unconvincing. Many people still remember what happened after World War I, when rents went up 300 per cent in some cities and evictions took place on a mass scale.

The third reason, and perhaps the most important in its political implications, is the experience of the people during the last five months, since the abolition of price control. The price of food has risen more than 50 per cent since O.P.A. controls were removed on June 30, 1946. Pork is at an all-time high, and prices of other meats are rising. Bread is going up. Fish, butter, milk and vegetables continue to sell for record prices. There has been no appreciable fall in the prices of other commodities. Thus, while some sections of the population were confused during the election campaign by the Republican cry of "Had Enough," and by their story that price control was responsible for high prices, since then the consequences of uncontrolled economy is rapidly dispelling such confusions.

It has  
of price  
attitude  
A. F. o  
ment e  
needed  
the pur  
and to  
worker  
basis n  
the Re  
Enough  
fensive  
robbery

PROPA  
REA

The  
tons of  
lobby  
tional  
Boards  
Apart  
sociati  
other  
lobby  
radio  
main  
other  
war-b  
has b  
that  
pressi  
and r  
ing sh  
to ove  
the b  
lack  
that u  
is ab  
with  
tate."

It has been the continued rising of prices that brought about the firm attitude of the C.I.O. and forced the A. F. of L. to oppose the abandonment of rent control. Action is needed to prevent further inroads on the purchasing power of the people and to increase the income of the workers to meet higher costs. *The basis now exists for hurling back at the Republicans their cry of "Had Enough" and for organizing the offensive of the people against the robbery of the trusts.*

#### PROPAGANDA OF THE REAL ESTATE LOBBY

The picture as it is painted by the tons of propaganda of the real estate lobby is quite different. The National Association of Real Estate Boards, the National Association of Apartment Owners, the National Association of Home Builders and other members of the real estate lobby have flooded the country with radio and press propaganda. Their main argument is that while every other industry has profited in the war-boom times, "only real estate has been penalized." They insist that rent ceilings exist as of "depression levels." And, finally, more and more seeking to use the housing shortage as the lever with which to overthrow rent control, they place the blame on rent control for the lack of housing. They state bluntly that until and unless *all* rent control is abolished, "private investors will withhold their money from real estate."

All these arguments are easily proved to be false. Profits for real estate are at an all-time high. An official O.P.A. report, based on a survey of 26 cities, showed that landlords of large houses in 1945 increased their net operating income 25 per cent above 1939, while landlords of small houses (less than five units) had an increase of 43 per cent, in both cases after expenses were paid. This prosperity is based mainly on hundred per cent occupancy, though decline and elimination of services were contributing factors. (Even with rent control, over 900,000 "hardship" increases were allowed: cases in which the landlord claimed to make an insufficient profit.) Rent ceilings were not established as of 1939 ("depression" level), but in most cities at 1942 and 1943 levels when vacancies were at a premium.

It may be true that the rate of profit of real estate does not equal that attained by some of the big corporations through their war orders or through speculation with food-stuffs. The argument of the real estate industry boils down to this: that they did not get as big a share of the "take" from the American people as some of the other industries did. Yet an increase from \$597,000,000 in 1939 to \$1,180,000,000 for landlords in 1944 (not the peak year, either) can hardly justify their claim of "confiscation."

Where do the small home-owners fit into this picture? The real estate group and their powerful financial backers try to dominate and control civic associations,

and to inveigle the small home owner into a common front against labor. This presents a danger to the democratic coalition in this country, which must develop a program for, and an alertness to, the issues of concern to the small home-owner. This group is an important part of the population, especially in small towns and in cities where large sections of the working class own or are buying their homes.

Home purchases have increased tremendously during the war years. Many veterans have been forced to buy homes at prices they cannot afford. This situation has called forth a warning from Commissioner John F. Fahey of the Federal Home Loan Bank of a "mortgage panic," which will result in billion dollar losses to millions of people as well as a wave of foreclosures and evictions, when the economic crisis comes.

The possibilities of forms of tax exemption which will decrease the tax burden on the small home-owner while not benefitting big real estate should be explored in every city and state. A program for better city services (such as garbage removal and street improvements); against taxes like sales, cigarette and gasoline taxes that fall on the lower income groups; for greater income tax exemptions for lower-income groups; and for lower fares and public utility rates—these are some of the objectives that can gain the support of the small home-owner, and even the small landlord, and help win them for the common struggle against Big Busi-

ness. Higher rents for small landlords cannot be a basis for unity, since tenants cannot pay higher rents regardless of the size of the landlord's holding. In times of crisis more far-reaching and drastic proposals will have to be put forward for small home-owners, such as a moratorium on foreclosures and re-financing at lower interest rates.

#### THE PEOPLE'S STRUGGLE FOR RENT CONTROL

The outcome of this struggle will not be determined solely, or even fundamentally, on the legislative front. As Eugene Dennis said in his speech at the December 35, 1946 meeting of the National Committee:

The legislative fight for rent controls can succeed only if it is accompanied by the mass organization of tens and thousands of tenants in the cities, on a neighborhood and block basis.

This is what is happening in New York City, with the help of the Communist Party, the American Labor Party, the trade unions, and other people's organizations. A tremendous field for tenant organization exists in New York City. In Manhattan 98 per cent of all residents are tenants; in the Bronx 92 per cent; in Brooklyn 81 per cent; and in Queens 64 per cent. The basis for such a movement had been laid, to some degree, in the activity of consumers' councils organized and led almost completely by women. When

the real  
controls was  
councils  
with ren  
grievance  
handle  
They als  
nent hou  
ness of  
shown in  
liamsbur  
gathered  
protest a

This r  
more ext  
in the pa  
of the l  
experien  
after th  
Greater  
Council  
number  
F. of L  
the ren  
The tra  
support  
since th  
with th  
eviction  
old slop  
League,  
Your F  
and use  
individu  
activity  
between  
commu  
Of  
growth  
the Un  
Tenant  
has fou  
of tena



the real estate drive to end rent controls was begun in November, these councils began to canvass homes with rent control petitions, discuss grievances and set up committees to handle them and fight evictions. They also began to organize permanent house committees. The readiness of the people to respond was shown in one vivid example in Williamsburg, where some 2,000 people gathered at a few hours' notice to protest an eviction.

This movement promises to be far more extensive in character than any in the past. This is due to the growth of the labor movement and to the experience of the people during and after the last economic crisis. The Greater New York Industrial Union, Council of the C.I.O. and a large number of individual C.I.O. and A. F. of L. locals have been active in the rent and housing movement. The trade unions urgently need the support of tenants' organizations, since their own members are faced with the problems of rent increases, evictions and related problems. The old slogan of the United Tenants' League, "Be a Trade Unionist in Your Home," needs to be revived and used as a guide to action for the individual trade union member. Such activity will also build closer unity between the trade unionist and his community.

Of special significance are the growth and outstanding activities of the United Harlem Consumers' and Tenants' League. This organization has fought on every conceivable kind of tenants' problem, preventing evic-

tions and securing action from the city itself. Such an organization fills a great need in Harlem and is becoming the foundation of a militant people's movement. In one block alone over a thousand violations (defective wiring, garbage and so on) were found to exist. In an already overcrowded area additional congestion today makes housing in Harlem absolutely intolerable.

The basis on which houses are organized varies. In many houses tenants unite simply on the basis of opposition to rent increases. This is especially true in middle-class areas, where there are fewer building-law violations and inadequacies in services to tenants. In others tenants themselves come to the local council; asking for aid on such problems as heat, defective wiring and evictions.

In cities other than New York, Chicago, and possibly a few others with large apartment buildings, tenants' councils based on neighborhoods are more feasible than house organization. Tenants in small homes and small apartment buildings are subject to intimidation and pressure from landlords, and in many instances are afraid to face their landlords directly because of their smallness as a house group.

While building a grass-roots organization of their own, tenants should make every effort to get support from other community groups of every kind. Special attention should be made to involve all veterans' organizations; in some cases formation of special councils of veterans' groups may be desirable.

Tenants' organization is not new, nor are militant rent struggles. Some of our Party leaders today, and other leaders of the labor and progressive movement, took an active part in the mass rent strikes and kindred activities after World War I and in the early 'thirties. The present movement is as yet in its earliest stage. It must and will reach a higher level, because the only guarantee against rent increases is the "collective bargaining" power of the tenants, reinforced when necessary by mass refusal to pay increases. In the course of these struggles, the tenants, who embrace every political group and religious creed, will come increasingly to know who their friends are and to draw political conclusions.

Communists are an integral part of the tenants' movement. Our aim is to assist this movement in every way to meet the needs of the tenants. The key to victory is unity of all tenants, regardless of political affiliation. It is natural that differences of opinion on tactics, and on other issues not directly related to housing and rents, should exist in a movement embracing so many different groups. Communists express their opinions as to the correct tactics, but always abide by the democratic will of the majority, and work for maintaining unity around a program in the interests of the people. The Trotskyites and others are becoming increasingly active among tenants. They seek to split their ranks by raising demands unsuitable to the level of the movement or which are ill-timed. In combating

their divisive tactics, Communists must be careful not to spread illusions that tenants can win security by relying only on rent control. The people must, and will, take action to prevent rent increases and evictions from being put into effect.

### THE FIGHT FOR HOUSING

The fight against rent control and for the solution of tenants' grievances is closely linked with the fight for new and decent housing. The tenant's movement is injecting new energy and fighting spirit into the housing movement. There are two basic facts which must be grasped for an understanding of the mass potentialities of the fight for housing.

*First:* The present *aggravated housing crisis* is going to continue to exist for some years. By this is meant more than the fact that the housing crisis has existed ever since the rise of capitalism and will continue to exist as long as we have capitalism. We mean the housing crisis in its *present form*—with millions of veterans and other families doubled up, and a continued lack of vacancies. The outbreak of an economic crisis can only intensify the housing problems of the working class and lower middle class, since it would increase doubling-up and evictions.

To establish clearly the extent of the housing crisis: The C.I.O. estimates the immediate housing need as at least five million units (including specifically 2,900,000 veterans living doubled up and another 1,200,000 non-farm families who are also dou-

bled up)  
16,000,000  
within  
cludes r  
farm ho  
which s

The  
struction  
try was  
(in 192  
minimu  
mum p  
imum  
being a  
Wilson  
scrappin  
and con  
manent  
structed

Only  
built in  
cluding  
huts. N  
building

The  
the crisi

*Second:*  
and car  
vated h

The  
Estate  
is due  
sabotag  
which  
structu  
check

N.A.R.  
that, r  
control  
will n  
which  
familie  
The

bled up). The total need is for at least 16,000,000 new low-cost housing units within the next ten years (this includes replacement of farm and non-farm homes not fit to be lived in and which should be replaced).

The highest annual rate of construction ever achieved in our country was not quite one million units (in 1925). Even to meet the present minimum need would require maximum production for five years. Maximum production, however, is not being achieved. With the ousting of Wilson Wyatt and the subsequent scrapping of his program of priorities and controls, only 453,800 new permanent housing units were constructed in 1946.

Only 9,015 new housing units were built in New York City in 1946, including such makeshifts as Quonset huts. Not a single new apartment building was completed.

The reason for this failure to meet the crisis forms the second basic fact.

*Second:* Private industry will not and cannot solve the present aggravated housing shortage.

The National Association of Real Estate Boards claims that the trouble is due to rent control. And there is sabotage on the part of big real estate, which prefers to build commercial structures, race tracks, etc., with no check on profits. *But what the N.A.R.E.B. does not care to admit is that, regardless of the fate of rent control, private industry cannot and will not build housing at a price which the vast majority of American families can afford to pay.*

The average gross monthly rental

that veterans can afford is \$46; for one-fourth of them the maximum is less than \$40 (U.S. Bureau of Census). Similar figures apply to non-veteran families. Yet of 305,000 home units authorized for rental at the end of October, 1946, only one-third rented for less than \$50. Only 1,100 units out of a total of 37,360 units to be constructed in 1946 and 1947 in New York City were for rental at less than \$60 a month. Individual homes are selling typically for \$10,000 to \$11,000. The upkeep on such homes is calculated to be at least \$90 to \$100 a month. And private builders have announced that they cannot build apartment building in the New York City area for less than \$36 per room!

In view of the generally recognized inability of private building interests to construct apartment houses or homes at rents or costs within the range of the average family, a big drive is underway to promote the idea that the solution is large-scale construction of projects by big insurance companies, etc.

This idea is being posed, more and more, against that of low-rent housing built by the government. It is the pet scheme of New York State Housing Commissioner Stichman and is being pushed aggressively in other states as well. Such construction, when undertaken by "limited dividend corporations" which get the benefit of tax exemptions for a long period of years, is cheaper than construction of apartment houses by individual builders. But it can never do more than offer a partial, and

limited, solution. Rents usually range from \$50 to \$75 monthly. And even in this category, there is a drive to increase the rents already permitted by law.

Furthermore, the total number of such apartments which will be completed in New York City by Metropolitan Life Insurance Company and New York Life Insurance Company in 1947 will not exceed 15,000 units. Even if that number were doubled or trebled, it would not fill the need, and families which must pay rents under \$50 are excluded. Another danger is racial discrimination, as is illustrated by the disgraceful action in allowing the Metropolitan Life Insurance Company to build Stuyvesant Town, from which Negroes are barred.

Building costs are at an all-time high, and will remain so until an economic crisis is upon us. This is not due to the so-called "high labor costs" (which, at most, account for a minor fraction of building costs). It is due to the monopoly control over basic building materials (fabricated steel, plasters, plumbing, cement, plate glass, etc.); to high interest charges; and to the notorious anarchy of production obtaining in this industry. Both materials and financing are tightly controlled, and there is no such thing as "free competition" in either field.

*The conclusion is inescapable and must be brought home to the people with great impact. Only large-scale intervention by the government will alleviate the housing crisis.*

The Truman administration has

failed miserably. Instead of pressing for more action on housing and granting funds for a real program, it scrapped even the Wilson Wyatt emergency program. The result was a boom in commercial and high rental construction and an inflation of construction costs. While the administration fights for eleven billion dollars for military expenditures, it allows the federal housing program to reach the lowest ebb in years.

The chief national measure which has had the support of labor, all major housing groups and large sections of the veterans is the Wagner-Ellender-Taft Bill. It was passed in the Senate last year and subsequently was buried in the House. It has now been reintroduced by its original sponsors. Although the bill needs certain strengthening amendments, it can serve as the focal point of the fight for housing. Its passage would be a considerable victory for the people. It calls for the construction of fifteen million new homes in the next ten years, and it offers something to the small home-owner, farm as well as urban, and the low-rent and middle-income groups.

Can the Wagner-Ellender-Taft Bill be passed? No one should have any illusions that Senator Taft's sponsorship means that he will fight for the measure. He seeks only to use the bill as a vote-getting device. Some sections of the bourgeoisie, such as the *New York Times*, speak in favor of low-rent housing. But Big Business in the United States today, especially that section directly interested in real estate, will fight against any conces-

sions w  
at its  
a noto  
the for  
organiz  
Ellender  
publica  
of free

The  
ner-Ell  
is mad  
a dem  
the bil  
any w  
solution  
uphol  
point.  
of the  
vides  
must  
groups  
and th  
can a  
Those  
these  
them

Yet  
spite t  
Congr  
ment,  
vetera  
was sh  
a par  
lital  
Dewe  
\$135,0  
bond  
"deal"  
decisi  
tivity  
Lobby  
a wic  
tions.

sions whatsoever with all the power at its command. Herbert U. Nelson, a notorious lobbyist, has announced the formation of a "front of fourteen organizations" to defeat the Wagner-Ellender-Taft Bill and "to hold Republicans to their professed defense of free enterprise."

The false contention that the Wagner-Ellender-Taft Bill is "socialistic" is made by the Real Estate lobby as a demagogic design to bring about the bill's defeat. The bill is not in any way a socialist approach to the solution of the housing question. It upholds private enterprise at every point. In fact, the chief weakness of the bill is that it specifically provides that a "gap" of 20 per cent must be left between the income groups the government is to house and the lowest income groups which can afford decent private housing. Those whose income falls between these two groups are left to shift for themselves.

Yet notwithstanding this, and despite the grip of reaction on the 80th Congress, a mighty people's movement, spearheaded by labor and the veterans, can force concessions. This was shown in New York State, when a partial victory on housing was literally blasted from Governor Dewey. He finally had to approve \$135,000,000 for a low-rent housing bond issue. This took the form of a "deal" with Mayor O'Dwyer. But the decisive factor was the militant activity of the Rent and Housing Lobby, coupled with support from a wide group of people's organizations.

In addition to pressure on Congress housing programs for city and state governments can and should be fought for. Both in Los Angeles and New York City movements are gathering momentum to get the City administrations to build apartment houses.

Veterans are especially concerned with the housing issue. And veterans' groups are becoming increasingly active in the fight on this issue. This development is to be welcomed and encouraged, but the progressive forces must be on guard against the tendency to leave the fight for housing to the veterans alone. Furthermore, all efforts to pose the veterans' bonus against housing, and vice versa, must be fought. Veterans need both, and there can be ample funds for both if unnecessary military expenditures and "pork-barrel" highways are eliminated from budgets.

An important aspect of the fight for housing is the need to break down the ghetto walls imprisoning the Negro people. This fight cannot be conducted by the Negro people alone. The initiative must be taken in those communities from which Negroes are excluded. A basic issue of national significance has arisen in New York State. The "restrictive covenant" has been upheld by a lower court. If this decision is upheld by the higher courts, it will aggravate segregation of the Negro people and discrimination against other minority groups. Broad forces are moving into the fight, including such groups as the N.A.A.C.P., the American Jewish Congress and the

Emergency Committee on Rents and Housing. The Communist Party, in keeping with its program of equality for the Negro people in every sphere, must support and help to develop further the fight against the restrictive covenant.

