

political affairs

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- | | | |
|------------------------|-------|--|
| V. J. JEROME | [1] | Wall Street Orders a "Peace" Treaty |
| ALEXANDER BITTELMAN | [15] | Mass Tasks Facing the Party Today |
| ELIZABETH GURLEY FLYNN | [28] | What the Supreme Court Unleashed |
| RICHARD WALKER | [33] | The Issues Behind the Truman-Shvernik Exchange |
| MICHAEL BIANCA | [44] | War Economy and Living Standards |
| | [54] | Draft Program of the Communist Party of India |

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A Theoretical and Political Magazine of Scientific Socialism

Editor V. J. JEROME

Wall Street Orders a "Peace" Treaty

By V. J. Jerome

THE JAPANESE TREATY CONFERENCE unilaterally convened by the United States is a fitting climax to a unilateral Occupation policy which from the start trampled upon the interests of our wartime allies and of the people of Japan. The Draft "Peace" Treaty offered by the United States marks a further step in the accelerated preparations of American imperialism to use Japan as the main base for aggression in the Far East. Japan is to be integrated and made the key force in a Pacific bloc as part of Wall Street's war strategy for world domination. Faced by a sharpening crisis in their foreign policy, and fearful of mounting world organization and actions for peace, the pirates of Wall Street rush to conclude a separate "peace" with the monopolist-militarist Zaibatsu-Samurai ruling clique.

The "peace" label is affixed to the Draft Treaty in order to allay popu-

lar opposition. Peace is made with Japanese reaction, while for the peoples war is planned. The magnanimous "reconciliation" and "benevolence" are for the plotters of Pearl Harbor, not for the Japanese people. That which is presented in the form of treaty is in essence a Wall Street *diktat* which other countries are ordered to rubber stamp. Quite bluntly the United Press, on July 13, made the issue clear: "When an ally balks, the United States apparently does some arm twisting."

Having formulated in the Draft the predatory terms of Wall Street, the State Department, with characteristic arrogance, was confident that the conference would be a festive ceremonial affair attended only by its retinue of vassal states. The Pentagon sought to have an "American made" pre-arranged conference with contrived "Allied" harmony. Wash-

ington was determined to prevent any genuine peace conference of equals. It resorted to high-handed exclusion of the People's Republic of China, an action that led the Tokyo correspondent of the *New York Times* (September 3, 1951), to say that, in the eyes of the Japanese people, "any solution of affairs of the Orient which excludes China would be remarkably close to a performance of Hamlet without the Prince of Denmark." Washington hopefully counted on the non-participation of the U.S.S.R., lest the plain sailing be rocked by the storm of Soviet criticism. Is it any wonder that the announcement of the Soviet Union's decision to attend threw consternation into the imperialist camp and gave heart to the peoples of Asia and the peace-loving forces the world over?

The elimination of the Chinese People's Republic and India's decision not to ratify the Treaty in view of its brazenly anti-Asian character, leaves empty chairs at the conference table belonging to two major Asian states comprising a population of over 800 million. If we add the official absence of Burma and the Peoples' Republics of Mongolia, Viet Nam and Korea, as well as the essential absence of the peoples of all the Asian countries, including Japan, despite the subservience of satellite governments, then the rigged, Wall Street-dominated character of the conference becomes apparent in all its cynicism.

Let James Reston, covering the conference for the *New York Times*, sum up this point in the following words from his September 2 report:

The United States Government has emphasized in the past, and its delegates here are reminding their Western colleagues, that the invitation they accepted was an invitation to come here and sign or not sign the treaty, not an invitation to amend or debate it.

* * *

The United States Draft Peace Treaty with Japan requires, in the first place, to be viewed against the background of the international agreements entered into by our country with its war-time allies. These accords stipulated specifically against any separate unilateral armistice or peace with Japan and forbade the exclusion of any co-belligerent in the war against Japan from the framing and effectuation of a peace treaty with that defeated state. These agreements, however, have now been flagrantly violated in respect to 1) the actual drafting of the Treaty, 2) the arbitrary exclusion of states that have a rightful place at the conference, and 3) the provisions in the Draft Treaty itself.

Assuming for itself the role of Grand Manager of Asia and the world, United States imperialism, with its bi-partisan administration policy, made not even a pretense of earnest collective discussion or consultation in framing the Draft Treaty. Instead, the traveling trouble-shooter for Wall Street's administra-

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tion, the war-mongering John Foster Dulles, was assigned the task of framing this take-it-or-leave-it Draft. Quite early, on March 31, Dulles stated publicly that the United States would go ahead with its plans for a treaty with Japan whether or not the U.S.S.R. participated. "Fortunately," he sneered, "Soviet participation is not indispensable." This course, in conjunction with the deliberate omission of the Chinese People's Republic from among the states to whom the Draft was submitted, makes mock of the solemn allied agreements to involve all the interested parties and flagrantly violates their legal rights.

Article 25 of the Draft specifies:

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan, . . . provided that in each case the State concerned has signed and ratified the Treaty.

The intent is obvious: to impose on all interested countries the dictated terms of the Truman-Dulles Draft under penalty that, in the words of the same Article:

The present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined.

Thus with one sweep of the pen it is sought to declare the Soviet Union, whose armed might rolled back the Japanese from Manchuria, and China, whose heroic people since 1931

bore the brunt of the fighting against the Japanese invader, without status or right of Allied Powers.

No veil of virtue, no bland forgetting can dim out the fact that on New Year's Day of 1942, the United States government pledged, as a co-signatory to the United Nations Declaration of 26 nations, "not to make a separate armistice or peace with the enemies." In contrast, it was the Soviet Union, ceaselessly vilified by stop-thief demagogues as "treaty-breaker," which pressed for a peace treaty truly representing the interests of all the peoples concerned. Its Note to the United States Government of June 10, 1951, set forth the following cardinal propositions as a basis for a genuine treaty of peace with Japan:

First. The peace treaty with Japan must be an over-all, not a separate treaty, and therefore no country which took part in the war with Japan must be excluded from the preparation and signing of the treaty.

Second. The peace treaty with Japan must be drawn up on the basis of the Cairo Declaration, the Potsdam Declaration and the Yalta Agreement.

Third. For the purpose of examining the various drafts of the peace treaty with Japan, a Peace Conference, composed of representatives of all the States whose armed forces took part in the war with Japan, shall be convened in July or August 1951.

* * *

The "Peace" Treaty is in essence an imperialist chart for promoting the

over-all postwar strategy of United States monopoly capitalism to bring the Asian continent, as part of the entire globe, under its iron heel by force of arms. Its provisions are designed to block the consistent peace efforts of the Soviet Union and the Chinese People's Republic, and to defeat the surging struggles for freedom of all the Asian peoples. In line with this reactionary objective, the Treaty seeks to thwart the establishment of Japan as a democratic, demilitarized, peace-pursuing, sovereign nation. Instead, it aims, in collusion with the native monopolist-militarist ruling caste, to perpetuate the role of Japan as the "gendarme against Communism" in the Far East. This monstrous design—shades of the "Anti-Comintern" Axis of calamitous memory—shapes the provisions affecting the salient issues in the Treaty.

The Treaty provides (Article 6):

All occupation forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter.

This is followed by the joker:

Nothing in this provision shall, however, prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bi-lateral or multilateral agreements which have been made or may be made between one or more of the Allied Pow-

ers, on the one hand, and Japan and the other.

This clause is truly a masterpiece of human craftiness which enables the United States Occupation forces to withdraw without ever leaving.

Under cover of the provision for "multilateral" arrangements by Japan with other states, Washington-Wall Street is definitely moving in, not only to remain the Occupation power, but to subjugate Japan completely and make of it a *place d'armes* and a key area for a vast extension of military bases in the Far East. It is a Treaty for extending the imperialist tentacles of the Truman Doctrine to the Asian continent. The notorious conferences held by Dulles with the Yoshida Government in the early months of the year pre-settled this course. Already on April 18, President Truman made it clear that the retention of the United States armed forces in Japan had been agreed upon. That same month John Foster Dulles stated:

As the President pointed out, we also plan to have armed forces stationed at Okinawa, so that the total result will be a U.S.-defended chain in the Pacific which you might say will start with the Aleutians and run on through Japan, down through the Ryukyus, the Philippines, Australia and New Zealand.*

* * *

In this projected Asian analogue of the North Atlantic war alliance

* U.S. News and World Report, April 27, 1951.

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Japan is marked out for the role that Western Germany is assigned in Europe. The Treaty in the most cavalier manner overrides the specific provisions of the Potsdam Declaration for "convincing proof that Japan's war-making power is destroyed." It not only furnishes a basis for continued maintenance of U.S. armed forces in Japan, but it fails even to stipulate any curtailment of Japan's armed forces. On the contrary, in the name of "security," it expressly opens the way for a resurgence of Japanese militarism as an instrument of aggression in the Far East by United States imperialism.

With demagogic verbiage that is all too transparent the "security" provision (Article 5) says:

The Allied Powers for their part recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.

The same Article binds Japan

... to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action.

In actuality this means that Japan, under the pretext of "self-defense," is to be invested with the power to build up its military forces in accord-

ance with its own "discretion" as to what constitutes the needs for "security." In addition, the scheduled post-Treaty U.S.-Japanese "security" pact must, in the nature of the economic and political vise in which American monopoly capital holds Japan, be defined by its real term of military alliance. In the adventurist game of Wall Street, and under the flag of the United Nations, Japan is marked out for the destructive and suicidal role of vassal-belligerent against its neighbor states.

This assassin role has for some time, in fact, been a reality. The United States Occupation has commandeered Japanese arms and men for its war against the Korean people. Thus, an editorial of *Rodong Shinmun*, official organ of the Labor Party of Korea, for June 28, 1951, registered the strong protest:

Now the American imperialists are continuing their armed invasions of Korea by using Japanese in the Korean war; U.S. planes flying from air bases in Japan have laid waste our Fatherland; innumerable Japanese vessels are being mobilized on a large scale to transport the invading troops, and the Korean people are being slaughtered by arms and ammunition now being manufactured in Japan.

* * *

Directly connected with the issues of Occupation forces and militarization is the treatment of the question of territories in the Draft Treaty. By dextrous equivocation and omission, loopholes are left wide open for

gerrymandering the map in favor of Wall Street. While the Treaty states that Japan "renounces all right, title and claim to Formosa and the Pescadores," it omits mentioning the determination of these territories. To whom these islands belong should be no matter for conjecture, in view of the fact that the United States was a party with China and Great Britain to the Declaration of Cairo in 1943 which, in addition to pledging the freedom and independence of Korea, stated

... that Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories that Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China.

Yet eight years later we find the United States engaged in a war of aggression to prevent the realization of an independent, united, and democratic Korea; outrageously entrenched as an invader of the island of Taiwan (Formosa), giving sustenance to the corrupt emigré clique of Chiang Kai-shek; and resorting to deliberate ambiguities in its contrived Treaty with a view to cheating the Chinese People's Republic of its organic possessions of Taiwan and the Pescadores.

In accordance with the Yalta Agreement, the Soviet Union regained the southern part of Sakhalin

Island and acquired the Kurile Islands by transfer. In the Truman-Dulles Draft, Japan "renounces all right, title and claim" to these territories, but there is no reference to their ownership by the Soviet Union. In view of the provision to withhold "any rights, titles or benefits," to countries failing to ratify unconditionally the State Department's Treaty, we are compelled to conclude that the United States shamelessly arrogates to itself the "right" to trample on the Yalta Agreement into which it solemnly entered.

* * *

As regards economic questions, Article 12 stipulates that

Japan shall be obliged to accord to an Allied Power, national treatment, or most-favored-nation treatment, only to the extent that the Allied Power concerned accords Japan national treatment or most-favored-nation treatment.

The meaning of this "reciprocity" provision must be sought not in its wording but in the reality of the situation. For the position of the United States is today, in relation to Japan, that of "the most favored nation." Indeed, the United States Occupation policy has geared Japanese economy to its own war aims and blocked its normal and free development. It is a known fact that the American monopolies have put a stranglehold on Japanese industry in a number of its major areas. By the middle of this year, the control was calculated

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as having in varying degrees extended to 90 percent of Japan's industrial enterprises, involving investments of more than \$3.5 billion—nearly eighty times the investment level of 1936. One after another, United States monopolies have amassed controlling interests in key Japanese industries, such as oil, electrical engineering, chemical, ceramics, ship-building, and textile. Furthermore, United States monopolies have virtually enslaved the foreign trade of Japan which ranked high before World War II. As a result, the country's deficit in this sphere is mounting from year to year, to the point where at the beginning of 1951 Japan's debt to the United States stood at the high total of \$800 million. It should be noted that Japan's exports to this country constitute only one-quarter of its imports from the United States, while its imports from Asian countries have been drastically cut down from the pre-war figure of 50 percent to a paltry 15 percent. In the past, Japan imported coking coal from China at \$11.34 per ton, but now has to pay \$27.29 per ton to the United States. Iron ore, which Japan imported from China at \$10.00 per ton, must be paid for to the United States at \$25 per ton. So constricting is this economic dictation of Wall Street upon Japan that Premier Yoshida, the direct stooge of Wall Street, was compelled recently to say:

In some quarters fear is entertained that a separate peace might permanently

sever Japan's trade with Red China. Red or white, China remains our next-door neighbor. Geography and economic law will, I believe, prevail in the long run over any ideological differences and artificial trade barriers.

Hugh H. Smythe, who reports this statement in a dispatch from Japan to the *Nation* of September 1, adds:

These are portentous words, and they are underscored by a recent statement of exporters and importers in the Kansai district calling for a revival of trade with Communist China.

This distortion of Japan's economy at the hands of the United States Occupation has to be seen as part of Wall Street's annexationist war designs in the Far East. Despite international decisions to which the United States is committed, Japan's war industry is being built up. The rulings of the Far Eastern Commission, adopted on June 19, 1947, jointly by eleven nations as the "Basic Post-Surrender Policy for Japan" stated the objective of "economic reform designed to deprive Japan of power to make war."

Yet today there is hardly a single industry that is not sucked into Wall Street's war-ordained economy, filling United States orders for tanks, light and heavy weapons, army vehicles, ship-building, explosives, etc.

But while American corporate profits boom in Japan, the Japanese people feel the full brunt of Wall Street's enslavement of the country's econ-

omy. They are subjected to unbearably low wages, inflationary prices, burdensome taxes, and violent attacks on the working-class organizations.

We quote again from Mr. Smythe's dispatch to *The Nation* recording his observations on living conditions in Japan:

The tax program has emphasized capital accumulation at the sacrifice of the people's welfare, and the tax burden falls most heavily upon those least able to bear it. Before the Korean war the living standard, always pitifully low, had recovered to 75 per cent of the 1930-34 level, but since then prices have risen almost 50 per cent, and the government has shown neither the ability to cope with inflation nor the inclination to strengthen the social-security system. The price of rice rose 18.46 per cent and of electricity 31 per cent in August.

Clearly the Treaty is designed, not to end but to rivet Wall Street's control over the economic life of Japan at the expense of the people of Japan and of all other nations. In truth, the *Remarks of the U.S.S.R. Government in the Matter of the U.S. Draft of a Peace Treaty with Japan*, handed to the United States Ambassador to the U.S.S.R. on May 7, 1951, stated:

The United States draft treaty ignores the need of removing limitations on the free development of the peaceful economy of Japan. It is abundantly clear that without the existence of normal trade with other states it is impossible to create a reliable foundation for the

economic advance of Japan and growth in the Japanese people's welfare.