Red-baiting, chief weapon of reaction today, is being used against the people's housing movement as well. Governor Dewey made this his major technique in attempting to discredit and isolate the Rent and Housing Lobby in Albany. The Governor over-reached himself. With the A.L.P. leading the fight through its Labor Senator, the Democrats as a body refused to take part in any legislative action in protest against the barring of the Lobby from the Capitol. A great many religious and civic leaders criticized Dewey both for his dictatorial action and for his do-nothing policy on housing. One of the most important statements came from Dr. Robert W. Searle, Protestant church leader of national repute. He said: "Accusation of Communist-inspired rebellion on the part of marchers at Albany last week was just the dragging in of the familiar red herring to cover up failure to act on housing."

In making this statement, Dr. Searle correctly recognized the aim of Red-baiting and its dangers to all who wish to advance the needs of the people. Yet he himself fell into the trap by adding that "the Assembly, in refusing to act on the housing bond issue, played into the hands of the Communists, who prefer that there be no housing solution but

chaos more favorable to their plans."

What is our stand on housing? We have proposed a national program of three million housing units a year for the next five years with a guarantee against discrimination. Our state organizations have specific programs based on the needs of their own areas. We are proud of our record in the fight for housing. Our members have been part of the fight for housing throughout the nation and helped to initiate many individual campaigns. Far from being worried that the housing problem *will* be solved, our main concern is that reaction will succeed in further worsening the living conditions and standards of the people through its continued sabotage of an effective housing program.

It is true that our Marxist theory holds that the housing crisis cannot be fully eliminated in a capitalist society. Only in a socialist America will there be a decent home for every American—with no fear of rent increases or evictions. Our understanding of this basic concept does not weaken our support for all measures which will obtain housing results for the people now. We believe it makes us even more consistent and determined fighters for immediate housing needs, and enables us to make a special contribution to the fight. We know the extent of the opposition, and the high degree of mobilization of the people which must be achieved to overcome it.

It is also true that many people are joining the Communist Party because of its activities on rent control

and hou  
ist theo  
lems ex  
We wel  
ranks. I  
greater  
mines I  
the mov

ACTION

Reten  
leviation  
ple by  
merit th  
and pro  
affect n  
ries in t  
and in s  
safeguar

and housing and because our Marxist theory explains why these problems exist and how to solve them. We welcome these additions to our ranks. It is our belief that a stronger greater unity of the people, undermines Red-baiting and strengthens the movement for housing.

#### ACTION NOW IS IMPERATIVE

Retention of rent control and alleviation of the hardships of the people by forcing action on housing merit the full support of all labor and progressive forces. These issues affect millions of Americans. Victories in the fight against rent increases and in securing housing will not only safeguard the living standards of the

people from further deterioration, but give added impetus to the overall fight for peace, security and democracy. For this reason, the fight for rent control and housing must not be viewed as separate and apart from the major objectives of the labor-democratic coalition, but as a major aspect of these objectives.

*The next few weeks will be decisive. Pressure must be directed at Congress as never before.*

*Organization of tenants must be stepped up.*

*Even greater unity of all progressive forces must be established to defeat the offensive of the powerful real estate lobby, and to launch the people's counter-offensive on this important front.*

# PEOPLE'S DEMOCRACY: THE WAY TO THE PEACEFUL DEVELOPMENT OF POLAND\*

By WLADYSLAW GOMULKA

AN AGREEMENT ON unity of action and cooperation concluded between the Polish Socialist Party [P.P.S.] and the Polish Workers' Party [P.P.R.] must be included among political events of great weight and importance. . . .

Under the existing alignment of political forces in Poland unity of action of the workers' parties and a united front of the working class constitute a basic condition for the firm establishment of all the social and political achievements so far attained. On the basis of unity of action of both workers' parties, with close cooperation with other democratic parties, the Polish Workers' Party established the conception of the Polish way of development toward socialism. This conception is significant because it does not include the necessity of a violent, revolutionary political upheaval in the development of Poland and eliminates the necessity of a dictatorship of the proletariat as a form of government in the most difficult period of transition. On the basis of realistic views we have established the possibility

of development toward socialism through the system of people's democracy in which the bloc of democratic parties exercises the power of government. This conception, calculating on a peaceful, evolutionary development, would have been difficult to conceive without the presupposition of close cooperation of both our parties and of a worker-peasant alliance.

## WE ARE NOT AIMING AT THE DICTATORSHIP OF THE PROLETARIAT

Some people repeat constantly that the Polish Workers' Party is aiming at the dictatorship of the proletariat and wants to establish socialism in Poland by following the same road as the Soviet Union. It is not necessary to establish that those who make such assertions do so not only because they do not understand Marxism at all, not only because they do not know how to draw conclusions from the differences between historical epochs and concrete historical situations, but because, above all, they want to falsify historical facts and to make it easier for themselves to wage a struggle against our party.

Because this problem has so far

\* From *Glos Ludu (People's Voice)*, Warsaw, No. 330. Excerpts from an address delivered at a meeting of party activists of the P.P.R. and the P.P.S. in Warsaw, November 29, 1946. The author is the Vice-Premier of Poland and general secretary of the Polish Workers' Party.



not been discussed extensively in public by our party and because of its importance for strengthening the unity of action of both our parties, I consider it advisable to clarify it from the point of view of the party which I represent.

#### DIFFERENCES BETWEEN THE WAYS OF DEVELOPMENT OF POLAND AND RUSSIA

First, I should like to call your attention to three basic differences, easily perceived by all, which mark the paths of development of the Soviet Union and Poland.

The first difference is that the social and political changes in Russia were effected through a violent revolution and in our country in a peaceful way.

The second difference is that the Soviet Union had to go through the period of the dictatorship of the proletariat, while in our country there is no such period; and it can be avoided.

The third difference characterizing the variation in the ways of development of both countries is that the government in the Soviet Union is in the hands of the Councils of Delegates, or Soviets, which combine the legislative and executive functions and constitute the socialist form of government, whereas in our country the legislative and executive functions are separated and the government is based on a parliamentary democracy.

Nothing would be more false than

a belief that these differences originated from the subjective will of individual people in Poland and in the Soviet Union or resulted from the political line of parties functioning in Poland and the Soviet Union. The internal disposition of class forces existing during the Russian Revolution and during the period of the taking over of the government of Poland by the democratic camp decided the differences in the ways of development of Poland and Russia.

Why was it necessary to have a violent revolution in Russia to overthrow the czarist government and to effect social and political changes?

Two causes made the revolution necessary: first, oppression by the czarist government; second, the power of world capitalism, or, to put it differently, the weakness of world democracy.

Lenin said that the power of the czarist government rested on a well-organized and strong class of landlords, on an even better organized and strong class of Russian capitalists teamed with foreign capital, and on a strong state apparatus and ingrained czarist traditions. These were the three "whales" that could not have been defeated in a peaceful way. It was necessary to defeat them through revolution.

Besides these three internal elements, which gave the czarist government its power to oppress, there was also an external element in the form of the power of capitalist states which supported the czarist government in its struggle with the revolu-

tion. Moreover, in 1917 world capital was, in an ideological and governmental sense, much stronger than at the end of the Second World War when the democratic forces were coming to the fore.

All these elements, which in 1917 constituted the strength of the Russian czarist government and could have been broken only by a violent revolution, were in a different position in Poland in 1944. The working class and the toiling masses of Poland did not have to use violent means to overthrow the landlords and big capitalists; for these forces were weak, politically compromised and isolated. That is why it was possible to remove them in a different way.

#### REACTION IN POLAND IS WEAKER THAN IT WAS IN RUSSIA

The weakness of the Polish landlords and capitalists at the moment when the democratic camp was taking over the government was due to the fact that they did not have the state apparatus needed for the struggle with the democratic forces. It is true that, in defense of these classes, various reactionary and fascist groups came forward; but they did not have enough strength to overcome the strength of the democratic camp. The main and basic armed strength of the Polish capitalists, landlords and reaction in general—Anders' army—was outside the country and unable to do much in defense of their interests.

Therefore, the primary cause which permitted the peaceful overthrow of reaction in Poland was the complete shattering of the state apparatus in Poland as a result of the September catastrophe and the utter illusoriness of the apparatus of the London delegates in Poland.

At the moment of the liberation of Poland, state power was simply lying on the street. It was picked up by democracy, which proved itself stronger than reaction.

Besides this primary cause there were also others. A very large part of reaction compromised itself in the eyes of the nation as a result of the September disaster of Poland and the anti-Soviet policy of the emigré governments. Many reactionaries fled from Poland with the Germans or later, in order to organize and prepare their forces abroad for the struggle with the democratic forces inside the country. All this also had an influence in weakening reaction and made possible a peaceful transformation of our social and political conditions.

Another factor which facilitated our taking over power was the inertness of foreign capital in Poland. German capital could not act as a force at all; for, as a result of its defeat, it was eliminated; and the whole nation was inflamed with hatred toward the Germans. Foreign capital of other origin was actually taken over by the Germans, and that also paralyzed its power and prevented it from playing any independent role.

REACT  
AR  
GER

More  
under  
Hitler  
viet A  
and in  
strugg  
forces.

Fina  
tained  
strugg  
action  
the oc  
ors to  
trend

ever, v  
with  
favora  
over  
liberat  
thing  
be libe

reacti  
gle w  
action  
to star  
word  
strugg

The s  
gle fo  
mised  
nation  
of the

No  
and a  
the r  
expul  
who  
the s  
eratic

### REACTION WAS AGAINST ARMED STRUGGLE WITH GERMANY

Moreover, all reactionary elements, under the influence of the disaster of Hitlerism and the victories of the Soviet Army, were imbued with fright and incapable of waging an effective struggle against the democratic forces.

Finally, the democratic camp attained power on the wave of the struggle for national liberation. Reaction subordinated the struggle with the occupation forces to its endeavors to gain power in the country. The trend of war developments, however, was not unfolding in accordance with its interests, was not creating favorable perspectives for it to take over power at the moment of the liberation of the country; for everything indicated that Poland would be liberated by the Red Army. Hence, reaction was opposed to armed struggle with Germany. And while reaction's chief watchword was a call to stand ready with arms, the watchword of democracy was an armed struggle with the occupation forces. The stand of reaction on the struggle for national liberation compromised it in the eyes of the Polish nation and in the democratic opinion of the world.

No one had greater opportunities and a greater moral right to take over the reins of government after the expulsion of the Germans than those who had thrown all their strength on the scale of struggle for national liberation.

### THIS BLOODSHED WAS NEEDED BY REACTION

Reaction rested its claims to power on the provisions of the "Sanacja" (Pilsudskyite) Constitution and on the so-called continuity and legality of governments of Poland. But when the development of events convinced it that a concrete struggle for the liberation of the country was of greater weight and importance in the formation of the state of affairs in Poland than a title of legal inheritance of power from "Sanacja," when the P.K.W.N. (Polish Committee of National Liberation) was formed and took into its hands the reins of government in Poland for further organization and direction of the struggle for national liberation, then reaction decided on a desperate, mad and simultaneously criminal step from the viewpoint of involving aimless shedding of the nation's blood. It called the Warsaw uprising at a time when it was known in advance that the Germans would drown it in a sea of blood. But this particular bloodshed was needed by reaction in order to conceal with it its former stand on the struggle for national liberation and to use it later as a pretext to take over the reins of government. However, it was too late. The government was already in the hands of a united democratic camp.

All these circumstances contributed to the creation of a historical opportunity which made it possible to remove reaction from power in a peaceful way and to introduce great social reforms by the democratic forces

without bloodshed, without a revolution and civil war. The Russian masses did not have such a historical opportunity at the moment when they were reaching for power. That is why the revolution to overthrow the czarist government was unavoidable. But in our country it was possible to overthrow reaction in a peaceful way.

**IN THE SOVIET UNION THE  
DICTATORSHIP OF THE  
PROLETARIAT WAS  
INDISPENSABLE**

Due to the same alignment of class forces which resulted in the October Revolution in Russia, the necessity arose for the establishment of the dictatorship of the proletariat in order to assure the victory of the revolution. In the face of the counter-revolution of the landlords, the capitalists and the right generally in city and village, which was supported by armed intervention on the part of the capitalist states, the Soviet Union had to proceed on the road of the dictatorship of the proletariat.

The dictatorship of the proletariat was born in a situation of war and horrible hunger, in a situation when the revolution, threatened with defeat, had to crush absolutely the sabotage in supplying foodstuffs for the army, for the working class and for all people who worked in the cities. Revolutionary Russia, fighting against domestic and foreign counter-revolution in order to retain power, simultaneously had to fight the im-

perialist invaders in order to defend her lands from conquest.

Because the domestic counter-revolution allied itself with foreign interventionists, the dictatorship of the proletariat, as a form of state power, was the greatest guarantor of the defense of the country, of the retention of power and of the repulsion of the imperialist invaders.

The problem of the dictatorship of the proletariat, in the situation then existing, amounted to the following: whether the October Revolution would destroy the counter-revolution regardless of the means to be used; or whether, in case of hesitation, it would itself be strangled and destroyed by the counter-revolution. If there had been no dictatorship of the proletariat in Russia, if the October Revolution, after achieving power, had permitted, under the then existing disposition of forces, a parliamentary way of deciding the problems of social reconstruction, it would have been crushed by the landlords and capitalists, who would then have established their own dictatorship and would have exacted a terrible revenge for the attempt to deprive them of their power and fortunes. . . .

**IN POLAND WE CAN AVOID  
THE DICTATORSHIP OF THE  
PROLETARIAT**

We proceed on the basis that, under Polish conditions, the dictatorship of the proletariat, as the form of government, can be avoided. We

base ourselves on the following considerations:

1. Polish democracy also attained power during a war, but there is a basic difference between our situation and the situation in Russia after the October Revolution.

We took power without applying the force of revolution against reaction. The weakness of reaction permitted us to apply democratic methods of exercising power.

Our strength lay in this, that we took power under the slogan of liberating our country from German occupation and we were able to realize it.

Reaction was unable to utilize its ideological influence in the greater part of the nation, it was unable to organize the masses for a struggle to overthrow our power; for the masses shared our opinion that the nation's main objective was to fight the Germans, to liberate the country. In this struggle the power of democracy and of the government created by it was strengthened.

The dictatorship of the working class, the class which was and is at the head of the democratic camp, was unnecessary; for the resistance of reaction did not overflow into a wide wave of counter-revolution. Reaction was unable to organize such resistance.

2. In taking over power in July, 1944, we had the certainty of victory over Germany. The working class in Russia, on attaining power in 1917, found itself faced with the catastrophe of war and with the threat

of the rape of its country by world imperialism with which domestic reaction was allied.

3. When taking over power, we were confronted only with a boycott by world reaction, which at first did not recognize our democratic government in reborn Poland. However, the struggle in our case was limited to suppressing the activities of the diversionary groups of Polish reaction. This was due to the growth of strength of world democracy as a result of the defeat of fascism during the war. This strength is far greater than it was at the moment of the overthrow of Russian czarism. World reaction cannot organize more extensive assistance to Polish reaction; for the disposition of political forces in its own countries does not permit it to do so.

We are witnessing the growth of democratic strength in the French nation after the Second World War. We also see the development in England, where the nation declared itself against reaction in the elections, giving the majority of the votes to the Labor Party and expressing in this way its democratic tendencies. Similarly in other countries, in Czechoslovakia, Yugoslavia, Rumania and Italy, the strength of the democratic forces is everywhere growing.

This power of world democracy is strengthening our democracy, for it is not permitting world reaction to extend such help to Polish reaction as the landlords and capitalists in czarist Russia received during the

first years of the socialist revolution.

We should remember that the working class in Russia, when it took power, was confronted with armed intervention by fourteen capitalist states which wanted to strangle the October Revolution.

4. When taking over power we were also confronted with great economic difficulties, which we still feel to this day. But our difficulties, our shortages of supplies are so much smaller and we can overcome them so much easier, among other things because the Soviet Union is extending help to us, while revolutionary Russia had to rely exclusively on herself. On the one hand the capitalist states tried to separate her with a barbed-wire fence of isolation from the rest of the world, while the internal counter-revolution organized sabotage and brought the terrible disaster of hunger upon the workers and upon the cities in general.

5. There is furthermore the fact that the Soviet Union was able to erect a powerful industry only at the cost of tremendous hardships imposed on society and that, in close connection with the industrialization of the country, she was faced with the problem of the collectivization of agriculture.

We, however, find ourselves in a far better situation. Independently of the possibilities of receiving foreign credits for the reconstruction and development of our industry, we can effect that purpose with lesser hardship on our people. This is

made possible by the fact that the actual productive potential of our industry, proportionate to our population, is far greater than the productive potential of Russia before the realization of its Five-Year Plans. Similarly, there is not the slightest need for us to follow the Soviet pattern of agricultural economy. We have rejected collectivization, since in Polish conditions it would be harmful in the economic and political sense. . . .

This position of ours results from the character of the social and political system of Poland. Our democracy and the social system which we are building and establishing have no historical precedent. And our experiences till now show that the results are good.

Ours is not a country with a typical capitalist system; for our basic branches of industrial production, the banks and transportation have been nationalized.

Ours is not a country with a socialist system; for the non-socialized sector of production occupies a very important place in our national economy. We have recognized the necessity and usefulness of individual initiative and non-socialized forms of production in a definite segment of industrial production; we have rejected completely the collectivization of agriculture. We have, however, created conditions permitting us to regulate the non-socialized segment of industrial production in accordance with the needs of the entire national economy.

Our  
lar to  
isting  
those  
liame  
Ou  
rather  
demo  
such  
need  
time  
to na  
dustr  
cies  
very  
demo  
coun  
big  
least  
gove  
our  
sible  
Ou  
to S  
cial  
viet

Our type of democracy is not similar to the traditional democracies existing in other countries, even in those which are governed by a parliamentary socialist majority.

Our people's democracy differs, or rather is distinguished from, the democracies existing in the West by such facts as that our democracy needed only a very short period of time to expropriate the landlords and to nationalize big and middle-size industry, while the western democracies are approaching social reforms very timidly. Therefore, under the democratic systems of the western countries, the actual rulers are the big capitalists and bankers, or at least they have the deciding role in governing the country, while under our democratic system this is impossible.

Our democracy is also not similar to Soviet democracy, just as our social system is not similar to the Soviet system.

In the Soviet Union, which has solved the problem of class antagonism, there exists only one party—the Communist Party—while in our country several democratic parties operate legally.

Polish democracy is exercising power through a multi-party parliamentary system. The Polish National Council serves today as a temporary form of that system; tomorrow the form will be the Parliament, chosen in general elections. Soviet democracy realizes national power through Soviets, and its parliamentary system is based on principles different from ours.

Our democracy has many elements of socialist democracy and also many elements of liberal-bourgeois democracy, just as our economic system has many features of socialist and capitalist economy. Our type of democracy and our social system we have designated "People's Democracy."

# THE CONNECTICUT STORY

By JOE ROBERTS

THE NEWSPAPERS throughout the country have devoted considerable attention in the last few months to the secession movement in the International Union of Mine, Mill and Smelter Workers in Connecticut, and to the expulsion of the twenty-seven union members from the Bridgeport General Electric local of the United Electrical, Radio and Machine Workers of America.

The press accounts have presented a picture purporting to show that, in the case of the I.U.M.S.W., the overwhelming majority of the workers in Connecticut's Brass Valley follow the leadership of John J. Driscoll in his fight against the "corrupt" and "Communist" leadership of their International and support the move to secede from the C.I.O. In the case of the Bridgeport G.E. local, the published accounts gave the impression that the local's new administration, elected last December, is merely carrying out the mandate of the membership to expel Communists and "fellow-travelers" from the local.

Briefly, these are the facts. Since

1942 a small group in Connecticut, led by Driscoll, has conducted a fight against the leadership of the I.U.M.S.W., using the slogans of "anti-Communist," "anti-Robinson" and "anti-International." This group of officers rode high, wide and handsome, establishing a machine which would have been the envy of Tammany Hall in its heyday. Neither the membership nor the International was allowed to participate in the shaping and execution of union policy.

The result of this group's Red-baiting was the failure to organize the thousands of brass workers who are not yet in the union. It resulted in the lowering of the morale of the union members to a point where locals could not meet for months due to the absence of a quorum. Grievance procedure began to break down or was not observed at all, resulting in a virtual wage cut for many workers. The climax was reached a few months ago when this group refused to admit the president and the vice-president of their International to a wage conference in Waterbury, Connecticut, called by the International Office on the basis of a convention decision. Following this action, the group turned to open secession.

In the case of the G.E. local an attempt was made by the present officers, Beresick and Julianelle, to put through a referendum on the question: "Would you allow a Communist to be an officer of the union?" This proposal was defeated by the local membership on a number of oc-



casions. Following their election, these officers proceeded to expel 27 members on the ground that they were Communists or "fellow-travelers" and threatened to expel more. Among those expelled are charter members and the foremost builders of this union. When the International intervened to protect the rights of these members, the officers of the local declared for secession.

The significance of these events lies in the fact that in Connecticut the disruptive forces within the C.I.O., whose main weapon in the past has been Red-baiting, have passed over to open secession or the use of the weapon of expulsion in those unions where they have gained control. These tactics were adopted at the very moment when both the U.E.R.M.W.A. and I.U.M.M.S.W. were approaching a very important stage in their wage negotiations with the Connecticut corporations. They were adopted at the moment when C.I.O. President Murray issued his appeal for labor to unite in the life-and-death struggle against the anti-labor legislative program of Big Business.

#### AN UNHOLY ALLIANCE

What are the forces involved in this conspiracy to weaken and smash the C.I.O. in Connecticut?

1. In the position of first importance must be placed the powerful monopoly corporations which, since V-J Day, have been engaged in attempts to break the unions in the

brass firms and G.E., which were built up in Connecticut during the war years. Today, these corporations carry on a two-front war against labor. They combine their legislative war in Washington and Hartford with the secession and expulsion movements inside the unions where they can make use of their fifth column.

2. The Catholic hierarchy, the A.C.T.U. and the Knights of Columbus have occupied front-line positions in the secession movement, assuming open leadership in this anti-union drive.

3. The Republican Party, which in Fairfield County has a Republican club consisting of G.E. employees, is a component part of the expulsion and secession movement. Ken Bradley, the National Committeeman from Connecticut of the Republican Party, is known to be working with this club and was very much in evidence in the courtroom at the injunction proceedings trial of the G.E. local.

4. The Carey-Block "Committee for Democratic Action" has local leaders going up and down the state to mobilize support for the secessionists.

5. The leadership of the C.I.O. shipyard workers union has placed an organizer named Carter at the disposal of the secessionists in the state. His role is to allay the suspicion of the workers in the brass plants who are opposed to withdrawing from the C.I.O., by promising them a charter from his union.

## COMPANY COLLUSION

The people leading the movement for secession and expulsion are repaying G.E. and the brass companies for the help they are getting in their fight against the "Communists." Their statements and pronouncements echo the publications and speeches made by the company officials. In a half-page advertisement published in the Bridgeport press during the last local union elections, the G.E. group leading the expulsion movement stated its program on wages as follows:

What then do we offer when put into office? We will get more money, of course. There is a *sensible* approach to our economic problems. They can be solved permanently. Real profit-sharing plans, whereby all who work for a living will share generously of their employer's profit, and satisfactory cost-of-living adjustments to meet fluctuating living costs are two practical means of solving our present wage problems within the framework of our capitalistic structure.

This was a repetition, word for word, of excerpts from a speech made by Clare Boothe Luce who in the last local election campaign injected herself into the G.E. situation.

Today, the General Electric Company is paying for the services rendered by these officers by inserting full-page advertisements in the Bridgeport press in which it says: "General Electric wants no part of this squabble. This is strictly an in-

tra-union fight, and it's up to the union people themselves to settle it." Having said that, G.E. quotes a statement made by Smith, the U.E.R.M. W.A. International representative: "The action on the part of a small group within General Electric, Bridgeport, is a company union-inspired scheme to substitute a company union for the U.E.-C.I.O." Following this quotation G.E.'s advertisement proceeds to display the company's strict "impartiality" by stating: "What a down-right falsehood! What a deliberate and cunning attempt on the part of Mr. Smith to cloud the real issue of communism in unions. . . . Just where does Mr. Smith stand on this all-important issue?"

The same company interference on the side of the union splitters is very much in evidence as regards the brass workers. For example, the leaders of the secession movement in Bridgeport opposed the national health plan of the I.U.M.M.S.W. and industry-wide bargaining. In this they merely echoed the position of Herman W. Steinkraus, the president of the Bridgeport Brass Company who in a speech to the U. S. Chamber of Commerce last year spoke against class-struggle unions and expounded his special brand of unionism—company unionism. In this speech Mr. Steinkraus cited a leaflet distributed by the Communist Party in Bridgeport as evidence that workers in his plant are being subjected to anti-monopoly education and that the U. S. Chamber of Com-

merc  
work  
capit

RED

W  
and  
use  
lishe  
the l  
trodu  
baitin  
clear  
tacks  
derm  
of th  
they  
mere  
nists  
trave  
mere  
ty as  
conte  
attem  
ologic  
not i  
union  
mono  
this  
falsifi  
both  
practi  
In  
broug  
natio  
cal w  
const  
memb  
broug  
the  
court

merce must do more to win the workers ideologically for monopoly capitalism.

### RED-BAITING

While the leaders in the secession and expulsion drive have made full use of the Red-baiting material published on a mass scale nationally in the last two months, they have introduced their own brand of Red-baiting. It is becoming increasingly clear that the content of their attacks is not merely designed to undermine the prestige and influence of the union leaders against whom they are fighting. Their fight is not merely against individual Communists and what they term "fellow-travelers." Their attacks are not merely against the Communist Party as an organization. The basic content of their Red-baiting is the attempt to convince the workers ideologically to place their confidence, not in their own class and trade-union organizations, but rather in monopoly capitalism. To accomplish this they resort to distortion and falsification of Marxism-Leninism, both as a science and as realized in practice in the Soviet Union.

In the injunction proceedings brought by the U.E.R.M.W.A. International against the officers of the local who violated the International's constitution by expelling the 27 union members, the deposed officers brought a cross-complaint against the International. In the official court document which was reprinted

in the Bridgeport *Telegram* on February 19 these officers said:

Communism is a complete philosophy of life whose aim is to create confusion, disorder and chaos and to take over by violent means the duly constituted democratic and constitutional government of this country. . . .

The object of Communism, namely a Communistic dictatorship, does not, will not and cannot bring about a government by working men, but only a self-perpetuating, autocratic, dictatorial minority who would completely dominate all workingmen and members of trade unions.

We are not attempting here to answer these charges for the U.E.R.M.W.A., which most certainly can and does speak for itself. But inasmuch as there is a direct charge involved that the Communist Party's aim is the violent overthrow of the American constitutional government, we have only to quote a paragraph of the Constitution of the Communist Party to disprove that:

Adherence to or participation in the activities of any clique, group or circle, faction or party, which conspires or acts to subvert, undermine, weaken or overthrow any or all institutions of American democracy, whereby the majority of the American people can maintain their right to determine their destinies in any degree, shall be punished by immediate expulsion. . . .

Furthermore, even the United States Supreme Court, in its decision on June 21, 1943, in the *Schneid-*

erman case, dismissed as unsubstantiated the allegation of the then U.S. Attorney General, Francis J. Biddle, that the Communist Party advocates or practices force and violence.

As to the second charge, namely, that the object of Communism is a "Communitistic dictatorship" which would dominate all workingmen and members of trade unions, we need only refer to the official reports of the C.I.O. delegations which recently visited the Soviet Union and spoke in glowing terms of the role of the Soviet trade unions.

To implement their Red-baiting attacks, the leaders of the secession and expulsion movements are making full use of the reactionary Catholic hierarchy. Thus they bring Reverend Edward Lodge Curran from Brooklyn to speak in Waterbury on "Americanism vs. Communism." Numerous Catholic workers have reported that they have been visited by their local priests and warned, upon the threat of excommunication, not to support their unions.

The local press opens its columns for such gems as the one appearing in the *Sunday Post* by Rev. Raymond P. Shea, Director of the Bridgeport Chapter Diocesan Labor Institute, who in a violent appeal to the workers to fight against their C.I.O. Internationals had the following to say:

You would have no say about the education of your children under Communism. The state would do that. In fact, the state would tell you when you

could have children—then, and at no other time. Make no mistake about it, this is Communism.

This charge flies in the face of reality and can be peddled only with the hope that the American workers are ignoramuses. On this matter the Dean of Canterbury, Hewlett Johnson, in his book, *The Secret of Soviet Strength*, said:

... great stress is laid, in season and out, on the value of the family.

The economic home, where the wife does the drudgery and is financially dependent on her husband has gone. The family has been the gainer. Soviet women have leisure to mingle in social and political activities and share the wider interests of their children, making the home the centre of skilled and purposeful life.

#### THE ROLE OF THE COMMUNIST PARTY

The Communist Party, despite the oft-repeated lies to that effect, does not interfere in the affairs of trade unions. Messrs. Driscoll and Beresick cannot point to a single instance where our Party "dictated" to the workers in the brass plants or G.E. how they should run their union affairs or whom they should support in their union elections. On the other hand, we have witnessed flagrant interference on the part of the trusts and the Association of Catholic Trade Unionists. We have already cited G.E.'s full page advertisement in which, under the slogan

of "n  
tell  
issue  
Com  
to th  
whic  
the I  
cause  
and  
of th  
Or  
nist  
the v  
conce  
of th  
ulate  
ers in  
of th  
mass  
rece  
gani  
gle.  
Th  
nect  
that  
bran  
Elec  
the  
in  
men  
viol  
pict  
Elec  
erat  
men  
trib  
liter  
for  
er.  
sion  
G.E.  
pub

of "non-interference," it proceeds to tell the G.E. workers that the main issue for their union is not wages but Communism. We have also referred to the speech by Mr. Steinkraus in which he criticized the preamble of the I.U.M.M.S.W.'s constitution because it based itself on class struggle, and we have indicated the meaning of the speech by Father Curran.

On the other hand, the Communist Party, as the political party of the working class, is most certainly concerned with the political activity of the workers. Our aim is to stimulate political activity of the workers in the struggle to curb the power of the monopolies. Our leaflets, press, mass meetings, etc., are always directed toward the education and organization of workers for this struggle.

The Communist Party in Connecticut has never denied the fact that there is a functioning Party branch in the Bridgeport General Electric plant or that members of the Communist Party are employed in the brass companies and are members of the I.U.M.M.S.W. The violent campaign against the Party pictures the Communists in General Electric as subversive elements operating secretly. In actual fact, the members of this branch openly distributed Party leaflets, sold Party literature, and obtained new readers for the *Daily Worker* and the *Worker*. Only a month prior to the expulsion of the 27 union members, the G.E. Party branch officially and publicly sponsored a mass meeting

with Councilman Peter V. Cacchione as the speaker. At this meeting two of the active union members, Josephine Willard and Frank Fazekas, participated in the speaking program.

Josephine Willard was the candidate of the Communist Party of Bridgeport for State Representative in the last campaign. It was in the course of this campaign that the workers in her department attended a meeting in which she explained what the Communist Party stands for, the difference between her role as their steward in the union and her activities as a Communist in political life. The workers who attended that meeting did not regard her union work and Party work as incompatible, even though most did not fully understand or agree with communism. They returned her as section chairman, thus placing her on the executive board of the local, by a six-to-one vote, despite the fact that she carried the brunt of the attacks by the Red-baiting clique in the union.

When the union splitters refused to seat her on the local executive board in spite of the overwhelming vote, the workers of her department went on the radio, fighting every inch of the way, notwithstanding threats and intimidations, for her to be seated on the executive board. The case of Josephine Willard should give the lie to those who demagogically state that "We don't have objection to Communists as long as they will work openly." "Stand up and be

counted" is their demagogic slogan. But the workers and liberals who are mistakenly taken in by this slogan can draw an object lesson from the instance just cited. The agents of Big Business in the labor movement are not concerned with the manner in which Communists function. Their main concern is to root out any criticism and opposition to their policies by making Communism synonymous with subversion, then proceeding to silence, not only the Communists, but everyone fighting for a change in the status quo.

The facts of the Willard case should also set the record straight for Robert M. LaFollette, Jr., who in his article in *Collier's* (issue of February 8, 1946), "Turn the Light on Communism," stated:

In Bridgeport, Connecticut, Miss Josephine Willard ran for state representative on the Communist ticket in the state elections on November 5th. Miss Willard was editor of the union paper and the publicity director for Local 203 of the United Electrical, Radio and Machine Workers of America. In the subsequent uprising against Communists in Local 203, the paper was discontinued and Miss Willard lost her job."

Ex-Senator LaFollette states that Josephine Willard lost her job in the union following the elections of November 5. By inference he seeks to create the impression that whenever union leaders identify themselves with the Communist Party the workers repudiate them. The actual fact

is that the union paper was discontinued by a handful of disrupters who forced through a motion to that effect at one of the local meetings. However, the support she enjoyed from the workers is the talk of the labor movement in Bridgeport.

#### THE FIGHT AGAINST OPPORTUNISM

The Communist Party of Connecticut has a great responsibility in this period. Having no interests separate and apart from the workers and their trade unions, we Communists can make a great contribution toward helping overcome the critical situation facing the workers. It was in line with this that we published an advertisement in the Connecticut newspapers exposing Red-baiting and calling attention to the anti-labor attacks of the big corporations against all labor and the need for unity in the fight against these attempts to shackle labor. In a leaflet issued to the workers of Connecticut we warned them of the danger of the Thomas-Parnell Un-American Committee injecting itself into the Connecticut situation. In this leaflet we stated:

The House Un-American Committee has invited a few so-called labor leaders from Bridgeport to go to Washington to expose the "Red Menace." The door is now open for the people of Bridgeport and of Connecticut to really see what the score is. Despite the fact that the C.I.O. at its national convention denounced the House Un-American

Com  
"lab  
have  
Com  
Al  
inclu  
Wen  
the l  
dem  
And  
has b  
lines  
and  
recor  
out.

In  
must  
and  
cropp  
We  
nist  
comm  
union  
tivity  
the v  
of th  
our  
out.

For  
woul  
Party  
enga  
cour  
temp  
on o  
to w  
that  
meth  
mun  
and  
all t  
ist m

Committee as an enemy of labor, these "labor leaders," Berescik and Julianelle, have accepted the invitation of this Committee to testify.

Almost every outstanding American including the late President Roosevelt, Wendell Willkie, Henry Wallace, and the late Cardinal Mundelein have condemned the Un-American Committee. And to top it all this Committee which has been grabbing all front-page headlines with the whipped-up "Eisler" case and "spy-scares" consists of men whose record in Congress is anti-labor throughout.

In making our contribution, we must guard and fight against Right and Leftist opportunism which is cropping up in our day-to-day work. We must reject such Right-opportunist tendencies as expressed by some comrades who say that this is a trade union fight and that Communist activities at this moment will confuse the workers and play into the hands of the Red-baiters. Hence, they say, our Party ought to sit this struggle out.

For us to follow such a policy would be harmful, not only to our Party, but particularly to the unions engaged in the struggle. In the course of this article we have attempted to show that the main weapon of the secessionists in their fight to weaken the C.I.O. is Red-baiting, that their method is the Hitler method of seeking to discredit Communism in the eyes of the workers and then labeling as "Communists" all those opposed to their secessionist moves. It would be a disservice

to the workers and their unions if the only exposition of Communism and what the Communist Party stands for were given to them by the Currans and Sheas, the Un-American Committee and the capitalist press. Certainly the unions, while fighting Red-baiting and while defending themselves from the secessionists, will not and cannot perform the task which can be performed only by the Communist Party.