* * *

The Allied agreements dealing with the treatment of defeated Japan were permeated with the objective of reconstructing the country on a democratic basis. Thus, the Potsdam Declaration outlining the conditions under which Japan's surrender would be accepted specified:

We do not intend that the Japanese shall be enslaved as a race or destroyed as a nation, but stern justice shall be meted out to all war criminals, including those who have visited cruelties upon our prisoners.

The Japanese government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech and religion and of thought, as well as respect for the fundamental human rights, shall be established.

The dismal fact is, however, that the Treaty is mum on democratization. The issue of war criminals is dealt with in terms that open the door to wide-scale pardons and amnesties. This spirit of "leniency" and "good will" merely codifies in the Treaty the United States Occupation practice with regard to war criminals. Thus, to quote further from the Japanese dispatch of Hugh H. Smythe:

In addition to returning to public life such prominent persons as ex-Finance Minister Ishibashi, former Police Chief

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Tanikawa, the former president of the Liberal Party, Ichio Hatoyama, and important members of the old Zaibatsu, the Yoshida government has "depurged" former officers and directors of the Imperial Rule Assistance Association and its affiliated Youth Association, press and news-agency leaders, magazine and book publishers, Japan Broadcasting Corporation officers, motion-picture and theatrical company directors, bank and business executives, branch chiefs of the Imperial Reservists' Association and officials of the Butokukai Martial Arts Association. More than 1,326 persons purged because of their connection with the "thought police" have already been cleared, and most of the others will probably soon be liberated. On August 6 the government lifted the ban on 13,904 individuals. Of the original 70,097 former officers of the army or navy of imperial-appointed rank those who have not yet been depurged are slated to be soon, together with all of the 40,891 ex-members of non-officer rank of the gendarmerie and "special service units."

A report from the Telepress correspondent in Hong Kong, as published in *Pravda* of May 4, 1951, gives alarming data on the militarist-fascist resurgence in Japan with the encouragement of the United States Occupation Authorities. The report speaks of the intensified activities of profascist political parties and other reactionary organizations whose aim is to reestablish the dictatorship of the Japanese militarists. Notorious war criminals who led such active fascist organizations as the Fuji Tankakai Society and the head of

the fascist Fatherland Defense Association are in close contact with the American Headquarters. With U.S. financial support these and other organizations are publishing newspapers, periodicals, pamphlets and leaflets which disseminate fascist propaganda, call upon the youth to enroll in the Fatherland Defense Association, and instigate terrorist activity against working-class and progressive organizations.

A recent statement of the Communist Party of Japan, warning that Washington's Draft Treaty serves to revive Japanese fascism, pointed out:*

The difference between this new fascism and Tojo's is that the former is ready to sell out national independence to foreign imperialism. . . . Already the secret police of Japan has been revived, and is openly active, thousands of war criminals have been given political freedom, and the domination of this country by monopolists, feudalistic landlords, bureaucracy and police is gradually being restored.

On the other hand, all expressions, assemblies and publications for peace are invariably met with armed intervention and repression; workers are now denied the right to strike, and the trade-union movement and our Party is deprived of political freedom. Thousands of patriots are being persecuted and are in prison.

* * *

The war-time agreements affecting Japan envisaged as their objective that there be "established in ac-

* *The Daily Worker*, September 4, 1951.

cordance with the freely exercised will of the Japanese people a peacefully inclined and responsible government" (Potsdam Declaration).

The issue of a sovereign, democratic and peaceable Japan is cardinal for the entire question of the conclusion of peace with that defeated country. A treaty failing to establish guarantees to realize this objective is a mockery of the peoples' anti-fascist purpose in their determined, self-sacrificing war against the Axis; it constitutes a hideous betrayal of the cause of world peace and the victimizing of the people of Japan itself. The absence of guarantees for demilitarizing and democratizing Japan leaves the constant danger of the revival of the power and the appetites of a militarist-fascist Japan to threaten anew the peace of the Asian continent and of the world.

Only strict adherence to these guarantees can destroy the imminent danger of a militarist Japan subjugated to Wall Street imperialism. Such adherence would defeat the designs of a Truman-Yoshida post-Treaty "security" conspiracy to rob the Japanese state of its sovereignty and convert it into an American imperialist spearhead for a war against the Chinese People's Republic and the Soviet Union, against all Asian peoples, and against the very life, liberty and happiness of the Japanese people itself.

It is a lofty concern for peace, democracy and the principle of national sovereignty that motivates

the Socialist Soviet Union, the People's Republic of China, and the European states of People's Democracy to oppose the American Treaty, which the British Labor Government helped to complete.

The essence of the Treaty contravenes all previous agreements and declarations, to which the United States was a party, with respect to the guarantee of a free and independent Japan. This is pointed out in clear language in the Soviet Government's Note of June 10, 1951, to the Government of the United States, as follows:

Intending, as it does, to prolong the occupation even after the conclusion of the peace treaty, the U.S. Government is endeavoring to remain the virtual master in Japan for a long time to come. It could, in this case, count on retaining the privileges it secured during the occupation; it could count on prolonging Japan's political and economical dependence on the U.S.A.; it could count not only on retaining, but on increasing the number of its military bases in Japan. Obviously, all this can only jeopardize the peace settlement in Japan and the consolidation of peace in the Far East.

Truly defending the national interests and the people's progress of the country, the Communist Party of Japan, in the aforementioned statement, termed the Treaty "no peace treaty but a written guarantee of Japan's bondage and enslavement... intended to turn Japan into a second South Korea." Under the Treaty, the statement warned, "Japan will be

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drawn into a war with the Soviet Union and China as an open American colony and military base, bringing ruin on the entire Japanese nation, and Japan will be made to commit crime and evil again against humanity."

* * *

The opposition of the peoples to this imperialist Treaty is universal. Condemnation is voiced not only in the truly free world of the Socialist Soviet Union, the People's Democracies of Europe, and the Asian Peoples' Republics. The Treaty is rejected even by the landlord-capitalist governments of India and Burma. The majority of Indonesia's parliament has announced opposition. Criticism is widespread in Australia and New Zealand. Even such slavish puppet states as the Philippine Islands and South Korea have cried out at the State Department's game with loaded dice.

In Japan, the Treaty, as the cited Party statement declared, is "supported only by monopolists, feudalistic landlords, war criminals, and Right-wing Social-Democrats." So pervasive and world-reverberating is the opposition of the Japanese working class that even the trade unions affiliated with the Right-led General Council have declared themselves against the Treaty.

* * *

Upon the people of the United States, on our peace forces, and in

the first place on the American working class, devolves the task of waging the front-rank struggle to defeat the monstrous plot for war and national subjugation which Wall Street presents in the guise of a treaty of peace. Yet in this crucial hour when the peoples and the labor movements of many lands are manifesting their anti-imperialist temper and their vigorous resistance to this crass war treaty, no such mass manifestations are taking place on our shores. The American people, who but a short decade ago were electrified into a unified will to hurl back and defeat the aggressor of Pearl Harbor, seemingly today are under a pall of apathy in the face of Wall Street's cruel and sinister master-plot to build up afresh the ultra-reactionary and militarist sway which dragged Japan into the fascist Axis. That enemy of yesterday is thus to become our bosom friend collaborating for "democracy," "freedom" and "peace." And by the same logic, our tried and true friends, the great Soviet Union, whose military might was decisive in bringing about the defeat of the Hitler-Tojo-Mussolini unholy trinity, and the People's China, which conducted the toughest and most prolonged resistance against the Japanese aggressor, are to be put in the category of enemies! The stark truth is that the American people, primarily the American working class, are not meeting their historic task in this hour of momentous decision.

No one who analyzes the situ-

ation in our country can say that this is because our people's desire for peace and international friendship has been stifled. That the contrary is true is apparent from the fact that with all the blatant agitation of chauvinism, Soviet hatred, anti-Communism and master-race arrogance, the powers of Wall Street in office have not succeeded in whipping up a war hysteria among the American people. Despite frantic efforts by the Administration to "sell" the war in Korea to the people as a war for "freedom," this war was, is and will remain to all democratic-minded Americans an unpopular war. Particularly the Negro people, who know so well from home experience the "freedom" crusading of the white ruling class and its government, cannot be made to swallow this hog-wash about bringing "freedom" and "democracy" to Korea. From them it cannot be hidden that the Korean people are to the humanitarians of Wall Street nothing but "inferior Asiatics" to be decimated—men, women and children—by inhuman bombings in a genocidal war that out-Hitlers Hitler.

The American people want an end to this unjust and barbaric war against Korea which country by no stretch of the imagination can be held to imperil the security of the United States. The American people want peace and friendship with People's China; they sense the injustice of keeping China from her rightful place in the United Nations; they

want peace with the Soviet Union, even though large sections have been influenced by the poisonous falsehood that the Soviet Union is "preparing to attack" our country. It is the deep desire for peace on the part of the American people that compels the Truman-Dulles combine to camouflage their war designs with "peace" treaties.

Why then this inaction in the face of the great need today for resolute opposition to this Treaty which puts world peace in jeopardy?

Undoubtedly, a major reason is the barrage of "peace" demagoguery surrounding the projection of the Treaty. The bipartisanship has with this deceptive line exploited the genuine peace desires of the masses to put over a colossal "deal" having the opposite of peace as its purpose. In this campaign of deception the men of the trusts have had zealous helpmates in the reactionary officialdom of the trade unions and in misleaders in various mass organizations, Negro and white. The false leaders of labor subordinate the interests of the labor movement to the predatory war program and operate to block the independent and class-conscious course of the American proletariat.

Nor can it be said that the leading Left and progressive forces have anywhere near sufficiently or adequately campaigned for clarity on the issue or brought the unions or other organizations where they exert influence into expressed opposition to the bogus peace treaty. The answer lies

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further in the fact that the pro-peace sentiments of the people have not yet been given powerful organized expression; the advanced pro-peace forces of our country have not yet found the way to mobilize the nation's peace-loving masses; the working class especially has yet to shake off the pernicious influence of the war-bipartisans' agents who constitute the decisive labor leadership.

There are some evidences of peace activities among workers in the shops and local union. Outstanding in this connection is the mass Ford local 600 of auto workers, which has known how to connect its economic struggles with the fight for peace; and the large participation of Negro and white trade unionists in the momentous Chicago Peace Conference held on June 29-July 1 of this year. But the situation demands of all the Left and progressive forces within the labor movement to advance the participation and role of the working class as the indispensable and leading component of the peace front. This can be done today only by developing united front peace activities on department, shop, and local union bases; by organizing united actions in working-class communities. The realization must be keen that the success of the peace movement depends on the united front of struggle from below.

The situation demands of all the Left and progressive forces to come forward with solidified and resolute leadership to intensify popular ac-

tions in behalf of cease-fire and peace negotiations in Korea and to extend them into effective mass resistance to the pseudo-peace treaty.

The advanced peace forces have the task of rallying the people to press for the admission of the great People's Republic of China into the United Nations; for her recognition by the United States, so that she may assume her rightful status of equal sovereign power in determining the solution of all questions in the Far East. Short of the realization of such demands, there can be no genuine United Nations, there can be no settlement of outstanding questions in the Far East.

Finally, the advanced peace forces must mobilize the American masses to bring their will to bear upon the government of the United States to join in a Pact of Peace embracing as its core the five great powers and to re-establish friendly diplomatic and trade relations with the U.S.S.R., thereby securing peace for the world.

* * *

Since the writing of this article the Treaty with Japan has been concluded at the San Francisco conference which was steam-rolled by the Wall Street bosses of the United Nations into an "overwhelming" vote of acceptance. The vote in opposition cast by the Soviet Union and the People's Democracies of Poland and Czechoslovakia spoke out in behalf of the interests and the resistance of the peoples of Asia, Australia, Africa,

Europe and the Americas. This war treaty can still be defeated. All energies must be put into a concerted mass effort to block its ratification by the U.S. Senate. The people of the

United States, who are not a party to this raw deal with the perpetrators of Pearl Harbor, are called upon to carry on the fight for peace, democracy and the sovereignty of nations.

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Mass Tasks Facing the Party Today

By Alexander Bittelman

(On the 32nd Anniversary of the Founding of the Communist Party)

WHEN President Truman boasts that "we are breaking up the Communist conspiracy," he is committing two errors. There is no such thing as a Communist "conspiracy." What there is, is a vanguard political party of the American working class, the Communist Party of the United States, formed in September 1919 and now celebrating its thirty-second anniversary. This is error number one. Error number two is that the Communist Party cannot be destroyed. History has proved that Communist Parties are indestructible because the working classes of the various countries, which give birth to Communist Parties as their political vanguards, are themselves indestructible.

But the pro-fascist offensive currently developing in the United States, of which the government's attempt "to break up" the Communist Party is the spear-heading evidence, is fraught with serious dangers to the labor and progressive movements of the American people. This pro-facist offensive brings nearer the danger of a new world war, as can be seen from

General Ridgways's arrogant provocations in Korea following the mounting witch-hunts in the United States. Capitalist rule in this country is taking on more and more the methods and form of fascism. The living standards of the masses of the people continue to deteriorate. The twin menace of bankruptcy and national disaster facing the United States as a result of Wall Street's war economy and its drive to world domination, is coming ever closer.

Never has the need been greater for the unity of the American working class and its allies—the Negro people, the working farmers, the city middle classes—against the dangers of war and fascism, for peace and democracy, for equal rights and for the defense of the people's living standards. And the Communist Party of the United States can, must and will play an important part in the historic struggle for the anti-war and anti-fascist unity of the American people headed by the working class.

Pro-fascist reaction is well aware of this fact. That is why the reac-

tionary offensive is seeking to cripple the Communist Party organizations and, above all, to isolate the Party from the masses and to estrange the masses from the Party. The attacks of reaction are directed primarily against the Party's political work and influence among the masses in the fight for peace, for democratic rights and civil liberties, for the equal rights of the Negro people, for the defense and protection of the living standards of the masses. It is this main content of our political mass work today that the monopolies and their political spokesmen fear most.

It is therefore obvious that the main danger facing the Party at the present time is the weakening of its political mass work and its mass influence. This is, of course, not the only danger. The pro-fascist offensive and the continuing fascization of the methods of rule of the American monopolies are presenting daily new difficulties and problems for the protection of the membership, cadres and organizations of the Party. But these difficulties can be overcome and the problems solved most successfully and rapidly *only by expanding and intensifying the political mass work of the Party, its membership, its organizations.* The key to the solution of the organizational problems is the expansion and intensification of the Party's political mass work.

The heroic struggles of the American working class *for the right to organize* — for the right to organize trade unions and the right to strike—

which date back more than a hundred years, are rich with lessons for our own day. American workers organized trade unions and conducted strike struggles for higher wages and shorter hours. They took all necessary measures to protect themselves, their officers and organizations from persecutions by the employers and government which treated working-class organizations as "conspiracies." For many years trade-union work was carried on "underground" because, as a labor leader wrote in 1831, "if mechanics combine to raise their wages, the laws punish them as conspirators against the good of society, and the dungeon awaits them as it does the robber."* The advanced workers of that time succeeded in solving their organizational problems in the setting up of their trade unions *by carrying on trade union mass work and organizing mass struggles.* The lessons for today are clear. The advanced American workers of our time will succeed in solving their organizational problems and difficulties *for the effective functioning of the Communist Party of the U.S.A.* by expanding and intensifying the Party's political mass work and by helping to promote the organization of political mass struggles for peace, democracy, equal rights and for the defense of the people's living standards.