We must equally reject Leftist opportunism, expressed in tendencies to soft-pedal the struggles on the immediate issues and to concentrate primarily on "education for socialism." To follow such a policy would be a betrayal of the workers' struggles and would mean the isolation of our Party and its degeneration into a sect such as the Socialist Labor Party. As a political party of the working class we are concerned with every struggle of the workers for their immediate needs. It is in the process of participating with the workers in these struggles that we shall be in the best position to raise the level of their class consciousness. This does not mean that we do not carry on a consistent campaign of education for socialism. But this education will not be effective if we separate ourselves from the immediate struggles of the workers or drag in socialism, in a sectarian way, "by the hair." Accordingly, in this light, after exposing in our leaflet the record of the House Un-American Committee and the fact that its main stock-in-trade is Red-baiting,

we proceed to show why Communists are slandered:

Communists working in shops have always tried to help build unions, improve working conditions, secure higher wages. We defy the enemies of labor to name a single instance where a Communist worked against his fellow workers or against his union.

But what else do Communists believe in? We believe that here in the U.S.A. there are enough resources, brains, and manpower to produce a decent standard of living for every man, woman, and child. We believe that the working people should own the mines and factories and these should be used to produce for the people, not to make more profits for the greedy monopolists. What's so terrible about that? Only the monopolists are terrified at any idea that may give the people a little more and the trusts a little less. While we Communists are fighting every day along with all workers to improve our conditions we say that the only final answer to crises, mass lay-offs, unemployment, and insecurity is ownership of the means of production by the people—Socialism.

### CONCLUSION

Whatever the outcome of the Connecticut story will be, one thing is already clear. The movement to secede from the C.I.O. and to develop a witch-hunt and expulsion drive in the trade unions has already resulted in weakening the labor movement in Connecticut. It is no accident that very little activity was developed by the C.I.O. here against the anti-

labor legislation in Washington as well as in Hartford. The two unions involved in the struggle are the backbone of the C.I.O. in this state. While Driscoll and his group in the I.U.M.S.W. and the so-called Committee for Democratic Action of the Carey-Block group in the U.E.R.M.W.A. are busy seceding and expelling, and while the loyal C.I.O. members are rallying behind their International unions against these splitters, the big corporations in the state are behaving like jackals ready to leap at the prostrated body of the workers who are denied union protection. Already the secession movement has given the enemies of labor great aid in achieving one of the major objectives they hope to accomplish by their anti-labor legislation, that of breaking down industry-wide bargaining and leaving the workers in the individual plants at the mercy of the corporations who are united through the N.A.M. and the U. S. Chamber of Commerce. G.E. has already served notice that in its national negotiations the Bridgeport plant will not be included. The brass companies are following the same policy of excluding the Connecticut plants from their national wage negotiations. The secessionists not only accept this policy; they are attempting to spread it outside of G.E. and the brass companies. The Bridgeport local of the Singer Sewing Machine Company workers, whose president is the New England leader of the Carey-Block "Committee for Democratic Action,"



fought against a national contract. It was only the majority vote of the executive board membership of the three Singer Sewing Machine locals, two of them outside of Connecticut, that reversed this policy for the time being.

The danger to which the Connecticut trade union movement has been exposed by the secessionists is not merely a local one. If they succeed in Connecticut, they will attempt to branch out. It is high time for the workers to sit up, take notice and act in defense of policies which will strengthen the unions and weaken the monopolies. The issue is not Communism vs. anti-Communism. The issue is: Shall the C.I.O. continue to grow based on the principles which made it great, or shall a small, company-inspired clique, using the false issue of Communism, be permitted to carry through policies that will weaken the C.I.O. and with it the future of the labor movement.

The resignation of Reid Robinson as President of the I.U.M.M.S.W., to remove himself as an issue in the

union, proves that he puts the welfare of his union above his personal feelings and interests. On the other hand, it exposes John J. Driscoll as a union-buster, who places his own interests above those of the C.I.O. When Driscoll and Company embarked on their policy of open secession, their main argument was their opposition to the leadership of Robinson. On the day of Robinson's resignation Driscoll stated that the resignation did not change anything and that the fight for secession would go on.

The fight against the secessionists in Connecticut is a fight against company union stooges. The attempt of the secessionist leaders to move into the A. F. of L. or another C.I.O. union will not help the movement for trade union unity, so vitally necessary today in the struggle against Big Business. On the contrary, by their actions the secessionists are deliberately creating conditions for civil war in the ranks of labor. The splitters must be defeated!

# TOWARD A PEOPLE'S TAX PROGRAM

By DONALD FREEMAN

THE DRIVE of monopoly capital to enrich itself at the expense of the impoverished masses is nowhere more clearly apparent than in the regressive changes taking place in tax laws—federal, state and city.

Prior to World War II, in 1939, the federal income tax law provided that an individual be given an exemption of \$1,500 if single, \$2,500 if married, and \$400 for each dependent. Thereafter, the tax rates began at four per cent. The following table illustrates the operation of the federal income tax law in 1939, in the case of a married man with two children:

Adjusted Gross Income*	Tax**
\$ 3,300	\$ 0
5,000	30
7,500	120
10,000	300
1,000,000	678,056

\* Adjusted gross income is gross income less expenses incurred in making or earning that income. Thus, a salesman may earn \$7,500 in a year, but his expenses may be \$1,000 so that his adjusted gross income would be \$6,500. Similarly, a steel worker may earn \$3,000 in a year but his union dues may be \$30 a year so that his adjusted gross income would be \$2,970.

\*\* In these computations allowance has been made for deductible expenses in the amount of 10 per cent of adjusted gross income or \$500 whichever is less.

With the advent of war in Europe, the arming of the U.S. and the subsequent declaration of war by the U.S., costs of government increased from 9 billion dollars in 1939 to over 100 billion dollars in 1944. Federal taxes likewise increased from 5.2 billion dollars in 1939 to 43.1 billion dollars in 1944. A substantial part of the increase was provided by taxes on the income of individuals. The following table illustrates the operation of the federal tax law in 1944 and 1945 in the case of a married man with two children (the same law was applicable to both years):

Adjusted Gross Income	Tax
\$ 500	\$ 0
1,000	12
2,500	105
5,000	624
7,500	1,295
10,000	2,080
1,000,000	885,542

During the war ability to pay was flagrantly disregarded. Income taxes were exacted from persons who were forced to reduce their living standards below the minimum required for health and decency. For 1946, with the fighting phase of the war over, the federal income tax law was revised.

Under the revision for 1946 a small measure of relief was given to taxpayers in the lowest income groups. But the forces of reaction—monopoly capital and the Democratic-Republican coalition in Congress—had al-

ready destroyed the principle of taxation in accordance with ability to pay. And they were now determined to take another step backward.

They forced through, over the objections of all the progressive organizations in America, a 5 per cent cut across-the-board. The table in the adjoining column illustrates the operation of the federal income tax law in 1946, in the case of a married man with two children:

Adjusted Gross Income	Tax
\$ 2,000	\$ 0
2,500	50
5,000	480
7,500	1,045
10,000	1,719
1,000,000	838,418

The truly regressive nature of the changes which were placed into effect in 1946 are best illustrated by the following table:

Adjusted Gross Income	1945 Tax	1945 Take Home*	1946 Tax	1946 Take Home	\$ Increase in Take Home	% Increase in Take Home
\$ 2,500	\$ 105	\$ 2,395	\$ 50	\$ 2,450	\$ 55	2%
5,000	624	4,376	480	4,520	144	3%
7,500	1,295	6,205	1,045	6,455	250	4%
10,000	2,080	7,920	1,719	8,281	361	5%
1,000,000	885,542	114,458	838,418	161,582	47,124	41%

While these soak-the-poor tax trends constantly rob the masses of a disproportionate share of their purchasing power, at the same time they permit the monopolists to accumulate billions of dollars in additional capital.

In 1939, despite the fact that the United States had already begun to arm in preparation for war, military expenditures amounted to 16 cents of every dollar spent by the federal government. At the same time 34 cents was spent for social welfare and 17 cents was spent for agricultural programs.

In 1947-48, however, the second postwar year, at a time when the Vandenberg, Dulles and Baruchs

are trying to convince the rest of the world, as well as the people of the United States, that we have only peaceful intentions, the budget recommendations of the President provide that 30 cents of every dollar to be spent by the federal government shall be for military purposes. At the same time only a little over four cents is provided for social welfare and a little less than four cents is provided for agricultural programs.

Throughout the 1946 election campaign, as a result of which the Republican Party won a majority of the seats in both houses of Congress, the election promise most often repeated provided for a reduction in income taxes. Moreover, the promise specified a 20 per cent cut across-the-board. Since all federal tax laws must originate in the House of Representa-

\* Take home, for purposes of this discussion, computed by deducting federal income taxes from adjusted gross income. All other deductions are disregarded.

tives, the very first bill introduced in the House, H. R. 1, by Representative Harold Knutson, Republican of Minnesota, and Chairman of the powerful Ways and Means Committee, embodies all that the Republicans promised. The bill provides a 20 per cent cut across-the-board on all taxable incomes below \$300,000 and a 10.5 per cent cut across-the-board on all taxable incomes above \$300,000.

On the same day Representative

Albert J. Engel, Republican of Michigan, not a member of the Ways and Means Committee, introduced H. R. 62, which provides for doubling personal exemptions for single and married persons. The progressive character of the Engel Bill and the regressive character of the Knutson Bill are best illustrated by the following tables. The tax computations are for a married couple with two children:

Adjusted Gross Income	Take Home under 1946 Law	Take Home under Knutson Bill	% Increase in Take Home under Knutson Bill	Take Home under Engel Bill	% Increase in Take Home under Engel Bill
\$ 2,500	\$ 2,450	\$ 2,460	0.4%	\$ 2,500	2.0%
5,000	4,520	4,616	2.1%	4,719	4.4%
7,500	6,455	6,664	3.2%	6,702	3.8%
10,000	8,281	8,625	4.2%	8,566	3.4%
100,000	38,112	50,490	32.5%	38,939	1.3%
300,000	66,732	113,386	69.9%	67,597	1.3%
1,000,000	161,582	272,337	68.5%	162,447	0.5%

Recognizing the dangerous effect which the enactment of the Knutson Bill might have on the living standards of the workers and farmers of America and on the continued existence of small property owners and independent businessmen as a class, the Communist Party, and other liberal labor, farmer, consumer, professional and business organizations voiced angry opposition. Fearing that the Ways and Means Committee would be swamped with protests which could not be ignored, Representative Knutson announced that no public hearings would be held. This brought down on the Committee an angry storm which caused

them to reverse their decision and announce that open hearings would be held at a date not yet specified. Credit for this reversal should go especially to the Committee for Progressive Taxation which includes the National Farmers' Union, the National Association of Consumers, the C.I.O., the National Lawyers' Guild, the Consumers' Union of the United States, the League of Women Shoppers and the Progressive Citizens of America.

The National Committee of the Communist Party, at its plenary meeting in New York, December 3-5, 1946 included in its legislative program the adoption of a people's

tax program to protect labor, farmers, small property owners, professionals and independent businessmen. The purpose of such a program is to unite into a coalition all the people suffering under the yoke of monopoly capital; to insure that the people and the corporations will be taxed in accordance with their ability to pay; and, at the same time, to insure that there will be ample funds available for constantly increasing appropriations for social and public services. It is such a tax program which is herein outlined.

#### *Federal Individual Income Taxes*

In 1939 a married worker with two children, earning \$50 a week or \$2,600 a year, paid no federal income taxes because, as explained above, his personal exemptions totalled \$3,300 a year. In 1946 this same worker, assuming that he was among the more fortunate group who received pay increases approximating the cost of living increases, would have earned \$75 a week or \$3,900 a year. Despite the fact that all his 1946 income and more was needed to maintain his 1939 standard of living, he was required to pay \$283 in federal income tax. The reactionary coalition in Congress now proposes to reduce his income tax bill to \$226.40. This will increase his net take-home pay by \$1.09 a week or by 1.5 per cent.

On the other hand, let us consider a capitalist who reports a "net taxable" income of \$1,000,000 a year.

Remember first that this may well correspond to a gross income of double or triple that amount, since the millionaire can take advantage of numerous "exclusions" and "deductions" not available to those in the low and middle income groups. These will be discussed in detail later. On his net taxable income of \$1,000,000 the 1946 federal income tax was \$838,418. The Congressional reactionaries propose to reduce his income tax bill to \$727,663. This will increase his net income after taxes by \$2,129.90 a week or by 68.5 per cent.

In 1939 individuals earning less than \$5,000 a year paid less than 10 per cent of the individual income taxes collected by our government. In 1942, the last year for which official reports are available, individuals earning less than \$5,000 a year paid almost 50 per cent of total federal individual income taxes. In 1946 it is estimated that individuals earning less than \$5,000 a year paid 57 per cent of total federal individual income taxes.

The cost of living in the U. S. has risen constantly so that authoritative studies declare that an industrial worker must earn over \$3,500 a year to maintain a family of four in a state of health and decency, according to minimum standards, and without provision for savings, vacations or emergencies. In a country such as ours, in which there exists an abundance of wealth, everyone should be permitted to earn *tax free* an amount

sufficient to keep him and his family in a state of health and decency and to provide them with vacations, savings and reserves with which to meet emergencies.

For these reasons personal income tax exemptions must be increased so that a single individual will be able to earn *tax free* approximately \$2,000, a married couple approximately \$3,500 and for each dependent approximately \$750 more. In other words, a family of four should be able to earn approximately \$5,000 without having to pay any income taxes. There are two methods of providing for such an exemption from tax. The first method, and the one with which we are most familiar, consists of deducting the amount of the income to be exempted from ad-

justed gross income and computing the tax on the balance. This is a regressive method, however, because it allows persons in the higher income tax brackets a greater deduction than those in the lower brackets. Thus a person in a 75 per cent income tax bracket would save three times as much tax as a person in a 25 per cent income tax bracket. The second method consists of following a flat *tax credit* computed on a basis which will be fair to all. A reasonable credit would be \$200 for each person in the family unit. That means \$200 for a single individual, \$400 for a married couple, and \$200 for each dependent. Since the second method is more progressive, as illustrated in the following table, it is preferable and should be adopted:

Adjusted gross income	Tax without benefit of exemptions	Tax with benefit of exemptions for family of 4 computed by first method*	Amount of actual exemption under first method	Tax with benefit of exemption for family of four computed by second method*	Amount of actual exemption under second method
\$ 2,500	\$ 275	\$ 0	\$ 275	\$ 0	\$275
5,000	750	0	750	0	750
7,500	1,525	275	1,250	725	800
10,000	2,600	750	1,850	1,800	800
100,000	81,650	77,150	4,500	79,850	800
300,000	271,650	266,900	4,750	270,850	800
1,000,000	936,650	931,900	4,750	935,850	800

In addition to revising personal exemptions the tax rates in the lowest two brackets of taxable income

should be reduced, while all other tax rates should be increased, as in the following table:

\* Tax is computed at the rates set forth in detail above.

*Individual Income Tax Rates**Applicable to all adjusted gross income.*

On The First \$2,000	10%	
over \$2,000 but not over \$4,000	\$200 plus 15% of all over \$2,000	\$2,000
over \$4,000 but not over \$6,000	\$500 plus 25% of all over \$4,000	\$4,000
over \$6,000 but not over \$8,000	\$1,000 plus 35% of all over \$6,000	\$6,000
over \$8,000 but not over \$10,000	\$1,700 plus 45% of all over \$8,000	\$8,000
over \$10,000 but not over \$12,000	\$2,600 plus 55% of all over \$10,000	\$10,000
over \$12,000 but not over \$14,000	\$3,700 plus 65% of all over \$12,000	\$12,000
over \$14,000 but not over \$16,000	\$5,000 plus 75% of all over \$14,000	\$14,000
over \$16,000 but not over \$25,000	\$6,500 plus 85% of all over \$16,000	\$16,000
over \$25,000 but not over \$100,000	\$14,150 plus 90% of all over \$25,000	\$25,000
over \$100,000	\$81,650 plus 95% of all over \$100,000	\$100,000

The progressive nature of these recommendations is best illustrated by the following table. The tax computations are for a married couple with two children:

Adjusted Gross Income	Tax	Net Take-Home
\$ 2,500	\$ 0	\$ 2,500
5,000	0	5,000
7,500	725	6,750
10,000	1,800	8,200
100,000	79,850	20,150
100,000	79,850	20,150
300,000	270,850	29,150
1,000,000	935,850	64,150

groups from sudden fluctuations in their incomes brought on by "boom-and-bust" cycles, what is necessary is a two-year carry-forward and carry-back of all unused exemption credits. Under this plan a worker who has been unemployed for a year will not have immediately to begin paying income taxes when he again becomes employed. Corporations and all businesses have already been extended this privilege. Human rights to a constant income are surely of no lesser importance than property rights. The operation of this plan is illustrated in the following two tables:

In order to protect workers, farmers and others in the lower income

## CARRY-FORWARD

Year	Income Without Adjustments	Tax without Adjustments	Carry-forward Adjustment	Adjusted Income	Adjusted Taxes
1947	\$7,500	\$725	\$-2,500	\$5,000	0
1948	5,000	0	0	5,000	0
1949	2,500	0	+2,500	5,000	0
	Total Taxes	\$725			0

## CARRY-BACK

Year	Income Without Adjustments	Tax without Adjustments	Carry-back Adjustment	Adjusted Income	Adjusted Taxes
1950	\$1,000	\$ 0	\$+4,000	\$5,000	0
1951	4,000	0	+1,000	5,000	0
1952	10,000	1,800	-5,000	5,000	0
Total Taxes		\$1,800			0

The present tax law contains so many loopholes that there has sprung up a whole new industry of tax consultants, accountants and attorneys devoted to the task of reducing net taxable income for monopolists both individual and corporate. Unfortunately the tax laws are riddled with loopholes so that the more "expert" the advice retained, the more loopholes can be found through which to squeeze income which should be taxed. It is possible without violating any laws to make millions of dollars a year and not pay a single penny in income taxes. Just a few of the many loopholes that serve either to decrease or eliminate income taxes on the wealthy are:

1. Investment in state or city bonds or certain U. S. government bonds, the interest on which is tax free. Ironically enough, the interest on government savings bonds which are for sale to small investors only is not tax free.

2. Deducting costs of maintaining country estates by merely calling them farms. If a worker goes to a summer camp once a year for a week's well-earned rest, he cannot make any deduction on his income tax return. Nor can the small businessman take any deduction for a

trip to the seashore. But the capitalist who owns an elaborate country estate where he spends his leisure and entertains his friends can treat the estate as a "farm" and deduct the cost of operation as a "business loss."

3. Purchasing expensive pensions. A corporation can pay into a pension fund large sums of money so that its officers can retire with fantastic life pensions, and neither the corporation nor the executive pays any income tax on the amount paid for the pension. On the other hand, when an employer deducts 1 per cent from the wages of a worker to buy that worker a life pension after the age of 65 which can hardly exceed \$15 a week, the worker must pay income taxes on the 1 per cent as if it had been paid to him.

4. Making partially taxable speculation profits. A capitalist can earn millions of dollars in speculation profits either by stock market transactions or by speculation in commodities; and, if he holds the stocks or commodities for six months, the maximum tax rate applicable to his profits is 25 per cent. Contrast this with the worker, farmer, professional man or businessman who must pay a maximum rate of 28.5 per cent when his taxable income exceeds \$6,000.

5. husb.  
by an  
contr  
wife  
retur  
taxed  
way  
advan  
few  
zona  
Loui  
Okla  
(Stat  
is co  
6. The  
endc  
are  
them  
cont  
the p  
exen  
tribu  
duct  
"con  
The  
hole  
trate  
foll  
essar  
1. from  
by w  
2. oper  
as fa  
ness  
sour  
3. all c  
if th



5. Filing of separate returns by husbands and wives. A capitalist can, by any number of legal maneuvers, contrive to split his income with his wife and thus file two separate tax returns, neither one of which will be taxed at the highest rates. The only way a worker can obtain this type of advantage is by living in one of the few community property states—Arizona, California, Hawaii, Idaho, Louisiana, Nevada, New Mexico, Oklahoma, Texas, Washington (State)—in which half of all income is considered as the wife's.

6. Setting up family foundations. There are a great number of heavily endowed family foundations which are controlled by the family setting them up and which make little or no contribution to society. Not only is the profit made by these foundations exempt from taxation but the "contributions" made to them are deductible on the tax returns of the "contributors."

There are innumerable other loopholes, but these will serve to illustrate the necessity for reform. The following changes are therefore necessary:

1. Full taxation of all income from securities regardless of when or by whom issued.

2. Disallowance of all losses on operation of spurious businesses, such as farms, yachts, etc., unless the business normally provides the sole source of income for the taxpayer.

3. Taxation of the beneficiary on all contributions to a pension fund as if the contribution were made to him

as part of his regular compensation.

4. Full taxation of capital gains in the same manner as other income.

5. Require husbands and wives to file joint returns in all cases.

6. Since it has already been proposed that personal exemptions be liberalized, and since monopolists by means of their foundations and contributions have gained control of our educational and other institutions, no deductions should be allowed for contributions of any type.

#### *Federal Corporation Taxes*

In the federal income tax on corporations more than in any other instance we run headlong into the power of monopoly capital in America.

During the prewar years 1936-1939, American corporations had average net profits after income taxes of 3.9 billion dollars a year. During the war years 1942-1945, when they were crying against the high taxes, when they were complaining of having to renegotiate their contracts with the government, while American labor was sweating long hours for wages which were frozen by government order, these same corporations increased their average profits from 3.9 billions to 9.5 billion dollars a year, *after taxes*. For 1946, the first full postwar year, their profits after taxes were 12 billion dollars.

During 1940-1945 American corporations made 53.5 billion dollars in profits after taxes. Out of these astronomical profits they paid their stock-

holders 25.9 billion dollars in dividends and kept 27.6 billion dollars in undistributed profits. This tremendous accumulation of funds in the hands of a relatively few large corporations serves a dual purpose. First, since less than one per cent of the stockholders in the U. S. receive more than 60 per cent of all dividends, this failure of the corporations to pay dividends enabled these large stockholders to escape payment of the high taxes they would have had to pay on the dividends. And second, this tremendous accumulation of funds strengthened the hold of monopoly capital on the life-line of American business. It has enabled large corporations to gobble up smaller competitors at a rate undreamed of in American history and thus to strengthen monopoly control. It has enabled these large corporations to set aside enormous amounts of money to fight labor, to break strikes and to scuttle progressive legislation, as they scuttled O.P.A.

As early as 1944, although the people of the country were still solidly behind President Roosevelt, Congress was already dominated by a reactionary Democratic - Republican coalition so that the infamous 1944 Revenue Act was passed over the President's veto. President Roosevelt, in his veto message, said:

It is not a tax bill but a tax relief bill providing relief not for the needy but for the greedy. The bill is replete with provisions which not only afford indefensible special privileges to favored

groups but set dangerous precedents for the future.

The 1944 Revenue Act provided, among other things, that corporations shall be given a refund amounting to 10 per cent of their excess profits tax payments. Not only were the laws (which were designed to take away from corporations the excessive profits due to the war) so poorly drawn that most corporations could escape payment of their just shares, but Congress in 1944 gave them a refund of over three billion dollars on what they had actually paid. There were other provisions such as carry-backs, accelerated amortization and recomputation of base periods; but these are quite complicated and an explanation of them would require extensive elaboration. Suffice it to say that these changes now cost the workers, farmers, professionals, small businessmen and other low and middle income taxpayers of America many billions of dollars.

These were some of the provisions which had to be made to "help" monopoly capital "readjust" itself from a wartime profit rate of 9.5 billion dollars a year to a peacetime profit rate of 12 billion dollars in 1946. Contrast this situation with the plight of the workers who took cuts in pay, had to move elsewhere to find employment or housing and have to pay tremendously inflated living costs. Not only has there not been a single proposal to give them a tax refund but they are continuing to be taxed at rates which cut into their living standards.

To complete the picture, the monopolists came back for more "relief" in 1945. The Revenue Act of 1945 completely eliminated the excess profits tax and set a maximum tax rate of 38 per cent on corporation incomes.

On September 30, 1945 President Truman announced that the war was over for purposes of accelerating amortization of war facilities. He did not announce that the war was over for hundreds of thousands of men still in the army or waiting to be drafted. But he did announce that it was over for the corporations which had constructed 4.8 billion dollars worth of facilities to manufacture the implements of war on contracts which had yielded them billions in profits. This announcement meant that those corporations could take

deductions on their income tax returns for the unamortized balance of these war facilities. Not only did these deductions help them escape taxation in 1945, but it enabled them to recover billions of dollars which they had already paid in 1943 and 1944.

Sixty per cent of this 4.8 billion dollar windfall, or 2.9 billion dollars, went to the 250 largest corporations in the U. S.

With all the foregoing in mind, the following changes in federal income tax laws relative to corporations are proposed:

1. Elimination of the distinction between surtaxes and normal taxes with *all* income subject to a single tax, regardless of source.

2. A graduated income tax on corporations, as follows:

Income	Tax
On the first \$10,000	10%
Over \$10,000 but not over \$20,000	\$1,000 plus 20% on all over \$10,000
Over \$20,000 but not over \$30,000	\$3,000 plus 30% on all over \$20,000
Over \$30,000 but not over \$40,000	\$6,000 plus 40% on all over \$30,000
Over \$40,000 but not over \$100,000	\$10,000 plus 50% on all over \$40,000
Over \$100,000 but not over \$1,000,000	\$40,000 plus 60% on all over \$100,000
Over \$1,000,000	\$580,000 plus 70% on all over \$1,000,000

3. On all net income after taxes in excess of \$100,000, which is not distributed to stockholders in the form of a cash dividend, there shall be an additional undistributed profits tax of 95 per cent.

4. All carry-backs shall be eliminated, but any corporation shall have a two-year carry-forward of the \$100,-

000 undistributed profits exemption or any part of it.

5. In order to correct abuses in depreciation charge-offs and at the same time to foster application of new methods of production, all fixed assets except land may be depreciated to the extent of 50 per cent of the cost of such assets during the first five

years, but under no circumstances shall additional depreciation be allowed in the absence of proof that the asset in question is worth less than 50 per cent of its cost.

This system of taxation will not discourage corporations from making profits but will insure that all profits over \$100,000 are paid out to stockholders in the form of dividends. Thus, corporations will be able to grow, but the tendency to monopoly will be counteracted so that they will not be able to become giants so powerful that a single one can control the destinies of over a million people and can challenge the power of our government.

The question of double taxation of corporation profits has been repeatedly raised by Big Business and its hirelings both in and out of Congress. As long as corporations take unto themselves the privileges and immunities of persons and enable their owners to bring together staggering accumulations of wealth without incurring any personal liability, so long should corporations continue to be taxed as if they were separate persons in fact and not only in law and so long should the owners of the corporations be taxed again on their shares of the profits earned for them by these corporations.

If corporate profits are not taxed, what will be the result? First, present stockholders paid prices for their stocks which were predicated on the assumption that income taxes would have to be paid. If these taxes were suddenly repealed, these stockhold-

ers comprising the wealthiest capitalists in America—the highest one per cent of income recipients receive over 60 per cent of all corporate dividends—would receive an additional windfall in the form of increased stock values amounting to billions of dollars. Second, if corporation profits were not taxed, the monopolists could forever prevent the government from collecting any taxes on their incomes merely by not paying dividends. In that manner the monopolies could accumulate untold billions of dollars in their treasuries while the additional funds needed by the government would have to be raised by some form of regressive taxation on the lower and middle income groups. In 1946 alone repeal of the income tax on corporations would have given them a windfall of 9.2 billion dollars.

#### *Gift and Estate Tax*

Under the present gift and estate tax law, it is possible for an individual to give to his heirs over \$200,000 worth of property without paying any tax. In addition the tax rates even on millions of dollars worth of property are so low that they foster the perpetuation of some of the largest fortunes of our country for the benefit of persons who never worked a day in their lives, but for whose benefit thousands of workers spend their lives in sub-standard living conditions. Capitalists can now transfer the bulk of their wealth to other persons, either during their lifetimes or after their deaths, and

pay on  
of taxes

In 19  
gifts an  
owners  
less tha  
over 3-  
to new  
men o  
lion do  
was en  
existen  
their liv

On the  
over \$1  
over \$2  
over \$3  
over \$4  
over \$5  
over \$6  
over \$7  
over \$8  
over \$9  
over \$2

Even  
can lea  
000 fro  
will be  
enough  
tax of  
If, hov  
a tax  
He ma  
edge t  
time v  
of livi  
averag  
try.

pay only a relatively small amount of taxes.

In 1939 over 3.1 billion dollars in gifts and estates were passed to new owners with a total tax payment of less than 300 million dollars. In 1942 over 3.2 billion dollars were passed to new owners with a total tax payment of slightly more than 300 million dollars, all this while the U. S. was engaged in a war for its very existence with soldiers laying down their lives for \$50 a month.

Value of gift or estate in excess of exemption
On the first \$10,000
over \$10,000 but not over \$20,000
over \$20,000 but not over \$30,000
over \$30,000 but not over \$40,000
over \$40,000 but not over \$50,000
over \$50,000 but not over \$60,000
over \$60,000 but not over \$70,000
over \$70,000 but not over \$80,000
over \$80,000 but not over \$90,000
over \$90,000 but not over \$200,000
over \$200,000

Even under this proposal, a man can leave his wife and children \$35,000 from which a tax of only \$1,000 will be deducted. If he is fortunate enough to leave his wife \$100,000, a tax of only \$41,300 will be deducted. If, however, he leaves her \$1,000,000, a tax of \$930,850 will be deducted. He may still rest secure in the knowledge that his wife will live her lifetime without working at a standard of living beyond the reach of the average worker in American industry.

The gift and estate tax laws should be so integrated that only a single exemption of \$25,000 will be allowed in place of the two exemptions now allowed which total \$90,000. In addition, there should be an annual exemption from gift taxes of any amounts up to \$2,000. On the value of gifts and estates in excess of the exemptions set forth herein, there should be levied the following graduated taxes which should be cumulative for a person's whole lifetime:

Tax
10%
\$1,000 plus 20% on all over \$10,000
\$3,000 plus 30% on all over \$20,000
\$6,000 plus 50% on all over \$30,000
\$11,000 plus 70% on all over \$40,000
\$18,000 plus 90% on all over \$50,000
\$27,000 plus 95% on all over \$60,000
\$36,500 plus 96% on all over \$70,000
\$46,100 plus 97% on all over \$80,000
\$55,800 plus 98% on all over \$90,000
\$163,600 plus 99% on all over \$200,000

#### • Excise and Similar Taxes

Few people realize the extent to which they are taxed by excises. For the most part, these are the hidden taxes which are borne by those least able to pay any taxes.

If a worker buys a pack of cigarettes, he pays an excise tax of seven cents. This could well be over one per cent of his total income for a day. If a capitalist buys a pack of cigarettes, he too pays an excise tax of seven cents. In his case, however,

the tax might well amount to less than one thousandth of one per cent of his income for a day.

The total amount collected in excise taxes for 1939 was 1.9 billion dollars. In 1945 the Government collected 6.5 billion dollars, and in 1946 it is estimated that excise tax collections were over 7 billion dollars. Since by far the greatest part of this amount was collected from persons in the lower and middle income groups simply because the people in these groups buy most of the items to which these taxes have been attached, the regressive nature of this method of taxation without any reference to ability to pay is readily apparent.

Following is a partial list of excise and similar taxes:

- Liquor—\$2.25 a quart.
- Beer—25 cents a gallon.
- Electricity—3-1/3 per cent.
- Electric light bulbs—20 per cent.

Item	Tax Rate
Automobiles retailing for more than \$2,000.....	25%
Jewelry retailing for more than \$150 per item .....	25%
Furs retailing for more than \$500.....	25%
Admissions over \$5.00 .....	25%

This is the first of two articles. It covers the field of federal taxation with the exception of social security levies. The second article, which will appear in the May issue of *Political*

- Gasoline—1½ cents per gallon.
- Oil—6 cents per gallon.
- Radios—10 per cent.
- Sporting goods—10 per cent.
- Cosmetics—20 per cent.
- Cigarettes—7 cents per package.
- Tobacco—18 cents per pound.
- Oleomargarine—10 cents per pound.
- Sugar—½ cent per pound.
- Telephone service—15 per cent to 25 per cent.

Admissions (to movies, etc.)—20 per cent.

The collection of excise taxes on the basis of ability to pay may involve a great many difficulties but the same results can be accomplished by taxing only those items which are unquestionably luxuries purchased by persons in the upper income groups to whom the payment of an additional sum in the form of a tax would involve no hardship.

All excise and similar taxes should be eliminated except those on the following luxury items:

*Affairs*, will deal with federal social security taxes, state taxes, city taxes, and federal-state-city tax relationships.

THE  
OF  
GER  
UNI

A FEW  
the "  
tives o  
ments  
found  
tion o  
Gewe  
The f  
opmer  
and th  
made  
of Ma  
toric i

The  
ence f  
Febru  
this c  
unani  
statute  
three  
linked  
meeting  
worki  
an un  
the Ju  
oly ca  
tion o  
rebuil

# THE DEVELOPMENT OF THE NEW GERMAN TRADE UNION MOVEMENT

By PAUL MERKER

A FEW WEEKS AFTER the collapse of the "Third Reich," the representatives of all former trade union movements met in Berlin to discuss the foundation of a new Free Federation of Unions (*Freier Deutscher Gewerkschaftsbund* — F.D.G.B.). The foundation and successful development of the F.D.G.B. in Berlin and the Soviet zone of Germany was made possible by Order Number 2 of Marshal Zhukov, an order of historic importance.

The F.D.G.B. held its first conference for the Soviet-occupied zone in February, 1946. The fighting spirit of this conference was reflected in the unanimously accepted temporary statute of the F.D.G.B., governed by three fundamental ideas, closely linked together: the necessity of meeting the enormous needs of the working population; continuance of an unrelenting fight against fascism, the Junkers, and imperialistic monopoly capital; the responsible collaboration of the workers for a democratic rebuilding of Germany.

The strength of this new union movement was demonstrated by the unity with which the resolutions of the conference were accepted, a fact which contributed greatly to the creation and development of similar unions in the western zones of Germany.

The organizational structure of the new free unions takes past experience into consideration. Instead of craft organizations of the kind which were united in the *Allgemeiner Deutscher Gewerkschaftsbund* (General League of German Unions), eighteen industrial unions were created. Instead of the principle of creating separate organizations, corresponding to special crafts, in each plant or branch of industry, the principle was established of "One plant, one branch of industry, one union." The industrial unions are independent; their smallest unit is the union group of the plant. But the fundamental decisions of general character are made by the Federation, and the highest authority is represented by the general assembly of the F.D.G.B.

The question of the form of organization has not yet been thoroughly cleared up, and there are differences of opinion. Next to tendencies to return to the old form of organization according to crafts, we find others aiming at a single organization, with sections for the different industries. However, by now the idea of the industrial union has been carried through almost completely in nearly all the zones of

Germany. Already, by last summer, conferences of the industrial unions took place in Berlin and the Soviet-occupied zones of Germany. The strong, democratic development of the F.D.G.B. in Berlin and the Soviet-occupied zone contributed greatly toward the resolution on June 3, 1946, of the Inter-Allied Control Council to permit the establishment of industrial unions all over Germany and the formation of central organizations in the different zones of occupation.

The development of the unions in the zones occupied by the Western powers is influenced by the differences in the policies of the occupying forces. Therefore, it is not yet possible to give a clear, general survey of the development of the unions in the three western zones. There, too, union conferences were held, but they showed that the unions were far behind in their democratic development and that disunity was great. At the conference of the unions in the British zone—held in August, 1946, in Bielefeld—no less than 190 individual organizations were represented by about 300 delegates. These delegates were not elected by the union members but were mostly chosen by the leadership of the different organizations, which leadership had been nominated by the British military government. Reports from the Lower Rhine Basin inform us that the military government in this district did not even allow the workers to form unions on a local basis until one year after the occupa-

tion began. The workers of the district of Arnsberg (Siegen) have not yet received this permission. In the American-occupied zone, 201 different unions existed on February 1, 1946. About 70 per cent of these unions were organized according to crafts. In Greater Hesse the military government did not permit the formation of unions on a district scale until January, 1946. In the French-occupied zone, too, the organization of unions on a greater geographical scale was still not permitted by the summer of 1946.