This and this alone will frustrate

* Quoted by Philip S. Foner in *History of the Labor Movement in the United States* (International, 1947), p. 78.

the attempt of reaction to isolate the Party from the masses. Only this will strengthen the Party's ties with the masses and its influence among them.

It must be noted, however, that various opportunist tendencies, Right and "Left," are seriously hampering at the present time the unfolding and extension of the Party's political mass work *day by day and on the concrete issues as they arise in the current struggles on the political arena*. In other words, these opportunist tendencies hamper the functioning of the Communist Party as the vanguard political party of the American working class. They are in effect liquidationist tendencies because they lead to the weakening of the vanguard role of the Party among the masses. For this reason, both tendencies represent great dangers in the Party and must be combated accordingly.

These liquidationist tendencies are fed by both Right opportunism and "Left" opportunism. Right opportunism, dragging as usual behind the masses and their progressive movements, tends in the direction of capitulation to the enemy's attacks and leads to policies which blunt and weaken the Party's political mass work and vanguard role. "Left" opportunism, running as usual too far ahead of the masses and achieving self-isolation, tends in the direction of *separating* problems of organizational forms and methods from the Party's political tasks. This Leftist sectarianism would try to adjust the Party's organizational forms and

methods to the new conditions *separately and in isolation* from the Party's political mass work. This takes at times the fantastic form of "postponing" the Party's mass work until the organizational forms and methods have been fully adjusted. The class struggle and the political life in the country cannot be stopped at will, and a political party cannot stop functioning among the masses for a time and then pick up where it left off.

Perhaps it is necessary to explain fully and emphasize once more that organizational methods and forms derive their key importance, not from themselves, but from their role in realizing the Party's program, policies and tactics. That is why we always solve organizational problems from the standpoint of the Party's political tasks in a given period. We are not organizational fetishists. With Marx, Engels, Lenin and Stalin, we believe that organizational problems must be solved in the light of practical political tasks and must be subordinated to the need of realizing these tasks among the masses. From this it follows inevitably that the only way successfully and rapidly to adjust the Party's organizational forms and methods to the new conditions created by the reactionary offensive is by expanding and intensifying the Party's political mass work, by increasing manifoldly the Party's *vanguard role* in the movements of the masses for peace, democracy, equal rights and the people's living standards.

Consequently, the closest attention has to be paid to such current developments as the continuing deterioration of the economic position of the masses and the rising movements of struggle for the protection of their living standards. This requires the developing of struggles against the evils and dangers of the war economy, against labor's collaboration with (in fact, subjection to) the warmongers and war profiteers, and for a policy of peace. We refer to such burning immediate issues as wages, hours, speed-up, taxes, rising prices and inflation, unemployment relief and insurance, etc. The Party's active participation as vanguard in these fields of struggle is of major importance to the working class and its allies. It is in this field that movements will rise and advance in favor of a Peace Pact between the United States, England, France, the People's Republic of China and the Soviet Union. It is here, in this very field of progressive mass struggles that movements will rise against the rearmament of Germany and Japan, for peace in Korea and the Far East, for reduction of armaments, for outlawing the atom bomb and for its international control.

Equally close attention has to be paid to the continuing pro-fascist offensive and the struggle in defense of the Bill of Rights. This involves the whole struggle against the emerging police state in the United States, against fascization of bourgeois rule—the fight for democracy. The Par-

ty's vanguard participation in this field of struggle is not only indispensable for the growth of mass movements capable of retarding the reactionary offensive. It is also the best answer to the government's frame-up charge that Communism is "a conspiracy to advocate force and violence."

Last but not least, major and concentrated attention must be given to the next steps in the fight for labor unity, especially from the standpoint of the already developing campaign and alignments for the 1952 national elections. This involves the whole historic fight for independent political action and the anti-monopoly and anti-fascist peace coalition of the American people headed by the working class. Here, full account must be taken of the recent treacherous and dangerous maneuvers of the Executive Council of the A. F. of L., and of the equally treacherous moves of the Murrays and Reuthers of the C.I.O., to stem and divert to reactionary channels the growing tendencies of labor to independent political action.

From these major problems facing the American working class and its allies and, consequently, the Communist Party, we select for present treatment the following two: 1) the deterioration of the economic position of the masses and the fight for their living standards, and 2) the next steps in the fight for labor unity, with special reference to independent

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THE ECONOMIC POSITION OF THE MASSES AND THE FIGHT FOR LIVING STANDARDS

The economic position of the masses of the people is continuously growing worse. This is true for the bulk of the working class, the majority of the working farmers, the poorer middle classes of the cities and, most particularly, the masses of the Negro people.

Since the attack of American imperialism on Korea, wholesale prices on all commodities have risen about 16 percent—from June 1950 to June 1951 (*Economic Indicators*, August 1951, p. 4). Accordingly, the cost of living during the same period has risen by about 12 percent to 14 percent, helped along by Truman's so-called "price controls." Department of Labor figures, notoriously slanted, admit a rise of about 10 percent. For the bulk of the American people, this has meant a drop in living standards of at least 10 percent. Wage increases during this period, vainly trying to catch up with inflation since pre-Korea, have covered a minority of the American workers (only three million workers were covered by so-called escalator clauses in March 1951 out of a total employed civilian labor force of 60 million (*Labor Information Bulletin*, Dept. of Labor, May 1951).

The tax burden is weighing more and more heavily upon the masses of the people. At this writing, a new tax bill is being prepared in Congress which will raise taxation upon low incomes by at least 12 percent, increasing and adding sales taxes, while shielding to the maximum high incomes and corporation profits.

Areas of unemployment are multiplying in a number of industries and industrial centers. This unemployment, for which exact figures are lacking, is undoubtedly affecting hundreds of thousands—a fact having a profoundly depressing influence upon the general living standards of the American workers. It is known too that "non-farm employment dropped 200,000 between mid-June and mid-July," according to the Bureau of Labor Statistics (*Daily Worker*, Aug. 17).

A major factor in worsening the living standards of the masses of the workers is the continuously growing inhuman speed-up. This is undermining the health of millions of workers and reducing their capacity to work.

Confirmation of the fact that the economic position of the masses of the people is deteriorating is found in the report of the President's Council of Economic Advisers. Speaking of the "spiralling process of general price and wage increases" which results from armament production and war economy, the report says:

This process leaves behind those

groups who are not in a position to take jobs or to obtain wage increases, such as retired persons, annuitants, disabled veterans depending on pensions, and all other fixed income groups. This is particularly unfortunate because fixed income recipients are disproportionately concentrated in the lower income brackets (Report to the President on the Economic Situation at Midyear 1951 by the Council of Economic Advisers, p. 96).

Most important is the conclusion:

Between early 1950 and early 1951, when personal income rose by about 13 per cent, *half the population did not obtain any increase in income. In fact 18 per cent had decreases in income* (*Ibid.*, p. 96. Our emphasis—A.B.).

Half the population of the United States did not obtain any increase in income, and 18 percent suffered a decrease in income, between early 1950 and early 1951, in the face of an increase in the living costs of at least 14 percent. *This has meant deep poverty and starvation.* It has meant a growing impoverishment, absolutely and relatively, of the masses of the working class and all working people, especially the Negro people.

This is further confirmed by a very important case study of 100 low-income families making less than \$2,000 a year, submitted to the Congressional Joint Committee on the Economic Report by a Conference Group of nine national voluntary organizations convened by the National Social Wel-

fare Assembly. The study reveals that the one-third of the families and individuals in the United States, who earned less than \$2,000 in 1949, are living in dire poverty. This income group is made up of families "whose breadwinners range from farmer and the self-employed city worker to what is called common labor." More specifically, the study states:

Our families included fathers who are heads of small enterprises such as a machine shop, a pickle works, laundries. Others are salaried employees or skilled or semi-skilled wage earners—for example, a goldsmith, a mold maker, tool and sheet-metal workers, bakers, truckmen, postmen, among them; GI's on the way up; mothers keeping broken homes intact; together with a score of farm families and operators, sharecroppers and migratory workers.

It is very significant that 64 percent of the income group which made less than \$3,000 in 1948 consisted of working people earning less than \$2,000 a year. Here is revealed a condition of chronic starvation for millions upon millions of American workers and farmers.

This is what the war economy and armament production mean to the economic position of the masses of the American people. This is what Wall Street's drive to world domination and its preparations for a new world war mean to the masses of the people—a continuously deteriorating standard of living. Only a small upper layer of the working

class, the labor aristocracy, gets some slight and temporary concessions for which it is selling its class interests to the monopolies and warmongers. For Big Business, however, corporate profits before taxes were \$28.3 billions in 1949, \$41.4 billions in 1950, and were running at an annual rate of \$51.8 billions in the first quarter of 1951 (*Economic Indicators*, August 1951).

THE U.S. ECONOMY TODAY

The general economic situation continues to be dominated by two factors. One is that the pending economic crash which was about to break in the summer of 1950, before Wall Street's attack on Korea, was averted only temporarily by the rapid and intense militarization of the economy and the war-stimulated inflation. The second is the effect of the contradictions of the war economy.

Industrial production kept on rising from July 1950 to the end of the year—from 196 to 218 of the index, (1935-39 = 100), or a little over 11 percent. It rose another 3 points in January 1951. But in the first six months of this year the index stood practically still (January, 221; February, 221; March, 222; April, 223; May, 223; June, 222). In July it dropped sharply to 213, a fall of 4 percent.

The failure of industrial production to maintain in the first six months of this year the steady climb upwards begun in July 1950, the

levelling off process from January to June 1951 and the drop in July, all this is explainable by the two dominant factors mentioned above. Seasonal factors have played only a minor part.

The market for consumer goods, especially durables, has been practically saturated for a long time. This was evident in autos, housing, textiles, house furnishings and appliances, on the eve of the Korean War. The market for these goods was subsequently revived and kept going for a while primarily by the war-stimulated inflation and consumer borrowing. Naturally, this could not last long. With the further drop in mass purchasing power resulting from rising prices, increased taxation and growing unemployment in certain sectors, together with the new restrictions on consumer credit, the market for consumer goods was beginning to lag. Hence, a slowing down of production.

The meaning of this becomes even clearer when we examine the course of inventories in relation to sales. Total business inventories have risen more than 32.3 percent between July 1950 and June 1951, while sales increased less than 6 percent (*Economic Indicators*, August 1951). Inventories continue to rise, but sales continue to fall. This indicates that consumer industries, especially the durables, are suffering from overproduction.

At the same time, the contradictions of the war economy—the second dominant factor—have begun to

make themselves felt. The diversion of raw materials to war production and the increasing cutbacks in civilian production naturally result in layoffs in peacetime industries, increased unemployment and further decreases in mass purchasing power. The net effect of these developments is to destroy further the mass purchasing power and thus to intensify the saturation of the market, especially in consumer durables, and to aggravate the condition of overproduction in some of these industries.

Here, two important points must be made and emphasized. One is that the cutbacks in civilian production have resulted, as a rule, not in shortages of consumer goods, but in shortages of consumer purchasing power. The second is that the stepped-up production of armaments and war equipment did not pick up the slack in civilian production. These are two key conclusions arising from the present economic situation.

The cutbacks in civilian production, as a rule, are not resulting in shortages of consumer goods, because of the tremendous accumulation of goods by manufacturers, wholesalers and retailers and because of the saturation of the market which goes back to the period before the Korean war. Therefore, elements of overproduction have made their appearance in many peacetime industries, while production of armaments and war equipment is continuously rising. This is one of the most serious contradictions of the war economy.

Secondly, the steady expansion of war production has not been able to pick up the slack in peacetime production. This is shown by the fact that rising war production goes hand in hand with declining civilian production. It is graphically illustrated in the electronics industry. The president of the Radio-Television Manufacturers' Association, Glen McDaniel, is reported to have said that "defense orders have not taken up the slack resulting from a decline in TV set sales" and that, "despite these orders," the radio-television industry is suffering from unemployment and shutdown (N. Y. *World-Telegram*, August 24, 1951).

The fact is that war-stimulated inflation is destroying mass purchasing power at a faster rate than expanded war production is creating it. This is seen in the steady inflation of prices, money and credit. We have already shown that the cost of living has risen over 14 percent in the current year. Bank loans have risen 25 percent between June 1950 and June 1951 (*Economic Indicators*, August 1951, p. 30). The value of the dollar continues to decline at an increasing tempo. The policy proclaimed by the government of financing war expenditures without new large-scale borrowing from the people is cracking. Consequently, the value of bonds and savings tends to depreciate. The credit structure itself is beginning to show signs of weakening. All of these developments in their turn stimulate further the inflationary

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forces let loose by the war drive of the monopolies. Hence, *mass purchasing power is being destroyed by cutbacks in civilian production and growing inflation at a faster rate than is being added to by stepped-up war production.*

This is one reason that war production has not been able to pick up the slack in civilian production. Another reason is that war production has been unable to expand as rapidly as peacetime production was falling off. Capitalist economists and Wall Street's war mobilizers (Wilson & Co.) call this "conversion difficulties" or "conversion lag"; but it is much more than that. These difficulties and lags are conditioned by some of the inherent contradictions of the capitalist system which the war economy aggravates. Among these are the rivalries between the monopolies for war contracts, for strategic positions in the war agencies of the government and for retaining advantages in the field of civilian production and foreign markets. Present also is serious resistance to certain government controls (monopoly controls) of raw material allocations and priorities on the part of a large section of non-monopoly capital which is not tied in with war industry; the refusal of the small and middle farmers to give up government price supports; and the opposition of the middle and rich farmers to cutbacks in the production of farm machinery and equipment, as well as reduction of manpower by the draft.

Most important, of course, is the firm and increasing resistance of organized labor and other workers to the growing material burdens of war and war preparations, especially resistance to wage freezing, speed-up, longer hours, the mounting cost of living, and rising taxation. There is also a growing resentment against so-called cutback layoffs and "conversion" unemployment. Of much significance in this connection is the recent strike of metal mining workers.

It is not likely that the monopolies will be able to overcome these factors which have militated against the ability of war production to pick up the slack in civilian production.

On the contrary, a third factor is bound to begin to operate very soon in the same direction, namely, the circumstance that the expenditures of the monopolies for new plant and equipment, stimulated largely by expectations and needs of expanding war production and financed by government indirect subsidies ("tax benefits"), are bound for a sharp fall early next year. These expenditures are a part of the war economy which ran at an annual rate of about 18 billions of dollars in 1950 and which accounted for a considerable component of war production. Thus it played a large role in picking up the slack in civilian production. But it is the judgment of many capitalist economists that "the expansion program of private business will be over by the early part of next year and

capital goods generally should be in fairly steep decline. There is reason to believe that this drop in private spending will more than offset the promised increase in government defense spending—and will come first" (*N. Y. Times*, August 26, 1951).

This is sound judgment. If this materializes, the contradictions of the war economy will grow much sharper.

Wall Street's rearmament policies in the Marshallized countries, which drive these countries to economic crises, are only aggravating both the contradictions of the war economy in the United States and the critical factors in the civilian goods industries. The rise in commodity prices in the capitalist world intensifies inflation in the United States. It also undermines markets for civilian goods abroad which many sectors of the American capitalist economy are feeling very keenly.