The disorganization of the unions in the western zones, and their strongly federalist character, resulted in a frequently nebulous and unclear ideology. Despite this, in almost all of the unions there is a fairly positive demand for participation in the fight against Nazism and monopoly capital. Concerning the question of organizational structure, the majority are in favor of unity and of industrial unions. At the union conference at Bielefeld the formation of industrial unions was favored by 267 out of 345 votes.

The greatest hindrance to the unification of the unions lies in their federalist set-up. Federalism is often confused with democracy. Many union leaders, not elected by the membership, but installed by the military government, support the federalist structure of the unions.

The ideological and organizational unity of the trade unions in Germany is accepted by all progressive members of the unions as an indis-

pensa  
man  
In th  
demo  
union  
hindr

In  
thank  
tive C  
range  
from  
first c

July,  
Mem  
of th  
sentat  
the w  
ment  
organ  
confe  
creati  
fice.

in M  
speci  
was  
ance  
tary  
Trad  
man  
clare  
gins  
man

Th  
parti  
anti-l  
litica  
not c  
time,  
avoi  
ties.  
stand  
the



ensible condition for securing German unity and a strong democracy. In this, too, the federalistic and undemocratic development of the unions in the western zones is a hindrance.

In spite of this, it was possible, thanks to the initiative of the Executive Council of the F.D.G.B., to arrange two meetings of union leaders from all the zones of occupation. The first of these meetings took place in July, 1946, at Frankfurt-on-Main. Members of the Executive Council of the F.D.G.B. met with 18 representatives of different unions from the western zones. There was agreement concerning all ideological and organizational principles and the conference expressed the wish for the creation of an inter-zonal union office. The second meeting took place in Mainz on November 7 and 8. The special importance of this conference was indicated by the official attendance of Louis Saillant, general secretary of the World Federation of Trade Unions, who was the chairman of this conference, and who declared: "With this meeting there begins a new era in the life of the German unions."

The relationship between political parties and unions is positive. All anti-fascist parties recognize that political neutrality of the unions does not correspond to the tasks of our time, and yet that the unions must avoid dependence on political parties. There is, as well, full understanding of the necessity to defend the unity of the union movement.

On the other hand, it cannot be overlooked that several parties, interested in the development of the unions, contain elements which tend toward trying to disrupt trade union unity. These trends are mainly evident among leaders of a Social-Democratic character, who have not learned from the experiences of the last decade, and who try to uphold eternally the division of the working class by carrying the "brother-fight" into the unions. These are the people who demand, on the one hand, neutrality of the F.D.G.B. toward party policy, yet, on the other hand, call for union elections on the basis of party politics. These Social-Democratic leaders favor, in the western zones as well as in Berlin, the splitting up of the trade union movement into independent, federal organizations, into craft unions. In the western zones they dominate the administration of the unions and utterly disregard union democracy. They delegate themselves to union conferences without asking their members and without giving any account of their activities. In disregard of the opinion of the membership, contracts are signed with the management, and factory rules are proposed, in which the factory forbids the workers to discuss politics during recess periods.

#### PRACTICAL ACTIVITIES OF THE UNIONS

The "stop-wages-decree" of the International Control Council greatly restricts the unions in their task of

taking care of the interests of the workers and employees in all questions concerning wages and salaries. Recognizing the value of this decree in avoiding inflation, the unions try to obtain higher wages for those workers who need them urgently. This was accomplished in the Soviet-occupied zone where new contracts were signed for agricultural workers, miners, and railroad workers. These contracts contained very far-reaching improvements. An entire series of new contracts were under discussion or are being prepared by the unions. In regard to the bad situation and working conditions of the miners, the International Control Council has accepted the demands of the unions and a 20 per cent wage increase has been granted to the miners of all four zones of occupation.

The demand for "equal wages for equal work" was granted in the Soviet zone by a decree of Marshal Sokolovsky. As far as Berlin and the western zones are concerned, similar though not such far-reaching orders have been issued by the occupying forces. The order of the Berlin Kommandantur of the four occupying powers states that equal wages for the same amount of work can be granted, while the decree of the Control Council permits only the raising of wages which are lower than 40 marks per hour.

The fight of the unions for regulation of working conditions concerns, too, the regulation of working hours and vacations. The old demand of the unions for an eight-hour work-

day was accepted by a corresponding decree of the Control Council.

The truly catastrophic food conditions, especially in the British and French zones, lead to further shortening of the working hours by the workers. In the British zone, all the workers of a saw-mill were punished by the military government for having reduced the weekly working hours to 43 because of the lack of food. In many western cities, the food crisis forced the workers to demand, through protests or strikes, a reduction of the weekly working hours below the regular 48 hours. Concerning the question of vacations, only in the Soviet-occupied zone has regulation by law been established.

To balance the restrictions as far as raising wages are concerned, the unions, especially in Berlin and the Soviet-occupied zone, have taken an active part in the fight against profiteers and the black market.

The fact that the unions have been recognized by the occupying forces, as well as the necessity of their taking part in the democratic reconstruction of Germany, has created the need for new labor laws and social legislation. New labor laws were decreed by the occupying powers, and in their application the unions take an active part. Many experienced union men work as judges in the labor courts.

The unions, too, have their say in the construction of a new system of social insurance. Their main demand is the unification of the social insur-

ance :  
tion  
proved  
can g  
ruptcy  
tem t  
icy, th  
mand  
lin ha  
proved  
On  
union  
This  
war i  
fight  
mono  
union  
part  
carry  
form.  
ing to  
new s  
their  
know  
the t  
how  
wall  
Freie  
peasa  
the K  
work  
bruch  
in ne  
mach  
hold  
trict.  
Berli  
stove  
rakes  
share  
ploug  
and

ance system, aiming at a simplification of its administration and an improvement of the assistance which it can give. Despite the complete bankruptcy of the social insurance system through the criminal Nazi policy, the fulfillment of the union demands in the eastern zone and in Berlin has made it possible for many improvements to be made.

One of the main tasks of the unions is the fight against hunger. This fight against the results of the war is intimately connected with the fight against Junkers, Nazis, and monopoly capitalists. Therefore, the unions have taken an outstanding part in the preparation and in the carrying through of the agrarian reform. The F.D.G.B. has been proving to the new peasants and to the new settlers that the unions, through their activity and solidarity, not only know how to destroy the enemies of the toiling classes, but also know how to abolish the artificial Chinese wall between town and country. *Der Freie Bauer*, the newspaper of the peasantry, reported in July, 1946, on the help given by Berlin industrial workers to the peasants of the Oderbruch section, who were especially in need. 200,000 marks, agricultural machinery and tools, as well as household goods, were sent into this district. In addition, the workers of Berlin produced 5,000 hoes, 300 stoves, 30,000 pitchforks, 10,000 rakes, 10,000 potato-hoes, 200 ploughshares, 110 sewing machines, 150 ploughs, as well as many other tools and machines for the peasants, all of

which were produced by working overtime. A great many factories became sponsors of particular villages and, working Sundays, voluntarily repaired agricultural instruments and machines, or sent special repair crews to the villages. Similar measures were organized by the unions all over the eastern zone.

One part of the fight against hunger was the "fallow land action." Thousands of workers were given unploughed land to enable them to raise additional food. Also, many factories received land, the produce from which could be used to improve the diet of their factory kitchens.

Another act of solidarity initiated by the F.D.G.B. resulted from the miners' conference in October, 1946, at Halle. The conference asked the Soviet military government to permit them to work one Sunday each month in order to secure additional coal for the household needs of the population. The permission was granted by Marshal Sokolovsky at the beginning of November. Since then, the special output for this purpose has reached a total of 60,000 tons of coal.

On November 4, 1946 the F.D.G.B. accepted the new relief regulations. Relief is granted in the case of strikes, shutdowns, punishments, arrests and death.

A great deal has been done as far as the health conditions of the workers are concerned, thanks to the understanding of the Soviet military government and the clear policy of

the F.D.G.B. Rest homes for workers have been established in a chateau near the Koetherner See, another at Wochersee, and another in a castle at Plau. The castle of Baerenklau near Guben, former property of the Nazi chief, von Tschammer-Osten, also now serves as a rest home. Many other castles of former Junkers will be used for the same purpose, or as union schools, in the near future.

In their fight for democracy in economic life, the workers' factory councils (*Betriebsraete*), with the aid of the unions, have made far-reaching progress. The first concern of the factory councils is the well-being of all workers and employees of the factory. The factory councils are concerned with jobs and wages, vacations, additional food and clothes, protection against accidents, healthy working conditions, housing and transportation, recreation installations (rest rooms, nurseries, etc.) and cultural entertainment. Despite many difficulties they have been quite successful. However, this has been made possible only through the fact that the factory councils have the right to take part in all decisions concerning factory production, and because many members of the F.D.G.B. are directing factories as managers or trustees and are proving by their successful operations that work goes better without capitalists.

A survey of the membership of the unions for August-September shows the following:

Zone	No. of Members	% of Total Population of Zone
Soviet zone and Berlin ..	3,400,000	15
British zone ...	1,500,000	7
American zone ..	830,000	5
French zone ..	235,000	4

Reports from September to November, 1946, indicate an average increase monthly of from 3 to 4 per cent, indicating that the actual membership of the unions all over Germany has reached approximately 6,500,000.

Only in the Soviet zone and in Berlin is it possible to compare the membership figures of the unions with the total number of workers. Such a comparison shows us that about 48 per cent of all workers are organized.

The distribution of the 3,400,000 members of the F.D.G.B., in the Soviet zone and Berlin, among the eighteen industrial unions is as follows:

Building .....	279,000
Clothes .....	88,700
Miners .....	152,000
Chemical industry .....	255,000
Printers .....	67,000
Carpenters .....	126,000
Railroads .....	238,000
Post .....	80,000
Commerce and Transport ..	73,000
Agriculture .....	191,000
Leather .....	49,000
Metal .....	541,000
Textile .....	220,000

Food  
Public  
adm  
Free p  
Teache  
worl  
Emple

T  
Con  
of the  
are in  
full s  
from a  
the r  
may b

380,  
longin  
Gewer  
chairm  
370 m  
electe  
and r  
rest o  
are w

Rep  
Sept  
1,596  
the C  
distr  
officia  
D.P.I  
with

THE  
Ale  
Germ

\* S.  
cial-De  
tratic

Food .....	176,000
Public enterprise and administration .....	532,000
Free professions, artists....	45,000
Teachers, educational workers .....	62,000
Employees .....	231,000
<b>Total .....</b>	<b>3,405,000</b>

Concerning the political affiliation of the union leadership, the reports are incomplete and do not allow a full survey. However, a statement from *Der Kurier* of July 16, 1946, on the results of the union elections may be quoted:

380,000 members of 15 unions belonging to the *Berliner Freie Deutscher Gewerkschaftsbund* have elected their chairmen. The results so far show that 370 members of the S.E.D. have been elected, 100 members of the S.P.D. and 14 members of the C.D.U. The rest of the 550 elected union officials are without any party affiliations.\*

Reports from Hamburg, dated September, 1946, state that out of 1,596 union leaders 694 belong to the Communist Party (K.P.D.). The district Waserkante has 174 union officials, 72 of these belong to the D.P.D.,\*\* 78 to the S.P.D. and 24 are without party affiliations.

#### THE FACTORY COUNCILS

Along with the rebuilding of the German economy, there was created

at the same time a democratic structure for the factories.

Factory councils were set up in the majority of factories, either elected by the workers or installed, in part, by the occupying forces. In April, 1946, the Control Council established, by Decree Number 22, a legal basis for the factory councils. Based on this decree, the F.D.G.B. recommended to all unions the election of factory councils in Berlin and the Soviet-occupied zone at the end of July. The result (not including Berlin) was the following: Elections were held in 43,977 factories in the Soviet zone, 85 per cent of the workers concerned cast their votes. The total number of members of factory councils elected ran to 118,021. Out of this total, 23,596 women were elected, as well as 6,489 young workers.

The political affiliation of the members of the factory councils in the Soviet-occupied zone is shown in the following statistics:

Members of the S.E.D.: 64,460 or 54.63 per cent;

Members of the C.D.U.: 1,582 or 1.33 per cent;

Members of the L.D.P.\*: 409 or 1.20 per cent;

Without party affiliations: 50,541 or 42.84 per cent.

The final report from Berlin is not yet available. However, the incomplete reports show that in most factories, with very few exceptions (Siemens and Telefunken), the majority of the members of the factory

\* S.E.D.—Socialist Unity Party; S.P.D.—Social-Democratic Party; C.D.U.—Christian Democratic Union.

\*\* Democratic Party.

\* Liberal Democratic Party.

councils belong to the S.E.D. The railroad workers, for instance, elected 339 factory councilors. Of these, 137 belong to the S.E.D., 35 to the S.P.D., 2 to the C.D.U., and 165 are without party affiliations.

In the western zones there have also been elections for factory councils, though there are in those zones, too, factories in which the factory councilors were appointed by the occupying forces.

In general, it can be stated that the influence of the Communist Party is much more apparent in the factory council elections than in the leadership of the unions. *Die Freiheit*, in Duesseldorf, reporting on October 22, on the results of the elections in Gelsenkirchen, stated that eight mines elected to their factory councils 52 Communists, 15 Social-Democrats, and 8 members of the C.D.U.

In Hamburg the elections took place on September 20. 234 factories elected 1,027 factory councilors, 538 of these belong to the K.P.D., 329 to the S.P.D. and 160 are without party affiliations.

An incomplete report from Hesse states that, in 121 factories, 684 factory councilors were elected by the workers. 265 of these belong to the K.P.D., 221 to the S.P.D., 23 to the C.D.U. and 275 are without party affiliations.

In Berlin, the F.D.G.B. publishes a daily paper for the unions which is widely read all over the Soviet zone. The paper is also delivered to all the larger towns in the western zones. The F.D.G.B. is preparing to

publish a weekly paper, as well as a special bulletin for the union officials. In the western zone very few union papers are published. There is only one daily paper in the British zone, which is printed in 50,000 copies. A few monthly bulletins are issued in the American and French zones.

Union training and education exist only in the Soviet zone and in Berlin. The F.D.G.B. issues special information for the instruction of its members, covering all principal and daily questions of the unions. Union schools have been established in the country and districts, as well as in Berlin where the F.D.G.B. maintains its federation school. All these schools are run as boarding institutions.

The new free German union movement takes an active stand all over Germany against the German war criminals, against Nazism and militarism, against monopoly and trust-capitalists and their imperialistic tendencies. This includes acknowledgment of the war guilt of the former German rulers; it acknowledges as well the share of guilt and the co-responsibility of the German people and the German working class, and the obligation for the greatest possible reparation. The unions demand that the burden of reparation shall not be placed on the shoulders of the working population, but that it shall be distributed according to the property, the income, and the degree of responsibility. The unions regard as an essential part of the reparations, the

carryi  
suppo  
raised  
F.D.C  
lin in  
tions  
fighti  
all m  
dema  
the u  
econ  
produ  
Th  
hatre  
The  
the e  
conso  
natio  
with  
tions  
Th  
aged  
est i  
acco  
erati  
W.F  
gani

carrying through with international support of those demands already raised by the delegates of the F.D.G.B. in the Soviet zone and Berlin in February, 1946. These resolutions ask for the creation of a united fighting front to destroy fascism and all military-imperialistic forces. They demand, further, the collaboration of the unions in the control of German economy to avoid war and armament production.

The F.D.G.B. has banned race-hatred and nationalistic propaganda. The F.D.G.B. sees as its main task the education of its members to class consciousness, in the spirit of international solidarity and friendship with all progressive democratic nations.

The German unions feel encouraged in their task through the interest in, and the recognition of, their accomplishments by the World Federation of Trade Unions. When the W.F.T.U. named the German organized working class as the only

hope for the establishment of German democracy, the German unions realized the heavy responsibility they bear toward the international working class for the construction of a peaceful, democratic Germany.

The great interest taken by the working classes all over the world in the work of the German unions has been clearly shown by the visit of the delegation of the W.F.T.U. led by Sir Walter Citrine, by the visit of a delegation from the Soviet Union, and by the visit of the General Secretary of the W.F.T.U., Louis Sillant. Yet, on the other hand, it seems strange to realize that the American Federation of Labor tries to prevent the efforts of the W.F.T.U. to help the development of the German unions.

The F.D.G.B. feels itself united with the spirit of the world trade-union movement and it regards the carrying out of the resolutions of the congress of the W.F.T.U. as obligatory upon it.

# CURRENT ECONOMIC TRENDS

By LABOR RESEARCH  
ASSOCIATION

THE FIRST few months of 1947 find the United States in a peculiar economic position. Even though the main business indices are at record levels for peacetime, there is almost complete unanimity among economists and government experts that a "recession" of some sort is due in the not too distant future.

Sworn defenders of "free enterprise," the business economists earn their living by broadcasting the virtues of American capitalism. And yet they are now faced with the approach of another economic downswing. There is not a single one of these professional apologists for "free enterprise" who would dare stake his reputation against the outbreak of a new depression some time this year.

Indeed, lack of confidence in the stability of American capitalism has reached the point where a Wall Street financial magazine, not otherwise given to levity, can indulge in the following:

The 1947 depression, recession, or shakeout, whichever one calls it, has advanced in rank from a fear to a fad. Not to believe in its imminence stamps one an ignoramus." (*Barron's*, March 3, 1947.)

How far the spokesmen of Big Business have drifted from a decent regard for the national welfare is illustrated by their cynical attitude toward this problem of recurring economic crises. Basically they regard their job as solely that of protecting corporation balance sheets during all phases of the "business cycle." What happens to the millions of unemployed and the standard of living of the people is not their concern.

## *Promises and Prices*

How they put profits before the national welfare is illustrated by the kind of promises they made to the public during the controversy over price control some eight short months ago. When they were putting on the pressure to destroy price control, they said that "freedom" of prices would stimulate production, and when production got going prices would come down automatically. An advertisement of the N.A.M. put it (February 20, 1946):

Remove price controls on manufactured goods, and production will step up fast. This is the way you can get the goods you want at prices you can afford to pay.

What happened when price controls were removed? Prices went up all right, and, although there is no necessary connection, production also advanced somewhat. The Federal Reserve Board index of industrial production for January, 1947, stands



at the record level for peacetime, at 184 (unadjusted for seasonal variation) as compared to 171 for June of last year.

But this rise in production did not result in the promised decline in prices, which are still rising. And the N.A.M. has yet to come out and tell its members to lower their prices. In spite of many warnings from government and a few business economists, the corporations, with negligible exceptions, keep right on forcing up their prices, and more and more consumers are "priced out" of the market.

Thus we have now reached the point where there is virtual unanimity among business economists that prices are so much "out of line" that this will lead to a depression.

#### *Peak Profits of Corporations*

This successful price maneuver enabled the corporations to amass profits in 1946 far above their greatest hauls even in wartime. They did this despite the fact that output in 1946 was 25-30 per cent below the peak war years 1943 and 1944. They did it even though many basic industries were shut down for months in the first part of the year when the corporations were refusing to grant labor's demands for wage increases. And they did it in spite of the difficulties presented by reconversion.

In terms of profits, 1946 was a banner year. The \$12 billion of profits after taxes rolled up by the corporations were in no small part

due to their price extortions, for their biggest advances in profits came in the second half of the year, after price control had been practically wiped out. The end of the excess profits tax was also a big help.

However profitably it turned out for the corporations, it did not turn out so well for the American people. Even during the rising phase of the first postwar cycle, and particularly since June, 1946, when price control was scuttled by Congress at the instigation of the N.A.M., the people have been caught in a cruel squeeze. Income has lagged behind price advances in consumers' goods. Thus even during the boom *real wages have been falling*, although in previous booms wages usually rose somewhat before the peak was reached and the crash occurred.

In this boom, however, average families have suffered increasing pressure on their incomes because of outrageous prices. Even though we have been going through a period of intense economic activity unprecedented in our peacetime history, they have been compelled to lower their living standards.

#### *Income Trends*

This development is apparent in figures compiled by the U. S. Department of Commerce and the U. S. Bureau of Labor Statistics. Their latest figures refer to December, 1946, and the full year 1946.

First, let us approach this problem from an over-all point of view

by making use of the national income estimates of the Department of Commerce.

National Income Estimates,		
1945 and 1946*		
(billions of dollars)		
	1945	1946
National income: .....	161.0	165.0
Total compensation of employees .....	114.5	109.8
Net income of proprietors .....	25.6	30.2
Interest and net rents .....	11.8	13.0
Net corporate profits .....	9.0	12.0

The most striking feature of this table is the fact that, while over-all national income increased from 1945 to 1946, that part of national income represented by "compensation of employees" actually fell. In 1945, total compensation of employees accounted for 71.1 per cent of national income, but in 1946 this percentage fell to 66.5 per cent. In 1945 the profit components, taking together net income of proprietors (including farmers), interest, and net rents, as well as net corporate profits, accounted for 28.8 per cent of national income. In 1946 this percentage rose to 33.5.

#### *Purchasing Power Reduced*

Now if we take one further step and adjust these figures for price increases, we come out with the following result expressed as index numbers:

\* Source: Estimates of the U. S. Department of Commerce, in February, 1947, *Survey of Current Business*.

#### National Income Estimates,

1945 and 1946\*  
(adjusted for price increases;  
1945=100)

	1945	1946
National income: .....	100.0	94.4
Compensation of employees .....	100.0	87.4
Profit components (net income of proprietors, interest and net rents, and net corporate profits) ..	100.0	109.4

These figures show that in actual purchasing power national income for 1946 fell below 1945 by about 6 per cent. But, more important, they show that total compensation of employees, a rough indicator of consumer purchasing power, went down by more than 12 per cent. And at the same time the combined profits components went up by 9 per cent. This second element of the national income indicates approximately the trend in the rate of capital accumulation.

It is fair to conclude from these figures that in 1946 a redistribution of national income took place which had the general effect of reducing consumer purchasing power and of increasing capital accumulation. The figures above on income trends show, not only that the corporations were able to throw the cost of reconversion on the backs of labor and to squeeze the people in a price vise during a boom phase, but also that

\* The Department of Commerce dollar estimates are put on an index basis and adjusted by the average rise in the consumer price index of the U. S. Bureau of Labor Statistics between 1945 and 1946.

the gap  
and the  
appreci  
Whil  
going  
of the  
tal has  
share  
capital  
investm  
capacit  
profita  
not fo  
tion of  
the U  
nomic  
'thirtie

The  
distrib  
of cou  
upon  
ual w  
Labor  
of the  
played  
The f  
of wh  
field:

Weekl

Year

1939

1945

1946

\* W  
view of  
price i  
Board  
applied  
years in  
Associat

the gap between consuming power and the capacity to produce has been appreciably widened in the last year.

While the share of national income going to labor has fallen, the share of the national income going to capital has increased. In the main the share of national income going to capital must be invested. But such investment will further expand the capacity to produce. And in case profitable fields for investment are not found the resultant accumulation of idle capital will tend to push the United States back into the economic doldrums characteristic of the 'thirties.

### *Decline in Real Wages*

These broad movements in the distribution of the national income, of course, have a very direct effect upon the conditions of the individual worker. The U. S. Bureau of Labor Statistics prepares estimates of the weekly wages of workers employed in manufacturing industries. The following table gives some idea of what has been happening in this field:

#### Weekly Wages in Manufacturing, 1939,

Year	1945, and 1946*		Real weekly wage
	Average weekly wage	Consumer price index	
1939	\$23.86	100	\$23.86
1945	44.39	147	30.20
1946	43.75	157	27.87

\* Wage figures are from *Monthly Labor Review* of Bureau of Labor Statistics. The consumer price index is based on the War Production Board index for 1939-44, with the B.L.S. index spliced on for the following years. For other years in this real wage series see Labor Research Association, *Economic Notes*, March, 1947.

These figures indicate that average real weekly wages declined by \$2.33 per week, or by 8 per cent, from 1945 to 1946. What is striking is the fact that real wages (money wages in terms of what they will buy at current prices) in 1946 were only a few dollars more than in 1939.

Note that this calculation gives wages before taxes. If we could take out the amount that goes for taxes, as the corporations do before they arrive at "net income," real wages in 1945 and 1946 would be still further reduced.

### *Drop in Retail Trade*

This downward movement in the purchasing power of weekly wages has naturally had its effects on retail trade. The Department of Commerce compiles data on total retail trade, which, as this is written, is available only through the month of December, 1946.

Below we give the index for the dollar volume of total retail trade as well as the index of physical volume. We show also our own calculation for retail trade in food, both the dollar volume and the physical volume, for data not seasonally adjusted.

This table shows that, taking retail trade as a whole, the American people in November, 1946, paid 13.7 per cent more dollars for 6.8 per cent less goods than they did in January. For food alone they paid in November 30.5 per cent more dollars but got in return 1 per cent less food:

## TOTAL RETAIL TRADE AND RETAIL TRADE IN FOOD, JANUARY TO DECEMBER, 1946\*

	<i>Total Retail Trade</i>		<i>Retail Trade in Food</i>	
	<i>Dollars</i>	<i>Physical volume</i>	<i>Dollars</i>	<i>Physical volume</i>
January, 1946	100.0	100.0	100.0	100.0
December, 1946	113.7	93.2	130.5	99.0

These figures help us to understand why the business economists are beginning to wonder who is going to buy the mass of goods now pouring from the factories. For instance, if we have to pay 30 per cent more in dollars for slightly less food, where are the dollars coming from for washing machines, refrigerators and other consumer durable goods? We can also understand the increasing business worries about declining sales in the first months of 1947. Although the official figures for January and February are not yet released, preliminary figures show a continuation of the developments revealed in this table. As prices were rising swiftly, the decline in physical volume of retail sales was obviously greater.

#### *Unemployment and the Census Bureau*

Talk of a coming recession immediately raises the problem of employment and unemployment. The Census Bureau, which publishes monthly estimates of the labor force, reports that employment has been declining steadily since July, 1946. The January, 1947 estimates show 55,390,000 workers employed compared with 57,840,000 in July, 1946, a drop of 2,450,000.

A curious aspect of this report lies in the fact that, along with this decline in employment, the Census Bureau reports also a slight decline in unemployment. Its estimate for unemployment stands at 2,120,000 for January, 1947, compared with 2,270,000 for July, 1946. So if we add the 2,450,000 who lost their jobs since July, 1946, to the 2,270,000 who were reported as unemployed by the Census Bureau in that month, we would arrive at a figure for unemployment of 4,720,000 for January, 1947.

The Census Bureau keeps the figure for unemployment at a low level by the simple device of dropping millions of people out of the labor force on the ground that they are "not seeking work."

Let us carry this analysis back to the time when the Census Bureau reported the largest number of people in the labor force. In July, 1945, the Bureau estimated that there were 67,450,000 people in the total labor force, which included the armed forces as well as all civilian occupations. That meant there were, according to the Bureau, that many people in the country who were fully capable of doing productive work. As of January, 1947, the Bureau estimates about 55,390,000 in civilian oc-

\* Source: U.S. Department of Commerce, *Survey of Current Business*.

cupations and 1,720,000 still in the armed forces for a total of 57,110,000 able-bodied citizens. The only conclusion we can draw is that more than ten million people have been lost out of the labor force between July, 1945, and January, 1947.

These estimates, and the method of handling them by the Census Bureau, suggest three considerations of some importance for the future of our people:

1. If these ten million are not literally unemployed, their disappearance from the labor force means that fewer members of each family are contributing to the family income. And this cannot help but aggravate the situation already discussed in connection with the declining purchasing power of wages. Under these circumstances the internal market is reduced because more people must live on these wages.

2. The Census Bureau is doing a disservice to the nation with its too-easy device of simply eliminating on paper millions of people from the labor force. This leads to the waste of labor that could be applied to necessary national jobs, and it creates a murky twilight area where the problem of unemployment is minimized and obscured. This could have disastrous consequences in the future. For the overly optimistic statistics of the Census Bureau have tended to remove the problem of unemployment at least temporarily from the notice of the public. Hence no preparations are under way to meet the needs that will suddenly arise with

the onset of another depression.

3. Were there any kind of rational planning carried out by our government, certainly at least two million persons could be found out of this lost ten million who would be able to make some contribution to the output of the badly lagging construction industry. In other words, they could be called upon to help their country in its present national housing emergency just as they performed their duty in the factories making munitions in the national war emergency. But planning for such useful peacetime production of needed housing is, of course, a deadly sin in the "free enterprise" economy now operated in the construction field for the profits of the National Association of Real Estate Boards and its associates.

#### *Private Capital Formation*

Let us now examine that part of the Department of Commerce estimates of the Department of Commerce (see our review in *Political Affairs*, January, 1947) which deals with gross private capital formation. This is an over-all estimate of what has been happening in the field of business spending or capital investment.

According to the preliminary estimates of the Department of Commerce, private gross capital formation totaled \$32.1 billion in 1946, compared to \$9.1 billion in 1945 and \$19.1 billion in 1941, the previous record year. It was this enormous expansion of gross capital formation, taken to-

gether with a \$20 billion expansion in the output of consumers goods and services, that counterbalanced the nearly \$50 billion drop in government expenditure between 1945 and 1946.

Can private gross capital formation continue at its present high rate? To answer this question we may compare its components in 1946 with those for the year 1941.

PRIVATE GROSS CAPITAL FORMATION\*  
(billions of dollars)

	1941	1946	1946 as % of 1941
Total private gross capital formation .....	19.1	32.1	168.1
Construction .....	5.3	7.9	149.0
Producers' durable goods .....	8.9	12.8	143.8
Net change in inventories .....	3.5	6.5	185.7
Net exports .....	1.4	4.9	350.0

First, we note that the estimates for construction and for producers' durable goods have increased less than the over-all total, while net change in inventories and net exports have increased more than the over-all total. These four items are the foundations for the current boom phase. They must be examined separately in order to weigh their relative contribution to the economy.

The desperate need for housing should hold up the construction figure for several years to come. Most economists consider it to be the most stable basis for their hopes of an extended prosperity. But the dizzy rise in building costs may halt the construction boom. The record shows that, as a matter of fact, construction has been declining steadily since last August, while privately financed urban construction of dwellings has been declining since last March.

Investment in producers' durable goods can hardly be expected to go

much higher, since it was carried to its peak for 1946 by the needs of re-conversion which have now been met for the most part. Should the bottom drop out of consumer markets, this figure would quickly return to a level even lower than for 1941.

The remaining two items that go to make up private gross capital formation are considered as capital investment more for bookkeeping reasons than for any other. Even so, it is generally agreed that the 1946 rate of inventory accumulation cannot continue much longer. In fact, when business begins to decline, inventories which are now considered "normal" in relation to sales may be found to be excessive. (See our *Economic Notes*, March, 1947.)

As for foreign trade, here too the huge totals shown for 1946 (net exports of nearly \$5 billion) are not likely to be duplicated in the current year. Lend-lease is coming to an end, and even with the new imperialist

\* Source: Department of Commerce, *Survey of Current Business*, February, 1947.

credits to back such fascist "democracies" as Greece, foreign trade is headed for stormier weather. It has, in fact, been declining since the second quarter of 1946.

In conclusion we may repeat the statement that the consumer part of gross national product is definitely shrinking, while there is every reason to believe that the real capital invest-

ment part is also due to decline in the immediate future.

Such developments are likely to lead to a depression of a more serious nature than the capitalist economists now predict. They hope for a relatively quick price "adjustment" and then a "resumption" of the upward trend. We believe they have miscalculated.

orma-  
rate?  
may  
5 with

76 as  
f 1941  
68.1  
49.0  
43.8  
85.7  
50.0

ied to  
of re-  
n met  
ottom  
, this  
level

at go  
apital  
apital  
eping  
en so,  
1946  
can-  
fact,  
e, in-  
dered  
ay be  
Eco-

o the  
et ex-  
e not  
urrent  
end,  
rialist

## BOOK REVIEWS

### HITLER'S 3 K's FOR WOMAN —AN AMERICAN REHASH

Review by  
ELIZABETH GURLEY FLYNN

MODERN WOMAN—THE LOST  
SEX, by *Ferdinand Lundberg and  
Marynia F. Fernham, M.D.*, Har-  
per & Bros., New York, 1947. \$3.50.

This book, purporting to idealize home and mother, is 487 pages of chicanery, comparable even to the obscene arguments of maudlin drunks of a half century ago on "women's rights." It is a vulgar rehash of every slander and misrepresentation of women, of every argument for the home as a ghetto and for depriving women of political, social, legal and economic rights. It is on the lowest imaginable level. You can't laugh it off. It is hateful and contemptuous of women, snarling and mean in tone, downright lewd in language. It has the ugly face of fascism. Hitler is its logical forerunner. Many who laughed at him are dead. Fascism is no laughing matter. Every claw mark of the Nazi beast is here—nasty gibes at Jews, Negroes, labor, the Communists and women, who are their special target.

#### FASCIST IDEOLOGY

To ridicule or ignore such books is to ignore fascist ideology in our midst. It masquerades here as psychiatry, with

a smattering of alleged science, history and sociology, a neat camouflage. In the Nazi concentration camps, bestial women doctors tortured their own sex in the guise of "scientific experiments." Their aggressive hatred of women is in this book.

The Nazis destroyed all rights and organizations of women, driving them out of the professions and public life. In 1932 there were thirty-eight women in the Reichstag. By 1933 there were none. The Nazis did what Lundberg and Farnham advocate.

Hitler said: "The aim of feminine education unalterably has to do with future mothers." They say: "We propose that women should attain status and prestige through motherhood."

Hitler said: "Her sphere is her . . . home." They say women must be "attracted into organizing their lives more closely around the home."

Hitler said: "The program of our women's movement contains really only one single point—that the child must come into being and thrive" (fathered by Nordic supermen, of course). The authors advocate "a government supervisory agency devoted to serving women who live as women—that is, women as mothers. Its first general task would unquestionably be one of propaganda, with a view to restoring women's sense of prestige and self-esteem as women, actual or potential mothers."

This sounds suspiciously like the Mother Service Dept. of the Nazi



"Frauenwerk," established in 1934, to educate women over eighteen for the duties of motherhood, regardless of marriage. Prof. Clifford Kirkpatrick in his book *Nazi Germany: Its Women and Family Life*, quotes from an official German medical journal of 1933: "An unmarried mother, who rears a healthy and worthy child, is immeasurably more valuable to the nation than a childless married woman."

In Nazi Germany, women teachers were excluded from even girls' high schools. Single women teachers were ruthlessly demoted. These authors, not to be outdone, advocate "that all spinsters be barred by law from having anything to do with the teaching of children on the ground of theoretical (usually real) emotional incompetence."

In 1933 Frau Silber, a Nazi, accused the older leaders of women's organizations of "a dangerous and perverted aping of men." These authors accuse early feminists of "imagining they have male organs." They sneer at existing American women's organizations: "Many such organizations will fight rather than support a rational program to reorient women towards satisfying goals in life."

Women's organizations did fight in Germany. The Association of Academic Women, the Federation of German Teachers, the Federation of German Women's Clubs and the German Association of Women Citizens, refused to join the Nazi Frauenschaft and were forcibly dissolved in 1933, as these authors would undoubtedly like to see happen here. Women were forced out of governmental and educational posts. Many were imprisoned or executed, others driven into exile. What of the danger of over-population if all

women are specialized to breeding? The Hitler-like reply of Lundberg and Farnham is brutally frank:

"If it should ever arise, its solution would probably be in imposing public controls to prevent the breeding of certain strains. With a full population a country could afford to be more selective, could discourage certain types of people from propagating."