It must, therefore, be assumed that the contradictions of the war economy will grow sharper and the class struggle will intensify. The working class will be forced to fight ever more energetically for higher wages, shorter hours, against speed-up and for full or increased pay to "conversion" unemployed. Together with its allies, the Negro people, the working farmers and city middle classes, labor will have to fight more consistently for lower prices, against war taxation, for price supports to the small farmers, for protection of the small saver and against all forms of discrimination

directed at the Negro people.

The rivalries between the monopolies and within the capitalist class generally are also bound to increase.

It is evident too that the government will increase considerably the rate of spending for war preparations unless the peace movements of the people generate enough strength to block Wall Street's drive to a new world war. The monopolies anticipate with glee the prospect that war expenditures in the fiscal year 1951-52 may run up to over one hundred billion dollars. The fact is that Congress has already authorized the expenditure of more than \$70 billion for the current fiscal year.

Yet the slack in civilian production is bound to increase for the major reasons discussed above. The outlook therefore is for a double process: rising war production in tempo and volume, on the one hand, and increasing elements of overproduction in peacetime goods and stagnation and decrease in civilian production on the other. The net effect of this contradictory process is to intensify and widen the gap between war production and civilian production. This in its turn is bound to reinforce all the factors that are preparing a catastrophic economic crash in the United States, with bankruptcy and economic ruin or a new world war and national disaster. It is in the power of the American people to prevent either or both by an effective struggle to maintain peace.

LABOR UNITY AND THE
1952 NATIONAL ELECTIONS

The question of labor unity and the 1952 national elections has become one of the most important and urgent questions facing the working class at the present time. This is so because Wall Street's two major parties are already setting the stage, dividing the roles and preparing the outcome of the coming elections, even though the fight between the various monopoly groups for control of the government is continuing and growing sharper. This is so also for the reason that the reactionary trade-union bureaucracy of the A. F. of L. and of the C.I.O., but especially the former, is already actively maneuvering against independent political action and for new political sell-outs in 1952.

It is therefore obvious that the Left and progressive forces in the labor movement have a major responsibility in this situation. They must take the initiative to project before the trade-union movement the major issue of independent political action in alliance with all other progressive forces for peace, democracy, equal rights for the Negro people and decent living standards. They should rally all the politically conscious and militant forces of the working class for an organized struggle among the masses in behalf of working-class political independence and leadership in the people's movements for peace and democracy.

Time does not wait. If the labor and other progressive forces of the people are to play a significant part in the coming national elections, it is high time for the Lefts and progressives in the labor movement to expose the new treacheries which the Greens and Murrays are preparing on the political field and to raise the banner of working-class political independence.

At its August meeting in Montreal, the Executive Council of the A. F. of L. executed several reactionary maneuvers calculated to achieve two things. First, to place the A. F. of L. Executive Council in the position of leadership in the field of trade-union political action, in the relations of the trade-union bureaucracy with the two major parties, especially the Truman group, and to push back the bureaucracy of the C.I.O. Secondly, to capture and divert into reactionary channels the growing resentment of the workers against the betrayals of the Truman Administration and to check the unmistakable growth of mass sentiment for truly independent and effective political action by labor and its allies. This is the meaning of the major decisions of the Montreal meeting to withdraw from the United Labor Policy Committee and "to warn" both major parties to pay more attention to labor's demands on programs and candidates or else labor will "sit out" the coming elections.

Obviously, these are two-edged propositions. One is directed against

the C.I.O. rivals of the A. F. of L. bureaucracy and expresses the unprincipled struggle for power between the two reactionary trade-union cliques. But this is a minor aspect of the Montreal maneuvers, even though there are certain differences between the two groups. The major and really important aspect is directed against the trends toward independent political action in the ranks of labor, especially in the national elections of 1952.

Thus far the response of the reactionary bureaucracy of the C.I.O. has been rather feeble. When the C.I.O. answer comes, its demagogy may be more "Left" than that of the A. F. of L. bureaucracy. It is not at all excluded that the Murray-Reuther-Potofsky clique may begin to dangle before the labor movement the idea of a new party, a labor party, in order to beat the Green-Tobin-Meany clique in the A. F. of L. in the treacherous game of who serves best the monopolies and their political parties.

The conclusion from the foregoing is clear. The Left and progressive forces in the trade unions cannot afford to stand aside from these developments in the labor movement. These are grave dangers facing the American working class, and only the political initiative of the Left and progressive forces, in which Communists play an important part, can and will point the way to warding off these dangers.

In the fight for labor unity and political independence in the 1952 na-

tional elections, there are several major propositions to project and fight for. First, labor must come forward before the people with its own, independent political program and policy and seek alliances with the Negro people, the working farmers and the city middle classes. Secondly this requires the unity of labor, the unity of the rank and file of the unions and of all leading trade-union forces honestly supporting independent political action. Thirdly, the major task of this political unity of labor will be to promote an anti-fascist people's peace coalition, to seize the initiative in the fight against McCarthyism, and to oppose the "lesser evil" maneuvers and the "peace" and anti-McCarthyism demagogy of Truman and of the reactionary trade-union bureaucracy. Fourthly, the program and policies of labor's political unity will inevitably have to be based upon the most vital immediate interests of the working class and of the people in general. These are *peace, democracy, equal rights, protection of living standards.*

Major importance attaches to labor's seizing the initiative in the fight against McCarthyism. This is the only way of countering successfully the grand strategy of the Truman group to assume the leadership in a fake fight against McCarthyism. This Truman strategy aims to prevent the rise of a *people's struggle*, a politically independent struggle, against McCarthyism and Trumanism as expressions of the pro-fascist offensive

of the monopolies. A secondary aim of this Truman strategy is to meet the attacks of his Republican rivals. Hence, the failure of labor and all progressive forces to take the initiative in the fight against McCarthyism and to unfold it as a fight against monopoly pro-fascist reaction and for democratic liberties and the Bill of Rights—exposing the role of Trumanism as demagogic camouflage for the same reactionary McCarthyism—may prove very costly.

Above all, the fight for labor unity and independent political action in 1952 must be inspired with, and guided by, the fight for peace. It would be a grave and costly error to undertake to promote further steps to labor unity and political independence *without fighting for specific peace issues, or in isolation from the struggle for peace*. Any such attempt, instead of leading to united labor action on any other progressive issue, will only demoralize labor and help its enemies. Life itself has made peace the central issue. The American ruling class and its two major parties are making foreign policy the major issue in the elections in order to combat the peace movements of the people and to dragoon them into a new world war. The reactionary leadership of the A. F. of L. and of the C.I.O. are following the ruling class in making foreign policy a major issue in the labor movement and in the political arena. In the light of these facts, any attempt by progressives in the labor movement to seek

unity and political independence for the national elections in 1952 by evading the struggle for peace, by eliminating the peace issues from united political action, is bound to end in disastrous failure.

United labor action is necessary and possible in many fields and on many single issues. We have discussed the struggle for the economic demands of the masses which is a basic and most fruitful field of united action. Similarly, the struggle for civil liberties is a major field for united action by labor and its allies, including such burning immediate issues as the right to bail, for a Supreme Court re-hearing in October of the Smith Act convictions of the Communists now in prison, and for the repeal of the fascist Taft-Hartley, Smith and McCarran Acts. A most fundamental field of united action is the fight against Jim Crow and for the equal rights of the Negro people. The same is true in the struggle against imperialist reaction in the field of culture. But the struggle for united action for peace has two sides to it. It is a special field for united actions on concrete issues, such as the demand for a peaceful solution of the Korean conflict, for a Five-Power Peace Pact, for the reduction of armaments, for the outlawing of the atom bomb, against the rearmament of Germany and Japan, etc. United action in this special field is possible and necessary on any one or more of these concrete peace demands. But the struggle for peace has also another

aspect. *It is the major, central and all-embracing issue of our time.* It touches and involves all other issues. Consequently, a general political program for a national election campaign, in which the central issues are presented and fought out, must inevitably include the issue of issues—the struggle for peace. Certainly, no genuine united labor political action can or will support programs and candidates which stand for the policies of the warmongers.

The struggle for independent political action in the present situation becomes therefore inevitably a struggle for a *people's peace coalition* or it ceases to be a struggle for independent political action. This coalition may assume many forms and may have to adopt various tactics but its substance and political content are determined by the objective situation and relation of class forces of the period. It must be and it will be a coalition of labor, the Negro people and the middle classes of the cities. It must and will be a peace coalition, whose major issue is the fight for peace, and whose policies will therefore be directed against monopoly domination, against fascism and political reaction, for equal rights of the Negro people, for the defense of the people's living standards. This is the issue that has to be projected and fought for in the trade unions in principled

opposition to the treacherous political policies of the reactionary bureaucracy.

It is important to note here that the decisions of the National Committee of the Progressive Party, made at its August session in Minneapolis, will prove of great help to the struggle for independent political action and a people's peace coalition. The program outlined by the meeting can very well form the basis for a coalition policy in the coming elections since its points embrace the minimum united-front propositions in the fight for peace, against the evils and dangers of the war economy, for equal rights for the Negro people, and for civil liberties and against political reaction.

Time does not wait. The American working class needs the guidance and leadership of its Left and progressive forces in the unions. It needs the leadership of its vanguard party, the Communist Party of the United States. This party will not be destroyed. It will live as the American working class will live. Entering the thirty-third year of its existence, the Communist Party of the United States will demonstrate to the masses even more convincingly than heretofore that it is truly the advanced detachment of the working class, that it is the best fighter for the peace, progress and welfare of the people.

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What the Supreme Court Unleashed

By Elizabeth Gurley Flynn

THE REAL MEANING of the Supreme Court decision upholding the constitutionality of the two thought-control sections of the Smith Act becomes clearer with each passing day. That decision has unleashed the mad dogs of fascism in our country. The workers in other lands, who have experienced the prolonged horrors of fascist infiltration and conquest, the heavy step in the night, the mailed fist on the door, the watchful eye spying on one's every move, the final arrest, inquisition, torture, imprisonment and the concentration camp—recognize the pattern which is swiftly unfolding in our country. They are demonstrating in front of American embassies, transmitting resolutions to the U.S. State Department, protesting in the name of peace and democracy. The brutality of American capitalism is not new—they remember in all the countries of Europe, as older workers do here, the names of Sacco and Vanzetti, Tom Mooney and the Scottsboro Boys. They spoke out then, in terms of international solidarity—they are speaking out now.

This is all hush-hush in the U.S.A. behind the paper curtain of a venal press, busy whipping it up for war

abroad and repression at home. That the people of the world today consider this country the center of world reaction and welcome with deep and heartfelt enthusiasm all voices raised here for peace and freedom as the real America—the America they love—is deliberately kept from the American people. Because there is no mass war hysteria in this country but a deep and abiding craving for peace, expressed by church members, mothers, veterans, trade unionists, there is a great and growing fear of the people on the part of the ruling class of this country. There is a dread that the people will unite in their strength and sweep the warmongers from the seats of the mighty. The fascist-like madness is a confession of these fears of the ruling class.

They are striking now at a valiant and fighting organization, which stands for peace, for the rights of labor, for the liberation of the Negro people, for democracy, and which advocates Socialism as an ultimate solution of all the problems which beset the people today. They are striking first at the Communist Party of the U.S.A. which sprang from the struggles, the militant traditions, the

aspirations of the American working class and whose entire history for the past 32 years of its existence has been the living exemplification of these ideals. They are striking at the Communist Party now under the Smith Act's thought-control provisions, held constitutional by a six-to-two decision of the Supreme Court.

President Truman makes pipsqueak tirades against "McCarthyism"—one at Madison, Wisconsin, and more recently to the American Chemical Society in New York, when he warned that "unchecked, reckless, irresponsible criticisms" of minority views could soon confine Americans to "a mental strait-jacket." He defended "men and women whose ideas now are—or once were—different from those of the majority," and added that "progress will come to an end if Americans are ever afraid to experiment boldly with new ideas" (New York *Herald-Tribune*, September 3, 1951).

But all that emanates from Washington belies the hypocritical words of President Truman.

In the same paper is a United Press dispatch reporting an attack on a Supreme Court Justice by Congressman Woodruff of Michigan because he dared to advocate recognition of the Chinese People's Republic. Woodruff demanded that Justice Douglas resign, and drew up a four-point accusation against him that sounds like a Smith Act indictment. Point 4 accuses Justice Douglas of

being "the special darling of the *Daily Worker* and other Red sheets because of his dissent from the Supreme Court decision upholding the conviction of the eleven Communist leaders on charges of advocating overthrowing this government." Even a Supreme Court Justice is not immune from threats if he dares to oppose the infamous Smith Act. Democratic Senator Tom Connally of Texas led off the attack on Justice Douglas in relation to China, accusing him of "making fool statements." If President Truman meant business and not political campaign slogans in fighting McCarthyism, he should clean his own Administration of those who practice it. A place to do an Augean stable job would be the Department of Justice.

In spite of all the statements made by Attorney General McGrath that the Communist Party is not on trial nor being outlawed, the juggernaut announced by Raymond P. Whearty, Assistant Attorney General, is beginning to roll from coast to coast. Testifying on January 12, 1950, before the Subcommittee on Appropriations of the House of Representatives, on the subject of Department of Justice appropriations for 1951, he said: "There is a program of extensive suits to prosecute members of the Communist Party who can be shown to be sympathetic or appreciative of its views. We prosecute them as individuals under the Smith Act. . . . If the Government is sustained in the Supreme Court of the

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United States, it will be about the fiscal year 1951 when that program will come up. That is the work load which we must look forward to as possible, and indeed very probable." When asked how many cases there would be, he answered "Roughly, 12,000."

On June 14, ten days after the Court's decision, Mr. James McInerney, Assistant Attorney General, announced that actions under the Smith Act would be begun in about forty of the country's ninety-five judicial districts. To the date of this writing indictments for "conspiracy to advocate" have been handed down in five places naming the original eleven as co-conspirators with ever-increasing groups, causing the arrests of seventeen in New York, fifteen in California, six in the Maryland-Washington area, six in Pittsburgh and seven in Hawaii—a total, with the seven leaders already in prison, of 58. Not all of those arrested are members of the Communist Party. This demonstrates in life what we Communists have repeatedly warned—that the Smith Act will start with the Communists but will rapidly spread to others.

REPEAL THE SMITH ACT!

The Smith Act is a club aimed, not only at the Communist Party, but at the entire labor movement, at all progressive, peace-striving Americans. It is aimed at the Bill of Rights. We have already seen one constitutional guarantee after an-

other junked since June 4—"freedom of conscience, speech and press;" made the basis of the charges; arrests which ignored the restrictions on "search and seizure" and the requirement of a "warrant"; arrests prior to a Grand Jury indictment which is required as a "protection of persons" and the flouting of the provisions for "protection against excessive bail." The right of the accused to "have the assistance of counsel for his defense" has been negated by intimidation of attorneys. "Cruel and unusual punishment" is inflicted by imprisonment virtually without bail, as in California and Pittsburgh, because the amounts are so exorbitant as to be beyond all possibility of raising.

Bondsmen have been put through an inquisition as to their politics, organizational ties and the sources of their dollars, calculated to make bail impossible to obtain even after reductions. The four trustees of the Civil Rights Congress Bail Fund are in jail without bail, after an ordeal of extraordinary harassment. They are virtually held as hostages in reprisal for the disappearance of some of those for whom they placed bail. A judge in Hawaii is threatened with the loss of his post because he set reasonable bail for Smith Act victims. In California, where five women and seven men have been imprisoned since July 26, the slogan has been dramatically raised by a mass protest movement: "Bail Out the Bill of Rights!"