The infamous Nazi Sterilization Laws of July 14, 1933 were such imposition of controls, and were used wholesale for racial and political persecution in unrestrained sadism against Jews, Communists and other victims of the Nazis. I hate to think of this pair deciding which "certain strains" or "types of people" should be sterilized. Their contempt for women and "inferior men" active in "causes," for Communists and workers, indicates plainly where the knife of such "experts" would fall. They also comment: "We are rapidly becoming a population of the aged." The Nazis took care of that too, in their fiery furnaces.

This is not the language of science, but of Nazism.

#### *Why Is Modern Woman "Lost"?*

Why is modern woman "lost," a neurotic, "one of modern civilization's unsolved problems"? Because she is unhappy, they charge. To them unhappiness is a monstrous offense. But what is there to be happy about? Is it not fantastic to expect adults who have experienced two world wars within three decades to be universally happy? Wounds are not yet healed, tears not yet dry, the grass not yet green on millions of graves of youth who died to free us from fascism. Can we forget so easily the six million murdered Jews

of Europe, nameless orphan children, ancient cities destroyed? Fellow human beings die of hunger in many lands. Resolute people stack the rubble and labor to restore their ravished countries. Prisons are full in Greece, Spain and Palestine. Atomic bombs piled in the U.S.A. menace the peace of an uneasy, fearful world. But women are "neurotics" if they are not happy in the midst of all this!

The authors reject objective conditions as causative factors. "Unhappiness caused by poverty, disease and war," they say, "will be left to one side in this discussion." And again: "Modern large-scale war and economic boom and depressions . . . we leave to one side, as not directly germane to the sort of obscured induced unhappiness we are discussing."

Lundberg and Farnham are anti-Marxists, of which their anti-feminism is a part. They oppose material progress. They yearn for the medieval home as "stimulating and satisfying," though it lacked toilets, bath-tubs, running water, lights, heating, refrigeration, a laundry and a modern mattress. They are nostalgic for hand tools; they deplore the machine age. "For centuries on end the symbol of womanly power had been the cradle, the distaff, the spinning wheel. . . . With the loss of the self-contained traditional home women's inner emotional balance was disastrously upset." They scorn the modern woman worker. "Every shop girl, steam laundry slavey and canning factory robot might now become the DuBarry of the local tavern on Saturday nights," they sneer.

Their main thesis is that "Contemporary women in very large numbers are psychologically disordered."

The remedy? Restoration of the medieval home. "The original rich content of the home was lost," they wail, because weaving, spinning, serving, cooking, preserving, baking, and washing is now done outside the home. "If then three-quarters of the canning plants and commercialized baking establishments were to close overnight and food and baking were to be restored to their one time state in the home, the nation would leap forward about one hundred years or more, nutritionally or in food enjoyment."

They trace the dissolution of the home as follows: First, father left to go to work outside. Then the children left to go to public school. Then labor-saving devices took one job after another away from mother, until she finally emerged to find interest outside. The day nursery took the baby out! They disapprove of it all—the industrial revolution, the school system, even the automobile which to them is "neurosis given wheels." In olden times there were fireside neighborly visits, quilting bees, log rolling. "Can anyone point to anything of equal satisfaction that has arisen to take its place?" they ask. Try that question on the young people in your home!

#### *Mussolini Anticipated Them*

The authors' main enemy is "feminism," a term which they use indiscriminately for all but "the nutritive activities," as distinguished from the "masculine exploitive activities." Even in this they are not original; for Mussolini also referred to "the emancipated women—the women in masculine professions." Sarcastic, cheap gibes at women pepper this book. "The world is still waiting"—for a woman genius,

they remark. On John Stuart Mill's claim that women are capable of doing everything that is done by man, they wisecrack, "Such as impregnating another woman?"

Describing early women's righters, they say, "a more grim-faced crew never faced mortal eyes, on or off a battlefield," and again, "the rape fantasy, a wishful projection, played a large role in feminist literature and speeches." They reveal their contempt for labor also in the following: "Great was the satisfaction of the feminists when [in wartime, E.G.F.] women appeared as house-painters, railroad signalmen, chimney sweeps, and grave diggers." They make a vicious attack on the WACS and WAVES, and seek to present them in a farcical light.

A constantly reiterated vulgar term intended to mean female sexual inferiority is used to characterize women like Mary Wollstonecraft, Elizabeth Cady Stanton, Anna Shaw, Charlotte Perkins Gilman. Twenty pages spew forth the most hateful attack on a woman dead 170 years—Mary Wollstonecraft, wife of William Godwin, mother of Mary Shelley, friend of Thomas Paine, and author of *A Vindication of the Rights of Women*. In an alleged psychiatric analysis, her tragic life is torn asunder and her death in child-birth is not spared ridicule.

If you are disgusted thus far, consider this: They take "the magic word *equality*, a fetish of the feminist movement" and define it as "*identity*." They ask, "Physiologically . . . what did this mean?" They answer, "It meant that society was being asked to accept as identical two similar but decidedly different and complementary organisms." They then list on page 147, all

the male and female sexual organs. After said anatomical listings, they conclude: "It meant that society was to accept as identical the functions of these different sets of organs . . . and was to act as though the social consequences of their functioning or not functioning was identical." It that not an all-time bar-room low in argumentation on the woman question? Such "logic," à la Nazi, would infer that black cannot be "equal" to white because it is not "identical."

There are two male villains of this psychiatric melodrama — Copernicus and Karl Marx. Before Copernicus wrote *De revolutionibus orbium coelestium*\* man was the center of the universe. Copernicus dislodged him and placed the sun there. The authors say it was "psychologically cataclysmic and catastrophic" to man's complacency. He fought to conquer nature through technology and industry, to reassert his importance. Capitalism is the result of man's struggle to conquer his inferiority complex induced by Copernicus' taking the center of the universe away from him.

In the chapter, "This Phallic World," they attribute a sexual significance to machinery—levers, pistons, torpedoes, etc., and—to the atomic bomb explosion.

#### ANTI-SOVIETISM

Their sociology is equally "scientific" and is charged with aggressive anti-Sovietism. "The fullest flower of the creche system has been seen in the Soviet Union. It is a system that guarantees beyond doubt a new crop of

\* *On the Revolution of the Celestial Spheres.*

fresh neurotics." (Odd, isn't it, that the U.S.S.R. has the lowest rate of mental illness, according to William Mandel's *A Guide to the Soviet Union*?)

They state that feminism has been most fully realized in the U.S.S.R., although its underpinnings are swept away now since easy divorce and abortions are no longer legal. "The official Russian propaganda hymns the virtues of family life as eloquently as does the Roman Catholic."

They continue:

"The political agents of the Kremlin abroad continue to beat the feminist drums in full awareness of its disruptive influence among the potential enemies of the Soviet Union. The Women's International Democratic Federation was therefore launched in Nov. 1945 in Paris. This organization will, outside Russia, probably continue to promote the theories of feminism and what it can of neurotic disorders in the already neurotic capitalist world."

There you have it! The new Russian secret weapon, at last! The W.I.D.F. was recently granted consultative status, Category B, by the Economic and Social Council of the U.N. It represents 81 million women in 44 countries. The Soviet delegation voted for this, of course, to spread discord in capitalist countries via women. A female version of the Trojan Horse! Marx and Engels did likewise, they assert.

"For them the lack of woman suffrage was but another count to be charged against capitalism. . . . They were fishing in troubled water and had for women no higher destiny than making them equal partners and workers in the socialist factory system."

Here, in one sentence, is their five-point, anti-feminist gripe against the

Soviet Union, that women are equal, partners, workers, in a socialist, factory system.

They include in the organized movements—"of hatred, hostility and violence"—Communism, Socialism, National Socialism, anti-Semitism and feminism. To quote:

"Marxism preached irreconcilable hatred to all who opposed it and prescribed for them very simply extinction, death. . . . The principal upthrust of Marxism to date has come in Russia where it proceeded to put its theories to work."

Here's where the bigger and better lie, as advocated by Hitler, is practiced by Lundberg, professional anti-Sovieteer of the *New Leader* and the Rand School.

"All who opposed it in whole or in part, were brusquely exterminated or herded off to concentration and labor camps. Such victims numbered millions and were by no means only capitalists or aristocrats. They were drawn mainly from the peasantry but also from the professional classes and eventually from the very top ranks of the Bolshevik Party."

Of course they make no comment on the magnificent unity and heroism of the Russian people under attack and the conspicuous absence of quislings or Laval's in that great country. They conclude with the following gem:

"Karl Marx typifies the leadership of each of the rising revolutionary movements leading up to Soviet Communism, Italian Fascism, Spanish Falangism, and German Nazism."

#### A GOSPEL OF HATE

It is difficult to give a clear picture of this jumbled book. It is ugly, distorted,

anti-Soviet  
ingly  
marizing  
ing to  
home  
gress;  
sought  
pathw  
endles  
macy  
desira  
things  
The  
organ  
Their  
Union  
for th  
Semite  
histor  
"T  
were  
that  
nation  
every  
differ  
rout

SLA  
GL  
Fr  
K

In  
Fran  
Am  
versi  
of t  
Am  
and  
too

anti-Soviet, Nazi-minded, and disgustingly full of sexual references. In summarizing, they list as forces contributing to undermining the stability of the home the following: the idea of progress; that human welfare is to be sought in material and physiological pathways; the emphasis on work and endless production of goods; the primacy of rationality over emotions; the desirability of human equality in all things; the idea of freedom.

These concepts, they say, have disorganized the feelings of women. Their unbridled hatred of the Soviet Union stems from the fact that it stands for the progress they repudiate. Anti-Semitism is revealed in their pseudo-history.

"The Hebrews in the beginning were a small culturally inferior group that aspired greatly to superiority and nationhood. . . . Hebrew leaders in every possible way created and stressed differences between themselves and surrounding people."

And further:

"The Germanic tribes of Europe in particular were psychically healthy and free of inner conflicts when first exposed to Greco-Roman-Judeo-Christian culture."

What could be more reminiscent of Hitler's ravings?

There is a veritable flood of such books and articles attacking the modern American woman. The stench of fascism arises from them. This happened in Germany when Hitler came to power. Back to the kitchen, the brothel, the menial tasks, breed the master race—are the degrading concepts of women inherent in fascism.

Let us not fail in the U.S.A. in 1947, to identify as such the vicious ideas and poisonous prejudices that are on every page of this objectionable book, published by the respectable Harper and Brothers. Unchallenged fascist propaganda today will lead to fascist deeds tomorrow.

## NEGRO HISTORY MISINTERPRETED

Reviewed by ALPHEUS HUNTON

SLAVE AND CITIZEN—THE NEGRO IN THE AMERICAS, by Frank Tannenbaum, Alfred A. Knopf, New York, 1947. \$2.00.

In a brief volume of 128 pages Frank Tannenbaum, Professor of Latin-American History at Columbia University, has discussed the distribution of the Negro people throughout the Americas and their status under slavery and as freedmen and citizens. There is too little knowledge of the widespread

Negro population in all sections of this hemisphere, totaling over 41,000,000 (exclusive of the Caribbean Islands), about thirty per cent of whom are those classified as mulattoes below the Rio Grande. Slave traffic from Africa to the Americas has been dealt with in detail by W. E. B. Du Bois, H. A. Wyndham, Eric Williams and others, and the author draws upon these sources. His main concern, however, is in analyzing the position of the slave, the possibility of his attainment of free-

dom and his position as a free citizen in the various countries of Latin America, the West Indies and the United States.

Such a comparative study of Negro history in varied sections of this hemisphere has long been needed. Unfortunately, Mr. Tannenbaum's book does not yet satisfy the need. Indeed, it makes a new study of the subject all the more necessary. The shortcomings of *Slave and Citizen* are similar to those of Gunnar Myrdal's study of the Negro and stem from the same cause—the moralistic-idealistic approach to history which Herbert Aptheker so effectively exploded in his *The Negro People in America*, a critique of Myrdal's *An American Dilemma*.

Tannenbaum's thesis is that: "If one thing stands out clearly from the study of slavery, it is that the definition of man as a moral being proved the most important influence both in the treatment of the slave and in the final abolition of slavery." He attempts to demonstrate that it was the recognition of the "moral personality" of the slave in the civil and canon law of the Portuguese and Spanish and the absence of such recognition in the British and American slave systems which made for the marked difference in the status of the slave, his achievement of freedom and his relative integration into society in countries such as Brazil and Cuba, as contrasted with the British West Indies and the United States. In the Latin-American countries, the author says, "The spiritual personality of the slave transcended his slave status." The law and church practice reflected this belief and encouraged the manumission of individual slaves, the peaceful eradication of the whole system of slavery and

the absorption of the former slaves into the full political and social life of those countries.

This kind of interpretation amounts to standing history on its head and labeling effects as causes. The author totally ignores the fact that slavery as practiced in Spain and Portugal in the fifteenth and sixteenth centuries, and as practiced in the colonial possessions of these countries in the Americas, was a totally different thing, *economically*, from that institutionalized system which developed in the United States and the British West Indies. Failing to perceive slavery as a basic and decisive factor in the economic life of the last-mentioned countries, while it was not so in other countries, he has failed to find the underlying reason for the difference in law, church practice and social custom affecting the Negro slave.

The author himself notes that in Brazil "the Negroes had done all of the work during the colonial period. It was in their ranks that all of the skills, crafts and arts were to be found, and it was from the ranks of the Negroes and Mulattoes that some of the great artists, musicians and sculptors were drawn." The thing which he does not note is that the fact of the Negro's employment in so many varied fields is of itself proof of the difference in the economic status—and hence the social status—of the Negro slave in a country like Brazil and in the United States.

In one of his most recent essays, entitled "The Balance of Power in Society" (*Political Science Quarterly*, December, 1946), Tannenbaum gives a statement of his social philosophy which explains why he has written the kind of history of the Negro in the Americas that he has.

The es  
munist  
world'  
tional d  
slogans."  
aside his  
crudest  
a definit  
the strug  
it is sub  
"betwee  
labor) a  
cially th  
in all i  
such co  
consider  
among  
domina  
Such ri  
inevitab  
Strug  
no purp  
only se  
is repre  
its com  
reach a  
of histo  
conflict  
moving  
this int  
less to  
organiz  
of opp  
nomic  
classes.  
The  
of histo  
results  
tions  
tences  
fusion  
sonalit  
slavery  
Portug  
The

The essay begins with a blast at Communists who are "bedeviling the world" and "confounding the traditional democrats by taking over their slogans." The author quickly brushes aside historical materialism, giving the crudest and most vulgar caricature of a definition. If there is such a thing as the struggle between labor and capital, it is subordinate to the larger struggle "between the economy (capital and labor) and the other institutions, especially the state," says the author. Within all institutions, he says, one finds such conflicts, but the most important consideration is the constant rivalry among the institutions themselves for dominance over the whole life of man. Such rivalry and conflict are natural, inevitable and wholesome, he believes.

Struggle toward what end? "It has no purpose or direction of itself . . . the only sense of direction in any society is represented by the conflicting ends of its component members." And so we reach a defeatist, a nihilistic definition of history. Social tensions, strains and conflicts are what in effect keep society moving on an even keel, according to this interpretation; it is vain and hopeless to believe in any system of social organization in which there is equality of opportunity and freedom from economic exploitation of races, nations or classes.

The application of such a philosophy of history to the Negro in the Americas results in both muddled moral conceptions and historical distortions. Sentences such as this are found in profusion: "The element of human personality is not lost in the transition to slavery from Africa to the Spanish or Portuguese domains."

The author loses himself in this

moralistic labyrinth: "How the teaching of Christ were reconciled with the complete 'disregard' of the family and moral status of the slave (in the United States) is a major mystery," or "By one of those peculiar tricks which time and experience sometimes play on man, the accident of Negro labor had been converted into a moral and economic philosophy." Peculiar trick, indeed!

Tannenbaum's interpretation of history leads to a false explanation of the cause of the Civil War, to a picture of the Reconstruction period similar to that painted by apologists for the Antebellum South, and to an unpromising outlook for the Negro people in the United States. The period of Reconstruction Tannenbaum calls a "painful and disintegrating process." The Negro and white community were both "unprepared for freedom. In the case of the Negro, it was almost a complete lack of preparation for the responsibilities characteristic of freedom. . . . The freedmen . . . proved incompetent to absorb and direct the large body of slaves suddenly to freedom." There is nothing said of the numerous slave revolts, of the Negroes' great part in the abolitionist movement, or of the great state constitutional conventions held in the South after the Civil War. Above all, there is not a word about the compromise achieved between Northern capitalists and Southern feudal aristocracy which caused the failure of the Reconstruction effort.

As to the present position of the Negro in America, Tannenbaum's thinging is like Myrdal's. "The nature of our problem," he says, "is conditioned by the time it will take for the Negro to have acquired a moral per-

sonality equal to his legal one. How long that will take is not predictable, but what is generally called the 'solution' of the Negro problem is essentially a matter of establishing the Negro in the sight of the white community as a human being equal to its own members. When that finally occurs, then the problem will have solved itself. It will have disappeared."

This is a perfect example of the "moral" justification of racial oppression and camouflaging of the basic issues of Negro freedom which the slavocrats of the past and the apologists for racial discrimination today have

repeated *ad nauseam*. This moral facade decorating the house of slavery must once and for all be torn down and relegated to the dead past. Economic exploitation can no longer hide behind moralistic mouthings.

It would be very much to the pleasure of American reactionaries if the Negro people and their allies would sit quietly and wait for such a "solution" to come to pass. The kind of idealistic mysticism that Tannenbaum espouses attempts to hide reality by denying it; it is part of the counter-attack of reaction against the struggle of all humanity to win freedom.



s mood  
f slavery  
n down  
st. Eco  
ger hid

to the  
naries if  
es would  
a "solu  
kind of  
enban  
ality by  
counte  
struggle  
n.