This series of chain-reactions to the Supreme Court decision is already causing tremendous uneasiness among liberals and strong protest among workers. A realization is growing widely and rapidly that failure to fight against these Gestapo-like arrests, which are spreading like a plague, is to allow fascism to be unleashed in our country. Democratic rights, due process, "*the right to speak your mind out*" will be no more. In many forms and places the demands are increasingly voiced for reasonable bail; to stop the arrests; and to urge the Supreme Court to grant a rehearing on the Smith Act in the case of the imprisoned Communist leaders. The key to unlocking the prison doors for Dennis, Davis, Gates, Potash, Stachel, Winter and Williamson is to get rid of the Smith Act. The power to stay the prosecution of the fifty-one more already indicted and the thousands more threatened, is to get rid of the Smith Act. Thousands of individuals have spoken out vigorously against it in the past eleven years, since it was passed in 1940. If one counts members of all organizations on record—millions have opposed it. No other piece of legislation since the Fugitive Slave Law has been so universally condemned.

This led unfortunately to legalistic illusions that the Supreme Court would give heed to such a large public opinion and correct the error made by Congress in passing this monstrosity. But without a popular

and powerful mass movement of a broad nation-wide political character, no department of government or judiciary can be forced to budge. All our experience in labor defense causes of the past—Scottsboro, Tom Mooney and others, teaches us this. A rehearing must be demanded by a mobilization of everyone who has ever spoken out on the Smith Act. This demand must be heard decisively in Washington. It is the duty and responsibility of all progressive, anti-fascist, democratic forces to join in this crusade to save the Bill of Rights. Regardless of differences, it is the duty of the labor movement to unite against this forerunner of the Taft-Hartley Law—which is an abominable threat to the life of the labor movement today. We Communists, who are the post-June 6 victims of the Smith Act, are resolute in our determination to expose the real conspirators against the historic freedoms of the American people—those who constitute an actual clear and present danger to the freedom of our people, those who would substitute a Smith Act for the Bill of Rights.

We Communists, latest victims of the Smith Act, proudly reassert, in the words of Eugene Dennis on June 16:

The sole "guilt" of the Communist leaders is their advocacy of peace and social progress—their opposition to war and fascism. The Communist Party does not now advocate—and never has advocated—the forcible overthrow of

the government. It has worked—and will continue to work—for peace and democracy, for the unity of the people against the atomaniacs, against Labor's foes, and against the lynchers of the Negro people. It is solely because of this advocacy and activity that the Communist Party is today being persecuted. We warn the American people that reaction here, as in Nazi Germany, will not stop with the Communists. Reaction will try to exploit this decision not only to suppress the Communist Party but to smash the trade unions, sharpen the terror against the Negro people and stifle the growing peace movement. The Communist Party will apply to the Court for an immediate rehearing. It

is confident the millions of Americans in the ranks of labor and the Negro people, and all advocates of peace will support this demand.

The eloquent voices of Eugene Dennis and his comrades are silenced temporarily today within prison walls. But their wise words remain to inspire in us their deep faith in the people. "Come what may," Eugene Dennis concluded, "the cause of peace, democracy and social progress will continue to gain supporters and triumph over its enemies." Let us go to the people in this spirit, fearlessly and confidently.

The Issues Behind the Truman-Shvernik Exchange

By Richard Walker

THE EXCHANGE of messages between President Truman and President Shvernik was begun last July 7, with dispatch to President Shvernik of a Joint Resolution of the House of Representatives and the Senate, and a covering letter by President Truman. This resolution was introduced into the Senate by Senator Brien McMahon, and in the House of Representatives by Representative Abraham A. Ribicoff, both Democrats of Connecticut. It affirmed "That the American people and their Government desire neither war with the Soviet Union nor the terrible consequences thereof. . . . That the American people believe the Soviet Government could advance the cause of peace immeasurably by removing . . . artificial barriers. . . ." In his covering letter, President Truman merely said: "I feel sure that you will wish to have carried to the Soviet people the text of this resolution."

On August 6, the Presidium of the Supreme Soviet replied to the Joint Resolution of the United States Congress, and President Shvernik wrote a covering letter. Both were addressed to President Truman. The Supreme Soviet's Resolution observed that in the Resolution of Congress

"it is stated that the American people deeply regret the presence of 'artificial barriers' that separate them from the peoples of the Soviet Union."

"The Presidium of the Supreme Soviet of the U.S.S.R. must state," it said, "that the foreign policy of the Soviet Union does not place any obstacles in the way of friendship of the Soviet people with the American people or with other peoples, and does not create any obstacles to the establishment of business, trade and friendly relations between them. However, this cannot be said of the foreign policy that is being conducted by the organs of authority of the United States of America."

The Soviet's resolution then cited "the systematic refusal on the part of the American authorities to issue visas for entry into the United States of America to agents of Soviet culture and their expulsion in spite of permits for entering the United States of America previously received through legal channels. . . ." It then listed eleven instances of discriminations against the Soviet Union by United States authorities, including searches and seizures of Soviet ships, detention of diplomatic couriers,

picketing of U.S.S.R. premises and attacks on Soviet diplomats by "hooligans" with the connivance of the police, denunciation and annulment of the trade agreement with the Soviet Union.

"There arises a legitimate question," said the Soviet Resolution, "how to reconcile the statements contained in the resolution of the Congress of the U.S.A. regarding the necessity for the elimination of barriers in relations between the peoples of the two countries with the above-mentioned acts of the American authorities."

The Supreme Soviet then cited initiation of the North Atlantic military union "directed, it is clear, against the U.S.S.R.," establishment of a wide network of military bases on foreign territory near the frontiers of the U.S.S.R., remilitarization of Western Germany, re-establishment of Japanese militarism, the "gigantic armament program" of the United States, the "unalterable refusal" by the Government of the United States of "all proposals of the Soviet Government aimed at strengthening peace and international security."

"The Soviet people," it declared, "are daily convinced that the policy and actions of the Government of the United States of America diverge from its verbal declarations regarding the preservation of peace, and equally from the peace-loving desires of the American people. . . ." The resolution then called for deeds

to match the words. And the Supreme Soviet proposed:

1. ". . . elimination of the discrimination toward the Soviet Union in all fields of international relationships which hinder normal relations between our countries."

2. ". . . conclusion of a peace pact between the five powers, to which could also adhere other states which are striving to strengthen peace."

In his covering letter, President Shvernik amplified a number of the points of the resolution, stressing the importance of the two concrete proposals, and added: "The Soviet people has no basis for doubting that the American people do not want war. However, the Soviet people know well that there exist in some states forces which are striving to unleash a new world war, in which the circles in question see the source of their own enrichment. The peoples of the Soviet Union believe that there will be no war if the peoples take into their own hands preservation of peace and defend it to the end, unmasking the attempts of those forces which have interests in war and which are trying to draw the people into another war."

President Shvernik said he shared President Truman's opinion that "a desire for peace and brotherhood exists in the hearts of a majority of people." But he drew from this the following important conclusion: "Therefore, governments which not with words but with deeds are striving to support peace must encourage

by every means the peaceful strivings of their people."

As part of the "duty of all peace-loving peoples," President Shvernik listed "attaining limitation of armaments and the prohibition of atomic weapons with the establishment of inspection over the implementation of such a prohibition." This, he thought, could be done through a five-power pact of peace, the advantages of which would include "the possibility of lightening the burden of military expenditures which lie with all their heaviness on the peoples' shoulders," and of raising "the confidence of all peoples in the preservation of peace."

President Shvernik concluded with a pledge that "in implementing the indicated measures the American people will always find full cooperation on the part of the Soviet people, who unalterably defend the cause of peace."

These Soviet replies to President Truman and the United States Congress closed the formal exchange of messages. Since receiving the Soviet replies, President Truman, Secretary Acheson and Congressional spokesmen have commented profusely on their content. They have flatly rejected the proposals for a meeting of the five big powers to negotiate a pact of peace. They have dismissed arrogantly the Soviet proposals as a "propaganda trap" to interrupt the build-up of United States "strength." They have not dared to answer the charges contained in the Soviet "bill

of particulars." And they have projected new vague general countercharges and demands, as well as the threadbare old denunciations of "Soviet imperialism."

Yet, no organ of authority of the United States has replied formally to the Soviet proposals. President Truman, in a report to Congress rejecting the proposals and raising new bellicose demands, merely said that he intended to reply to President Shvernik sometime in the future, and would seek other avenues of communication with the Soviet people. This irresponsible treatment of the exchange, as well as the exchange itself and its context of deeds by the two governments, serves to expose the contrasting viewpoints of the Soviet Government and the Truman Administration in regard to the question of peaceful co-existence of the two systems.

WHAT WAS THE AIM OF TRUMAN'S MESSAGES?

In essence, the exchange of messages consisted of a formal assertion of a desire for peace and friendship by the Truman Administration, and a Soviet reply which proposed a concrete program for realizing the conditions of peace and friendship. The distinction between a mere declaration and a concrete proposal is important. Citizens of the United States will recall how often Truman himself has declared he is in favor of civil rights for the Negro people, lower taxes and better living stand-

ards for workers, an extension of the people's democratic liberties. But such Truman declarations have been conspicuously lacking in concrete proposals for implementing them, not to speak of the utter lack of deeds by the President and his two-party Administration to carry them out. On the contrary, Truman's words on these questions have been invariably followed by concrete proposals and deeds to achieve the very opposite aims.

In an earlier exchange of messages between the Soviet Government and the Truman Administration, the exchange of May, 1948, this distinction between vague declarations and concrete proposals was highlighted by Premier Stalin's reply to an "Open Letter" from the third-party presidential candidate, Henry Wallace. At that time, Wallace, who has now joined the war camp, in a bid for the presidency proposed a meeting between the heads of the two governments to negotiate the peaceful settlement of all questions. Stalin replied that the "great importance" of Wallace's Open Letter "lies in the fact that it does not confine itself to making declarations, but goes further, makes a serious step forward and gives a concrete program for the peaceful settlement of differences between the U.S.S.R. and the U.S.A." And Stalin added: "As far as the Government of the U.S.S.R. is concerned, it believes that Mr. Wallace's program could serve as a good and fruitful basis for such agreement

and for the development of international co-operation, because the Government of the U.S.S.R. believes that despite the differences in economic systems and ideologies, the co-existence of these systems and the peaceful settlement of differences between the U.S.S.R. and the U.S.A. are not only possible but absolutely necessary in the interests of universal peace."

The Truman Administration's reply to this statement of Stalin, if viewed in relation to the Truman-Shvernik exchange, shows that it has a consistent policy of making declarations and avoiding concrete proposals: on May 18, after Stalin's reply to Wallace appeared in the United States press, the State Department issued to the press a statement that the concrete problems enumerated by Stalin could not be the basis of a bilateral discussion between the United States and the Soviet Union, and that discussion with other countries participating had not yielded fruitful results. This was merely a way of rejecting both direct bilateral negotiations and multilateral negotiations.

Moreover, since the Truman reply to Shvernik imputed "insincerity" to the Soviet Union government, it is important to note the motivation of the Congressional resolution and the accompanying Truman letter. The record shows that the McMahon-Ribicoff resolution was submitted to the Congress and adopted by it, not as a serious move toward peace-

ful negotiation, but as another weapon of the "cold war." McMahon has served more than once as an Administration stooge authorized specifically to send up demagogic trial balloons aimed at countering Soviet proposals and the peace demands of United States citizens.

This motivation is further revealed by the comments of Truman, Acheson, McMahon and Ribicoff on the Shvernik letter and accompanying resolution of the Supreme Soviet. Truman's first response was one of gratification that the Soviet people could now "hear and read for themselves the resolution of friendship" from the Congress. The same view was voiced by Acheson. Senator McMahon expressed belief that the only reason the Soviet Government had "allowed" the Soviet people to read and hear the Truman Administration messages was because it had been "forced" to do so by the broadcast of these messages from the "Voice of America"! He demanded anew the "abolition" of the "Iron Curtain."

Rep. Ribicoff said the Soviet messages "fall far short of being an answer to the resolution of friendship passed by the United States Congress." The claim of these and other Administration spokesmen of a propaganda victory in "piercing the Iron Curtain," coupled with the denunciation of the concrete peace proposals of the Soviet government, show that the Congressional message was never intended as a step to peace, but, on the contrary, was conceived and pro-

jected as a move to facilitate the organization of war against the Soviet Union. Truman himself, in his report on the Soviet proposals to Congress on August 20, carried the perfidy and duplicity of the "friendship" resolution to a new all-time record. He said that he would be unable to ask the Congress to change the policies of the United States until the Soviet Union had given "concrete evidence" that it had ceased "supporting subversive movements in other countries" and had ceased "its distortion of the motives and actions of other peoples and governments." Yet, the McMahon-Ribicoff resolution and Truman's accompanying letter were projected with the very aim of sowing subversion among the people of the Soviet Union and of distorting the motives and actions of the Soviet Government.

The shameless hypocrisy and criminal intent of this maneuver are further revealed by the context of deeds of the Truman two-party Administration — deeds accompanying the professions of "friendship" for the Soviet people and the lack of any desire to make war against the Soviet Union. It is important to note that the McMahon proposal for unleashing this propaganda blow in the cold war was kept on ice for more than three years. The time of its release was, therefore, not simply a matter of Congressional delay and red-tape. It was released at a moment dictated by both necessity and expediency.

The latter part of June and the early part of July were marked by an unprecedented upsurge of the peoples' desire for peace, as reflected in serious setbacks for the Truman policies abroad and at home. The disruption of the Paris negotiations of the deputy foreign ministers of the four big powers had been laid irrefutably on the doorstep of Washington. The opening of the cease-fire negotiations at Kaesong, on the initiative of Soviet Deputy Foreign Minister Jacob Malik, had rebuffed the plans of the Wall Street billionaires and their political flunkies for a cheap and easy victory in Korea as a prelude to expanding the Asian conflict. At the same time, the peace movement in the United States had reached a peak in the great Chicago Conference from June 29 to July 1. This coincided with the World Peace Council's announcement that more than 500 million people throughout the world had signed the appeal for a five-power pact of peace.

In this situation, the Truman Administration acted to check and divert the peoples' demands for peace. To accomplish this, it recklessly increased its war preparations and provocations, intensified its attempts to stifle all opposition and criticism, and at the same time stepped up its efforts to conceal its real aims by propaganda and demagoguery.

June and July witnessed a number of these Truman deeds. The Administration denounced the trade treaties with the Soviet Union, a

prelude to cancelling them a few weeks later. It denied entry permits to the delegates of the World Peace Council who desired to present their peace proposals to the United Nations. It used West German police to prevent the passage of thousands of West German youth into East Germany for the World Youth Festival for Peace. It used its military police in Austria to bar with bayonets British and French youth bound for the Festival. It pushed forward the plan for a European Army based on a remilitarized West Germany. It secured new bases in France and French Morocco. It sought to force Iran to abandon nationalization of its oil. It negotiated a bilateral war alliance with the fascist Franco regime. It stepped up the arming of the fascist Tito dictatorship of Yugoslavia. It acted in violation of the Potsdam agreement to ignore the Council of Foreign Ministers and dictate bilateral agreements for a war alliance with the resurgent Japanese militarists. Its Supreme Court approved the pro-fascist Smith Act, in the wake of which its prisons closed upon seven national leaders of the Communist Party and its Department of Justice arrested seventeen Communist leaders, as the first move in a series of dragnet seizures. It launched Gestapo-like raids and arrests of newspaper editors, trade-union leaders, foreign-born leaders and others—all of whom had been among the staunchest advocates of peace. It published government docu-

ments directed against the entire peace movement. Virtually every leading Truman Administration official spoke out to douse the people's hopes for a cease-fire in Korea, warning against any let-down in the arms program and brazenly singling out the Soviet Union again and again as the future target of all their war preparations. And Truman himself, during this period, repeated to the point of tedium the charge that the Soviet Union is to blame for existing tensions and the claim that he and his Administration have no other thought in mind but peace. At the same time, Truman called for (and got in August) funds for arms, bases and "aid" to satellites amounting to \$70 billions, which the *New York Times* called "the largest peacetime military money measure of record," and which amounts to an assessment of more than \$460 on every man, woman and child in the United States!

Such was the context in which Congress adopted the McMahon-Ribicoff resolution and Truman sent it with his letter to President Shvernik. Can anyone doubt that the people of the United States, if they were fully informed concerning the intention of the Truman Administration regarding this exchange of messages, as exposed by the conditions of its conception, its timing and the reception given the Soviet reply, would be able to see more clearly who stands for peace, and who is attempting to organize war? These

aspects of the exchange provide convincing proof that the United States billionaires and the politicians of their two parties talk peace the better to organize war.

However, the people of the United States, even if convinced of this, will also demand answers to the charges made against the Soviet Union by the Truman spokesmen. So long and relentless has been the campaign of vilification of the Soviet leaders, that only the blind can fail to see that attitudes of suspicion and distrust of Soviet motives have been sown among the people. The struggle for peaceful co-existence requires the exposure not only of the forces opposed to it, but also of the falsity of their arguments.

TRUMAN'S "ARGUMENTS"

What were the arguments Truman and his aides advanced to justify their rejection of the Soviet proposals? They used numerous arguments, including petty scolding about the length of time required for the Supreme Soviet to reply to the Congressional resolution. But the major arguments may be limited to three.

In his press conference on August 7, Michael J. McDermott, press officer of the State Department, described the Soviet proposals as a "propaganda trap." He said "The Kremlin has violated obligations to such an extent that the world has lost confidence in the Soviet's respect for treaties." The following day, Secretary

Acheson told the press that "if the Soviet Union now wants to reach concrete realistic agreements, all of these objectives can be realized within the United Nations." Both McDermott and Acheson characterized the Soviet proposals as a move to check the defense preparations of the United States, to "soften up" the United States and undermine its strength.

As for the first argument, that the Soviet Government has broken its word and violated its obligations, this is an ancient canard which cannot stand the light of facts. It is usually formulated as a vague abstraction devoid of specific documentation for the simple reason that it cannot be documented. The record of the Soviet Government shows that it has a meticulous regard for observing its commitments to the letter—a regard which derives from the Socialist character of the Soviet state. This was dramatically shown in the course of World War II, when the Red Army—according to arrangements decided by Stalin, Roosevelt and Churchill at Teheran and Yalta—opened offensives to support Allied forces promptly at the hours agreed upon, and later, launched its offensive against Japan on the date fixed for it at Potsdam. This record of fulfilling its military commitments is matched in its record of diplomacy and business relations, as witness its present insistence on the strict observance of the terms of the Yalta and Potsdam agreements.

The second argument, Secretary Acheson's contention that the five-power pact of peace is unnecessary because Soviet "objectives can be realized within the United Nations," is simultaneously the most diverting as well as most hypocritical of the Truman propaganda devices. It is calculated to appeal to those who believe in the necessity for attempting to negotiate a settlement, yet harbor illusions concerning the present status of the United Nations. But the falsity and hypocrisy of this argument can be seen from the fact that it is submitted by the very people who did most to undermine the authority of the United Nations, and to subordinate it to the aims of the United States monopolists.

This sabotage of the United Nations as an effective apparatus for the settlement of differences between states was accomplished in the first place, by undermining the principle of unanimity among the big powers as the necessary condition for any such settlement. The principle of unanimity of the five big powers was recognized and honored during World War II, and in the agreements for the organization of post-war conditions reached at Teheran, Yalta and Potsdam. It was written into the Charter and embodied in the structure of the United Nations, as expressed in the establishment of the Security Council, the Council of Foreign Ministers, and the veto power accorded to the permanent members of the Security Council—

the five big powers. It was the use of this veto power by the Soviet Union which again and again prevented the Truman Administration and its bloc of satellite states from converting the United Nations into a branch of the State Department. However, utilizing its voting bloc to dominate the General Assembly and all the commissions and committees of the United Nations, the Truman Administration succeeded in by-passing the Security Council, thereby effectually destroying the veto. This was done in violation of the U.N. Charter and the General Assembly's rules of procedure.

In this way, the Truman Administration has subordinated the United Nations into an instrument for the furtherance of its policies. The consequences of this can be seen in the fact that a Washington satellite government such as Costa Rica has an equal weight and vote with India. It can be seen in the denial of its rightful seat to the Chinese People's Republic, a country inhabited by almost a quarter of the population of the world. It was demonstrated by the illegal launching of the so-called "police action" against the Korean People's Democratic Republic, and in the denial to a representative of this government the right to state his case before the United Nations. It was shown by the General Assembly's endorsement of the Pentagon plan to carry the war above the 38th Parallel. It can also be seen by the inactivity of the U.N. Atomic En-

ergy Commission, which has repeatedly stalled and shelved Soviet proposals to draft conventions providing for the unconditional prohibition of atomic weapons and for international control of atomic energy. Such are merely the most striking consequences of the Truman Administration's scuttling of the principle of the unanimity of the big five powers.

The Shvernik and Supreme Soviet proposals for a five power pact of peace have the objective of restoring this principle, and thus maintaining an open door for the settlement of differences by negotiation. Such a restoration is indispensable for peaceful co-existence of the two systems. Hence, the cynical hypocrisy of those who, having deliberately undermined this principle in the United Nations, pretend that the United Nations is the instrument for its restoration. This, also, from spokesmen of the government which, having organized an Atlantic war alliance by by-passing the United Nations, and engaged in organizing a Pacific war alliance in the same way, only a few weeks earlier had broken off the Paris talks on an agenda for a meeting of the Council of Foreign Ministers!

As for the third argument, that the Shvernik proposals were a "trick" to check the build-up of United States "strength," the answer is that it is not the Soviet Union or any other foreign government which is destroying the "strength" of the United States, but the Truman Administra-

tion itself. For the war program of the Truman Administration, while increasing the size of the armed forces, equipping them with the newest and most lethal weapons, and securing strategic bases around the world, is at the same time sharpening all the contradictions within the United States and between the United States and other peoples and countries. The appearance of great strength is belied by the intensification of the class struggle, and the struggles of the Negro, Puerto Rican and Philippine peoples for national liberation. It is belied by the speed with which the Truman Administration is resorting to fascist measures, as the final recourse of the billionaire monopolists in the face of the mounting struggles of the peoples for peace, decent living standards and freedom. It is belied by the reckless and utterly shameless policy of forming alliances with the most brutal, bloody fascist governments and forces, whose divorcement from the peoples of their own countries can be measured by the repressive measures and armed forces required to keep them in office.

These arguments against the Soviet proposals betray the inescapable dilemma of the United States billionaires. Their greed for profits impels them to organize war, and they embrace the illusion that a war economy will overcome capitalist crisis. Yet, their efforts to organize war hasten the isolation of the United States and force the peoples of the world, including growing sections of the

American people, to mobilize against them. The imperialist rulers of our land have embarked on war, for they do not dare to allow peaceful competition between capitalism and Socialism. As Eugene Dennis, general secretary of the Communist Party, wrote shortly before Truman imprisoned him: "The Goliath of Wall Street is terrified at the prospect of peaceful co-existence with the Soviet Union. He is afraid to let the American people judge the results of peaceful competition between capitalism and Socialism, between monopoly domination and working-class rule."

However, in choosing this path, the billionaires and their politicians cannot avoid exposing their real aims. One who organizes war cannot be for peaceful co-existence, since the very advocacy of concrete proposals to achieve peaceful co-existence precludes an aggressive policy to impose one's own system on another country.

IS PEACEFUL CO-EXISTENCE STILL POSSIBLE TODAY?

In view of this situation, the question arises whether a struggle to achieve peaceful co-existence of the two systems has any real chance of victory. The answer is a positive yes. Even at this late date, despite the aims and policies of the Truman Administration and its Republican "opposition," the people of the United States, in alliance with the world peace camp, have the power to im-

pose peace.

This peace camp is capable of imposing on the war-makers conditions that deprive them of the initiative, upset their timing and compel them to carry out their provocations under the most adverse circumstances, in areas most unfavorable to their designs. The development of this peace camp, headed by the Soviet Union, has thus far stopped the war-makers from launching an atomic war, and has administered a series of rebuffs to them in Asia, Europe and Africa. However, all of this does not prevent the war-makers from inciting provocations and igniting conflicts of a local character, from attacking small nations and colonial peoples, and from the attempt to form alliances and aggressive blocs to precipitate a global war.

The people of the United States can and must stop the United States billionaires from attempting to carry out their "grand design" of a third world war.

As Dr. W. E. B. Du Bois said at the time of his indictment as a "foreign agent," it is not true that to work for peace is treason. Nor will it ever be true. For working for peace is the highest patriotism, the noblest

kind of loyalty to the people of the United States.

For the people to impose their will on the government, it is imperative that the peace forces of our country solidify their ranks in a broad, nationwide front embracing the workers in the shops, the Negro people and their organizations, the farming masses, the urban middle classes, to organize and act for peace. It is only if the people take this issue into their own hands that peace can be won.

On every issue that arises the struggle for peace must be waged. In the preparations for the 1952 elections the people's forces must be alerted to put forward and work for the election of candidates dedicated to the cause of peace. Pressure on Washington must be intensified by demonstrative actions of the masses, for a cease-fire in Korea and the negotiation of peace, for the recognition of the People's Republic of China and for abandonment of its war-incendiary policies. This power of the people of the United States to act decisively on the question of peaceful co-existence imposes on them, and primarily on the working class, the biggest responsibility in the central struggle of our day—the struggle for peace.

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The War Economy and Living Standards

By Michael Bianca

LAST YEAR Alexander Bittelman wrote in *Political Affairs* (October 1950) that "the kind of world war which Wall Street is preparing and to which it is driving *will demand the diversion of most of the material resources of the United States to the carrying on of actual warfare and to penetrating and conquering for Wall Street the economic life of the rest of the world.*"

The ensuing months have demonstrated the accuracy of this analysis. Indeed, for Wall Street, one of the most important causes and results of the Korean adventure was the stimulus it provided for forcing the nation onto the road of a war economy. Strong economic crisis factors had become evident in the latter part of 1948 and were accumulating through 1949 and 1950.

With the launching of an armaments economy, Big Business hoped to keep things going by a system of government-guaranteed high profits; government-protected investments; a "stable" market provided by government purchases and foreign adventures; accelerated export of capital to find an outlet for the annual net of

\$100 billion in profits, dividends and other property income; and government measures for placing new burdens on the people—the working class and Negro people in the first place—through depressing their real income, increasing taxation, speedup, etc.

But President Truman and the reformist labor leaders could never "sell" this kind of program to the masses if its real purposes were revealed. Therefore, they have resorted to heavy doses of demagoguery. Their principal claims have revolved around the propositions that an armaments economy means work for all and the by-passing of an economic crisis, and increased standards of living. These claims are based on the idea that the economy of the U.S. can afford both guns and butter.

Thus, President Truman, in his mid-year economic report to Congress, declared: "We can carry forward both the domestic and the foreign aspects of our total security program, and still maintain domestic consumption and business investment at high levels." He made the statement even as, in the same report, he announced a goal of diverting 20 per

cent of total production to armaments in a year's time.

The barbs which Stalin aimed at Prime Minister Attlee in his *Pravda* interview of February 16, 1951, could also be applied to President Truman. Stalin declared:

If Prime Minister Attlee were competent in financial or economic science, he would have realized without difficulty that not a single state, the Soviet Union included, could develop civilian industry to the full, launch great construction projects like the hydroelectric power stations on the Volga and Dnieper and the Amu Darya (Oxus), which demand scores of hundreds of thousands of millions in budget expenditure, continue the policy of systematic price reduction for consumer goods which also demands scores of thousands of millions in budget expenditure, invest hundreds of thousands of millions in the restoration of the national economy destroyed by the German invaders, and together simultaneously with this multiply its armed forces and develop war industry.

It is not difficult to understand that so reckless a policy would have led any state to bankruptcy.

Prime Minister Attlee should have known by his own experience as well as by the experience of the United States that the multiplication of a country's armed forces and an arms race lead to developing war industry, to curtailing civilian industry, to stopping great civilian construction work, to increased taxation, to a rise in prices for consumer goods.

Facts, as we shall see further, prove

that Stalin was correct and that Truman was making a fraudulent claim in asserting that the economy of the U.S. could produce more guns and more butter at the same time.

WAR ECONOMY AND DEPRESSION

But first, what about the claim that a high-armaments economy will avoid a new economic crisis?

In his report to the 18th Congress of the Communist Party of the Soviet Union (B), on March 10, 1939, Stalin dealt with that question in this manner:

For what does placing the economy of a country on a war footing mean? It means giving industry a one-sided war direction; developing to the utmost the production of goods necessary for war and not for consumption by the population; restricting to the utmost the production and, especially, the sale of articles of general consumption—and, consequently, reducing consumption by the population and confronting the country with an economic crisis.

After two years of constantly increasing war expenditures, the economy of the U.S. is already exhibiting the weaknesses to which Stalin referred. Cognizant of this, Washington's "solution" consists of still greater armaments appropriations, further war provocations and sharper attacks on the living standards and rights of the people.

Unemployment has again begun to

increase particularly among the Negro people and primarily in consumer industries. This has been mainly due to the decreased purchasing power of the masses as well as the diversion of basic raw materials away from consumer industries.

Various government agencies have recently been compelled to note the emergence of many areas with large unemployment. The Bureau of Employment Security noted on August 7, 1951, that there were 98 areas in the U.S. with a high number of jobless workers, including Detroit where 200,000 auto workers are estimated to be out of work. Virtually all of the areas were centers producing consumer commodities—textile, auto, television and radio, refrigerators, furniture.

Government figures on unemployment have long been treated with a good deal of cynicism by labor economists. Occasionally even business publications admit their distortions. The Bureau of Labor Statistics listed total unemployment for July as 1,856,000 compared to 1,980,000 for June. Anyone familiar with the labor scene knew there were many more out of work in July than in June. The B.L.S. accomplished its statistical legerdemain by not including in its estimate workers whom it considers to be "with a job but not at work." These are mainly workers who have been laid off in the period covered by B.L.S. estimates. Thus, *Business Week* noted on August 11: "By definition, a person laid off but

expecting to be recalled isn't jobless. And July was a month of layoffs."

This category of workers is usually larger than the total of unemployed listed by the B.L.S. In May 1951, the last month for which a breakdown is available at this writing, the B.L.S. listed 1,609,000 totally unemployed but gave the figure of 1,697,000 as "with a job but not at work"—actually a total of 3,306,000. If we add to this the 2,071,000 workers listed as working 1-14 hours a week, we get a minimum of 5,377,000 who for all practical purposes were unemployed in May 1951. The figure is known to be much greater for July.

Unemployment in an economy based on increasing armaments expenditures is not always a decisive barometer, however. The essential factor is the sharp attack on the living standards of the people. As Stalin pointed out, an arms economy inevitably leads "to a rise in prices for consumer goods" with consequent new hardships for the people.

One of the main reasons is the forced curtailment of consumer production. The C.I.O. *Economic Outlook* for July 1951 estimates that "goods and services left over for civilians" will be smaller in the second quarter of 1952 than in the second quarter of 1951, even though total output may rise. The *Economic Outlook* arrives at this conclusion by estimating that total production cannot rise sufficiently to take up the difference between "defense expenditures" of \$35 billion in the second

quarter of 1951 and \$65 billion in the second quarter of 1952.

It is safe to say that the C.I.O. *Economic Outlook*, a strong advocate of the Truman war program, takes an extremely conservative approach. The 20 per cent of total output which Truman set as the goal for military allocation will mean a much greater restriction for consumers and add new spurs to inflation.

This is best indicated in the production of steel. Steel is the basic raw material of any modern economy. The same issue of the *Economic Outlook* points out: "There is growing competition for the available raw materials and productive facilities. Our available supply of steel in the third quarter of this year, for example, is 21 million tons, while the various government agencies and private companies requested a total of 29 million tons." The editors of the *Outlook* have no complaint about this situation other than urging a better system of allocations under the Controlled Materials Plan (C.M.P.). They are quite prepared to have the workers accept greater burdens for the war program.

What is true for steel is true in varying degrees for all other essential industrial items and inevitably means, as Stalin pointed out in 1939, "restricting to the utmost the production and, especially, the sale of articles of general consumption—and, consequently, reducing consumption by the population and confronting the country with an economic crisis."

Its first consequences add up to sharply increasing prices on necessities, especially food, falling real wages, accelerated speedup, increased taxation, drastic cuts in all government welfare items, falling farm income, a squeeze on small business and particularly increasing hardships for the Negro people.

Prices, even according to the very inadequate Consumers Price Index of the Bureau of Labor Statistics, had risen nine per cent by mid-June 1951 over pre-Korea levels. The steepest rise took place in food, where the retail price index showed a jump of 12.5 per cent in the same period.

The inadequacy of the B.L.S. price index has been admitted by nearly all labor economists and even by some government officials. In an analysis of the index, the United Electrical, Radio and Machine Workers proved that the cost of living for workers really rose 162 per cent between 1939 and January 1951 whereas the B.L.S. index showed a rise of only 83 per cent in the same period.

But the price increases that have taken place up to now will look like minor changes compared to what is expected under the new "control" laws and as a result of diversion of a still greater part of the economy to arms production. Under the Capehart amendment to the "controls" law, owners of industry are now permitted to raise prices every time there is an increase in costs. President Truman, with typical demagoguery, has sought to appear as the

advocate of real price controls, blaming all price increases on Congress. The fact is that even under the old "controls" law, Truman never used all the powers he had to hold down prices.

The importance of a real price index for labor is pointed up by the fact that government-sanctioned wage levels are tied to the B.L.S. consumers price index. The fact that the B.L.S. index does not reflect the real rise in living costs means that the workers will be tied to a falling standard of living under union "escalator" clauses and under the pay raises permitted by Economic Stabilizer Eric Johnston.

Johnston has permitted wage raises totalling 12 per cent from the base period January 1950. But even the B.L.S. food index shows a rise of 16 per cent between January 1950 and May 1951. The U.E. has pointed out that if any workers in 1939 had tied their wages to the B.L.S. index, they would today be living on a standard 30 per cent below 1939—a depression year. As it is, in the U.E. analysis, real hourly wages between 1939 and January 1951 showed a decline of 6.5 per cent. Even the B.L.S. *Monthly Labor Review* (July 1951) admitted that average real wages were lower in April 1951 than they were in June 1950.

Net spendable average weekly earnings for a worker with three dependents in terms of 1939 dollars, according to the B.L.S., were \$33.03 in April 1951, as compared to \$33.21

in June 1950. This figure includes overtime, of which there was much more in 1951 than in 1950.

Coupled with the rise in prices and sharp drop in real wages is an unprecedented rise in speedup. In such industries as auto and steel, speedup has been the cause of one walkout after another in the past few months. The *Journal of Commerce* estimated an overall rise in "productivity" of "some five per cent" between May 1950 and May 1951. This compares with a normal yearly rise of three per cent. The rise in consumer industry was estimated by the *Journal of Commerce* at 10 per cent. A B.L.S. release (August 16, 1951) admitted an unprecedented increase in output per man hour in 1949-50 for 24 out of 26 industries surveyed, ranging from seven per cent in bituminous coal, to 19 per cent in rayon and other synthetic fibers, and 22 per cent in bee-hive coke.

No analysis of real wages is possible without taking into account the unprecedented tax load. Between 20 and 25 per cent of wages are now siphoned off into Federal, state and local taxes, with the biggest bulk earmarked for expenditures connected with war preparations. Even more will be taken off in taxes under the new bill before Congress at this writing. The U.E. showed that a worker with a wife and two children who earns \$65 a week or \$3,300 a year must now pay \$720 in taxes. The new bill would raise it to be-

tween \$730 and \$750.

The great weight of this tax load for the workers is even more clearly demonstrated when it is realized that the B.L.S. has estimated that the "necessary minimum" standard of living for a couple with two children is \$3,700. Actually 53 per cent of all American families get less than \$3,000 a year and one-fourth, 10.5 million families, get less than \$2,000. And the special oppression of the Negro people is shown in the fact that the median annual income of the Negro family is under \$1,600.

In contrast to this are the tax favors granted the big corporations, such as the accelerated depreciation plan, under which tax concessions have been given on over nine billion dollars in new—and profitable—investments. Despite the phony excess profits tax, corporate profits keep hitting new highs.

While the fall in real wages, the rise in prices of necessities, accelerated speedup and heavier tax loads have meant a worsening of the conditions of the working class, the government has increased the burden by reducing to near zero all budgetary appropriations for social progress and welfare. A greater percentage of the total budget is now earmarked for war, war preparations and the aftermath of war than in 1941, the first year of real mobilization for World War II. In 1941, 61.2 per cent of the total budget was set aside for that purpose and 21 per cent for social security, housing and labor. For

the fiscal year 1952, 87.6 per cent goes for war, war preparations and the aftermath of war, while only 9.5 per cent goes for housing, social security and labor.

Despite the continued severe housing shortage, again most acute among the Negro people, there was an absolute drop in the number of housing units started between May 1950 and May 1951. New permanent non-farm dwelling units started, according to the July 1951 issue of the Commerce Department's *Survey of Current Business* fell from 149,100 to 97,000 between May 1950 and May 1951. New urban dwelling units in the same period dropped from 92,086 to 57,327; privately financed units from 88,814 to 54,302; and publicly financed units from 3,272 to 3,025. Added to this are the decontrol of rents in such large areas as Los Angeles, the weakening of rent laws and evidence that rentals will be permitted to rise 20 per cent in the next year.

The workers and the Negro people have not been the only ones hit by the press of the arms economy. Realized net income of farmers dropped 25 per cent between 1947 and 1950, with the share of total national income going to farmers falling from 9.6 per cent in 1947 to 6 per cent in 1950.

BUSINESS AND THE WAR ECONOMY

Small business has also been caught in the squeeze. *Business Week* (June

9, 1950) admitted that "79 per cent [of war contracts] will go to so-called big business," *i.e.*, firms with 500 or more employees. With the bulk of arms contracts going to the trusts, and caught between rising costs and lower consumer purchasing power, it is no wonder that small businesses are folding up at an increasing rate. The July *Survey of Current Business* notes that in the three months ending December 1950 the total of discontinued businesses exceeded the total of new businesses while it was the other way around in the three months ending June 1950.

The arms economy, with its depression of conditions and income for workers, farmers, and small business, has naturally brought a bonanza of profits for Big Business. Rates of profit in 1950, according to the Federal Trade Commission, were nearly twice those of 1940—jumping from 17.3 to 31.7 per cent in auto, 14.4 to 23.7 per cent in industrial chemicals, 8.6 to 17.9 per cent in rayon, 11.7 to 21.3 in flat glass and glassware, 6.7 to 14.3 in oil refining.

But this increase in the rate of profit is moderate when compared to the rate on investments abroad. And it should be remembered that a basic purpose of the arms economy and war preparations is to open the entire world to Wall Street's investments. Victor Perlo in his *American Imperialism* (International Publishers) compares typical rates of profits on domestic and foreign investments

for a few big corporations in 1948. For Standard Oil (N. J.), it was 11 per cent domestic, and 33 per cent foreign; General Motors, 25 per cent domestic, 80 per cent foreign; Anaconda Copper, five per cent domestic, 13 per cent foreign; Firestone Rubber, seven per cent domestic, 26 per cent foreign.

The Korean war also meant a sharp increase in domestic investments, which had been steadily declining until then. Between 1948 and 1949, total gross private domestic investment, including inventories, declined 23 per cent, from \$43.1 billion to \$33 billion. In 1950, however, total gross domestic investment, spurred by governmental high profit guarantees, rose to \$48.5 billion.

The narrowing home market, due to the steady impoverishment of the masses of people and the restriction of consumer industry has begun to be reflected in over-all production figures. For the first time since the beginning of the Korean war, the Federal Reserve Board's index of industrial production registered a sharp downturn in July 1951. The drop was due mainly to curtailment in consumer industries. A breakdown of the index, however, during the period that it was rising on an over-all basis, shows that consumer industries had begun to fall off several months ago.

The contradictions of American imperialism have been rendered even more intense as a result of the marked decline, despite Marshall Plan ballyhoo, of U.S. exports which

in 1950 were 17.3 per cent below the 1949 figure and 33 per cent below the postwar high level of 1947. Curtailment of trade with the U.S.S.R., the Peoples' Democracies and China have aggravated this situation.

From the foregoing it is clear that the economy of the U.S., although it has scarcely passed beyond the initial stages for a war economy, is already exhibiting crisis features. The facts of daily life are refuting those, including the Right-wing labor leaders, who have claimed that the alternative is a war economy or an economic crisis.

The fact is the American people are being brought face to face *with a war economy and an economic crisis*. For a war economy means an even more rapid polarization of tremendous profits for the few and poverty for the masses. It means "restricting to the utmost the production and, especially, the sale of articles of general consumption — and, consequently, reducing consumption by the population and confronting the country with an economic crisis" (Stalin).

And in this article we have limited ourselves to the material costs to the people in consequence of the war economy, while actually, of course, the greatest "cost" is in the precious lives that are cut off and in the torment of the families of the war-murdered and maimed, sacrificed on the altar of Wall Street.

What the people, especially the

working class, want and need is a peace economy in which billions can be allocated for useful projects—such as housing—rather than for war. The people want and need an economy in which there can be a constant rise in the production and sale of consumer goods.

Of course, neither a peace economy nor a war economy can prevent the outbreak of economic crises so long as capitalism exists. But it is possible in a peace economy, with great construction projects—housing, schools, flood control, etc.—to mitigate the effects of such a crisis and to ease some of its impact on the working class. It cannot be done under a war economy which adds new and ever-increasing burdens on the people in the form of higher prices, greater taxes, speedup and which causes increasingly devastating economic crises.

While this is the picture in the U.S. and in the Marshall Plan countries, the opposite is true in the Socialist countries where tremendous peace time construction continues to take place and where the standard of living continually goes higher. In one year of war in Korea the purchasing power of the dollar has dropped by 14 per cent. The consumer dollar today is worth 534 cents in terms of 1935-1939, while the retail food dollar is worth only 44 cents. In the Soviet Union, on the other hand, the purchasing power of the ruble was never greater. Living costs have fallen by more

than 50 per cent since the end of World War II as a result of price cuts and ruble revaluation.

THROUGH MASS STRUGGLE TO PEACE

The American people, though confused on the over-all issue of peace, are in no mood to accept the economic burdens of a war economy. The government-imposed wage lids have not prevented strikes over wages from breaking out in virtually every industry. Strikes and stoppages against speedup occur almost daily in auto, steel, and other industries. Rent struggles, meat boycotts, picket lines against high prices are increasing in all parts of the country. Protests against the heavy taxes are heard wherever workers come together. Action is being demanded from the labor leaders on the issue of growing unemployment—such as the demand by Carl Stellato, Ford local president, for a national U.A.W. conference on layoffs and unemployment.

Coburn Walker, president of the Chevrolet local in Flint, has sent out another call, for a national conference on the U.A.W.-G.M. escalator clause. At this writing 11 U.A.W. locals have responded favorably.

The leaders of the A. F. of L. and C.I.O. in continuing to tie themselves to government boards and the war apparatus are more and more isolating themselves from their own membership. This was recognized by

John L. Lewis in his Detroit speech on June 23, on the occasion of the tenth anniversary of Ford Local 600 of the U.A.W. He lashed out at the escalator clauses and the governmental wage formula, challenging the "profoundly intellectual union leaders" to "pay attention to the bread and butter needs of their members."

The *United Mine Workers Journal* followed this up with an editorial on August 15, warning that the economy "is being whittled down to an austerity to be followed by bankruptcy." Lewis, in Detroit, proposed pooling of the resources of labor for a new fight for wage increases and other economic gains.

There is no doubt that Lewis' proposal struck a responsive chord among millions of workers, especially for united action on wages. But in scorning action on the legislative front as well as on the issue of prices and rents, Lewis ignored a very vital sector of the economic struggle. What needs to be mapped out by the forces of labor, and its progressive section in the first place, is a fight for a rounded economic program, centering on wages, speedup, prices, rents, taxes and against Jim Crow (F.E.P.C.). It is a fight to be conducted by labor together with tenants and consumer groups, Negro organizations, especially the Negro Labor Councils, and farm organizations.

Indications have been manifold in the recent period that the people—the workers, farmers, consumers, tenants, the Negro people—are in an

angry mood over the attacks on their living standards. They have been protesting and are prepared to struggle in united fashion against the war profiteers and their agents in Washington.

Communists and progressives everywhere should be in the forefront of this struggle, helping to organize it and giving unstinted assistance. The deepest needs of the American people require such a struggle and those who lead it are the truest patriots. The potential of this key sector in the struggle against war was seen recently in Spain where the Franco regime received its first major blow in many years with the general strikes against the high cost of living.

In the words of the appeal to the American people made by the National Committee of the Communist Party on August 21:

"Demand an end to the wage freeze and an organized struggle for immediate wage increases.

"Demand immediate price and rent control.

"Cut the taxes of the low-income people. Let the profiteers pay for Wall Street's war program.

"The united action of the people, Negro and white, and of all political or religious affiliations, through demonstrations, meat boycotts, picket lines at the big profiteers and an exposure of the conspiracy of the war profiteers, is needed now. Raise this in your shop and on the union floor. Arouse every community. Speak out at every organization.

"The voice of the people must be loud enough to be heard in Washington and in the offices of the big trusts.

"Americans want peace and a return to a peace economy."

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Draft Program of the Communist Party of India

The Communist Party of India has issued the following statement to the Press:

*The Political Bureau meeting of the Communist Party of India held recently adopted, after a long discussion, a fundamental program for the Party, which enunciates anew its aims and objects. It also decided to reorientate radically its tactical line in view of the recent discussions among its members. The program is being released to the ranks.**

1) When the British imperialist rulers of India established the Government of the leadership of the National Congress, in Delhi, in August 1947 and the hated British Viceroy and Governors departed from this country, the people of India were led to believe that foreign imperialist rule was at an end, that India had achieved independence and freedom, and that now the Government and the people could work out a happy life for the millions of our countrymen, with our resources of land and labor, our factories and workshops, our immense natural wealth and manpower. We could now set to work gradually to overcome our poverty and guarantee food, housing, clothing and the minimum decencies of life to everyone.

* Published as a pamphlet by the Communist Party of India, Bombay, Spring, 1951.

2) Four years of the Nehru Government in power has belied the hopes of the masses in every respect. Experience has led them to the conclusion that the Government of the National Congress that rose to power on the basis of the heroic struggles of the masses was installed there by the consent of the British imperialists, because it was a Government already pledged to the protection and preservation of foreign British capital in India, to protection and preservation of the parasitic landlords and the wealth of the Princes of India, who for centuries had supported the foreign invaders and jointly with them robbed our people and our country. Hence, in every sphere of the life of the masses, the Government has failed to carry out its promises to the people. Everyday life for the masses has worsened and life for the landlords and profiteers has become more and more enriched, at the expense of the people.

3) The five million workers manning our factories, railways, mines, shipyards, plantations, etc., are suffering from lower real wages, rising prices, capitalist rationalization and unemployment. Their struggles for better wages and conditions are drowned in blood by shooting and police terror. Their fighting trade-union organizations are disrupted, divided and suppressed by the Government and its henchmen. Demanding increased pro-

duction in the name of the people, the Government only imposes worsened conditions of labor on the working class, enabling the profiteers to increase their profits alone.

4) The millions of our peasants constituting eighty per cent of our people are ground down as before. Those who have land and can cultivate it, their fruits of labor are looted by the landlord and the moneylender, through exorbitant rents and interests, and by the maneuvers of the capitalist market and taxes of the state. But three-fourths of the peasantry have practically no land of their own. Those who have no land and find no work live in conditions of perpetual pauperism. And those who do find work on the landlords' and *sowcars'* (moneylenders) estates, as agricultural laborers or poor tenants, have to work like serfs and slaves, hardly getting even a subsistence wage for the family. As a result, production of food and industrial raw materials is falling, leading to the worst food crisis in the country and starvation and death of millions. While the Government run by the landlords and profiteers shouts about abolition of landlordism, it only hatches schemes of compensation of millions of rupees to those oppressors of the people, to enable them thus indirectly to realize their rent through the state from the toil of the peasant. The struggles of the peasantry for land, for reduction of rent, interest and taxes are also drowned in blood, along with the struggles of the working class. Whole villages, *talukas* and districts are handed over to military and police occupation, because the poor peasants and landless laborers have dared to ask for land, for reduction of rent and reduction of interest and for increased wages and the establish-

ment of better conditions.

5) The middle classes in the towns are faring no better. High cost of living, falling salaries, and unemployment are their lot too. The middle-class wage-earners in Government service and private offices, banks, insurance companies, in schools and colleges, are faced with the same problem of life as the working class and the toiling peasantry.

6) Even the industrialists, manufacturers and traders are hit by the policies of this Government which is totally in the grip of monopoly financiers, landlords and princes and their foreign British advisers, working behind the screen. Allocation of capital issues, raw material, transport, import and export licenses, etc., is carried out by the bureaucrats in the Government machinery in such a way as to hit the small industrialists and traders and benefit the big monopolists in league with the banks and syndicates of foreign firms.

7) The schemes of "reconstruction," of building irrigation, hydro-electric stations, factories, etc., whether directly by the state or in partnership with private capital, are all foundering, except such as feed war purposes. They are turning out to be the means of looting the state budget by foreign firms of experts and supplies, by high-placed bureaucrats in charge, and big speculators on the Stock Exchange. The demand for nationalization of industries, promoted by the looting of the people by blackmarketeers, is used to swindle the state budget by making it acquire bankrupt or worn-out units or participate in bogus schemes, which invariably fail and are then sold out to the Government henchmen and private capitalists. The result is that industriali-

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zation of the country—which is held at the mercy of the British and the Americans and who certainly are not interested in making India an industrial nation—is making no headway in the hands of this Government which is tied to the chariot-wheels of British capital.

8) And whatever industries exist, are continually finding themselves in a crisis, because the growing poverty of the masses, especially the peasantry, does not give them an adequate market inside the country. Outside as well as inside the country, they come up against the competition of foreign firms and other imperialist masters of the colonial world and thus find themselves in a deadlock.

9) On top of all this comes the fact that this tottering Government in order to keep itself in the saddle, faced with the rising discontent of the masses, suppresses all civil liberties of the people, outlaws political parties and groups, bans trade unions and other people's organizations, imprisons thousands of workers, peasants, students, men and women in prisons and concentration camps. The supreme ruler becomes the police official and the bureaucrat, helped by the local Congress leader and landlord. No wonder that to maintain such a police state, the burden of taxes increases and more than fifty per cent of the state budget is spent on military and police, prisons and the bureaucracy and not for food and clothing, homes and education, health and sanitation for the people.

10) The people of India are gradually realizing the meaning of this state of affairs and are coming to realize the necessity to change this Government of financial sharks and ment of landlords and princes, this

speculators, this Government hanging on to the will of the British Commonwealth, the British imperialists. The disillusioned masses are slowly rising in struggle, no longer able to withstand this state of slow starvation and death. They are rising in struggles of the working class in towns and the resistance of the peasantry in the countryside.

11) In order to prevent this growing unity of the people, mainly the unity of the working class and its alliance with the peasantry, the unity of all classes that are interested in ending this Government of landlords and princes and big business, collaborating with the British imperialists, the present Government is utilizing other means apart from police repression.

12) Knowing the desire of the masses to make our country completely independent of British imperialism, the Government has proclaimed India a Republic. But unwilling really to break away its ties with imperialism, it has shamelessly proclaimed the Republic to be a part of the Empire!

The membership of the British Empire is not merely a formal matter, as is declared. While playing on the rivalries between England and America to its own advantage in certain circumstances, the Government of India essentially carries out the foreign policy of British imperialism. Though it speaks for peace and against the atomic bomb under pressure from the people, who do not want war and want peace, it has not hesitated to send help, even though nominally medical, to the American troops in Korea; it has allowed British imperialists to recruit Gurkhas and Sikhs for the suppression of the Malays' fight for independence; it has allowed landing bases for the

French planes in India on their way to fight against the People's Republic of Viet Nam. The Indian Navy operates as part of the British Navy and under British command and the keys to the military technique of the Defense Department of the Government are held and moved by British advisers. If the independence of the armed forces of a country is the sign of its sovereignty and independence, then the key part of our independence is still left in the hands of British imperialism.

13) The British imperialists before covering their rule with the mantle of the new Congress Government drowned the country in Hindu-Muslim strife and massacres and then divided the country into the two states of India and Pakistan. The imperialists thereby weakened the economy of India in agriculture and the economy of Pakistan in industry. They thus put both the states at loggerheads and undeclared war with each other and dependent on the so-called "neutral Third Party," the imperialists.

The division of the country enabled the Congress Government to drown the just demands of the people in a hysteria of Hindu-Muslim war. It enabled the Government to spend on armaments the money which could have been used to improve the conditions of the people. It enabled them to buy armaments from the British imperialists who desired nothing better than to sell their second-hand goods and services in exchange for their sterling debts to India and Pakistan, and to deprive our people of supplies of machinery and essential goods.

14) The division of the country and communal religious strife was used to drown the demands of the various nationalities of India for their free devel-

opment, for the reconstitution of the former mixed British provinces and the Princely States into autonomous linguistic provinces in a United India. In the name of a united country, the language of one province, namely, Hindi, was declared an obligatory state language for all nationalities and states, to the detriment of their own national language. Vast areas and millions of people of one nationality are compelled to live under the rule of bureaucrats and governments dominated by another nationality. Large tribal areas, with their own economy and culture, are put at the mercy of the landlords and financial sharks of this or that alien group, thus actually sowing division and discord among the people.

15) In order, finally, to come forward as a Government of the people, after spending millions of the people's money on wrangling in Legislative Houses, the Government produced what it calls a democratic constitution and in terms of that constitution calls upon the people to elect a Government of their own choice and realize the fundamental rights given under the constitution. Thus the people are told that they can end the present rule of autocracy if they so desire and work their freedom through this "democratic" constitution of the free Republic of India.

16) While it is a fact that universal adult franchise now exists in the constitution of India and it can and will be used by the people, it is a deception of the people to say that elections alone under this constitution can end the landlord-capitalist rule in the country and the imperialist hold over its life. Adult franchise serves to gauge the maturity of the working class and the people and is formally an element of democracy but it cannot express the

true will and the true interests of the exploited masses so long as the land is not the property of peasants but that of the landlords, so long as the power of landlords and capitalists holds the people in subjugation in fields and factories, so long as the power of capital over the press and means of propaganda drugs the people with lies, so long as the power of money utilizes religious and caste frictions and rivalries to divide and to weaken the people, so long as the bureaucrats and the police ban political parties, suppress civil liberties and even imprison without trial elected representatives of the legislatures for their political opinions and for their honest work.

17) It is also a deception of the people to say that under the new constitution the masses or the Government elected by them can work their way to freedom and happiness. The constitution guarantees no rights to the people which are enforceable in any way or which are not subject to violation by the emergency autocratic decrees of the bureaucracy, which is irremovable and inviolable. The right to strike, to a living wage, to work and rest for the working class and salaried employees is not guaranteed and made enforceable. The land of the landlords and the properties and incomes of the dethroned or enthroned princes are made inviolable. The landless peasant can have land, it appears, only if he can buy it or compensate the landlord for it. But to buy land and to pay compensation, capital is needed and tens of millions of poor peasants who live from hand to mouth have no capital. Therefore, the poor peasants have to stay without land and continue their existence in poverty. It is characteristic that by several treaties with Britain and America, the Govern-

ment has made the property of foreign holders in our country sacred and inviolable, having provided them with such guarantees that even their profits cannot be touched and have to be let out of the country in the way they like. And this at the time when the Government refuses to guarantee the citizens from the club-law of the police officers and from the plunder on the part of the moneylenders and profiteers.

Thus, while the stranglehold of landlords, princes and imperialists on our economy, land and capital is guaranteed by this constitution, not a single item of the life and liberty of our masses is guaranteed, beyond stating them as pious illusory wishes. The constitution is not and cannot be called a true democratic constitution, for it is the constitution of a landlord-capitalist state, tied to foreign imperialist interests—mainly British.

18) It is quite natural that in view of the described terrible conditions dooming the people to poverty and lawlessness, the masses have lost their faith in the present Government, are becoming deeply distrustful of it and begin to consider it their enemy who is protecting the landlords, moneylenders and other exploiters against the people. Moreover, the masses openly voice their discontent and revolt in several provinces against the inhuman regime of the present Government and are seeking out ways to substitute for this Government a new People's Government capable of expressing the will and interests of the people, capable of protecting them against the oppression of landlords, capitalists, profiteers, moneylenders and foreign imperialists.

19) Faced with these facts, the Communist Party of India feels it its duty to come to the aid of the people and to

outline the practical tasks, the practical program which the Communist Party of India upholds and which should be put into effect by the working class of India if they wish to come out of the deadlock into which they have been forced by the present Government, if they wish to attain their freedom and happiness.

In the present stage of our development, the Communist Party is not demanding the establishment of Socialism in our country. In view of the backwardness of the economic development of India and of the weakness of the mass organizations of workers, peasants and toiling intelligentsia, our Party does not find it possible at present to carry out Socialist transformations in our country. But, our Party regards as quite mature the task of replacing the present anti-democratic and anti-popular Government by a new Government of People's Democracy, created on the basis of a coalition of all democratic anti-feudal and anti-imperialist forces in the country, capable of effectively guaranteeing the rights of the people, of giving land to the peasants gratis, of protecting our national industries against the competition of foreign goods and of insuring the industrialization of the country, of securing a higher standard of living for the working class, of ridding the people of unemployment and thus placing the country on the wide road of progress, cultural advancement and independence.

What are the practical tasks which, in the opinion of the Communist Party of India, should be carried out by the new People's Democratic Government?

The tasks are as follows.

In the Field of State Structure

20) The sovereignty of the people,

i.e., the concentration of power in the country in the hands of the people. The supreme power in the state must be vested entirely in the people's representatives who will be elected by the people and be subject to recall at any time upon a demand by the majority of electors, and who shall constitute a single popular assembly, a single legislative chamber.

21) The restriction of the rights of the President of the Republic, in virtue of which the President and persons authorized by him will be deprived of the right to promulgate laws, which have not been passed by the legislature. The President shall be elected by the legislature.

22) Universal, equal and direct suffrage for all male and female citizens of India who have attained the age of eighteen years in all elections to the Legislative Assembly and to the various local government bodies, secret ballot, the right of every voter to be elected to any representative institution, payment to people's representatives, proportional representation of political parties in all elections.

23) Local government on a wide scale and with wide powers through People's Committees. The abolition of all local and provincial authorities appointed from above (*e.g.*, governors, magistrates, commissioners, etc.)

24) Inviolability of person and domicile; unhampered freedom of conscience, speech, press, assembly, strike and combination; freedom of movement and occupation.

25) Equal rights for all citizens irrespective of religion, caste, sex, race or nationality; equal pay for equal work, irrespective of sex.

26) The right of all nationalities to self-determination. The Republic of In-

dia will unite the peoples of the various nationalities of India not by force but by their voluntary consent to the creation of a common state.

27) Reconstitution of the present artificial provinces or states with the dissolution of Princely States into the national states according to the principle of common language. The tribal area or areas where the population is of specific composition and is distinguished by specific social conditions or constitutes a national minority will have complete regional autonomy and regional governments.

28) Introduction of progressive income-tax in industry, agriculture and trade and maximum relief in taxation for workers, peasants and artisans.

29) Right of the people to receive instruction in their own national language in schools; the use of the national language in all public and state institutions. The use of Hindi as an all-India state language will not be obligatory.

30) The right of all persons to sue any official before a People's Court.

31) Separation of the state from all religious institutions. The state to be a secular state.

32) Free and compulsory primary education for the children of both sexes up to the age of fourteen.

33) Replacement of the police by militia. Elimination of the mercenary army and other punitive forces and the establishment of a national army, navy and air force for the defense of India, closely linked with the people.

34) The establishment of the people's health service with a wide network of medical centers and hospitals all over the country, designed to liquidate the centers of cholera, malaria and other epidemic diseases in the country.

In the Field of Agriculture and the Peasant Problem

Agriculture and the peasant problem are of primary importance to the life of our country.

We cannot develop agriculture to any considerable extent and provide the country with food and raw materials because the impoverished peasant deprived of land is unable to purchase the most elementary agricultural implements and thus to improve his farming.

We cannot develop our national industries and industrialize our country to any considerable extent because the impoverished peasantry constituting 80 per cent of the population is unable to buy even a minimum quantity of manufactured goods.

We cannot make our state stable to any extent because the peasantry living in conditions of semi-starvation receive no support from the Government, hate it and refuse to support it.

We cannot improve the conditions of the working class to any considerable extent because hundreds of thousands of hungry people forced by poverty to leave the countryside for towns swarm the "labor market," lower "prices of labor," increase the army of unemployed, and thus make the improvement of the living standards of the working people impossible.

We cannot work our way out of cultural backwardness because the peasantry, living in conditions of semi-starvation, constituting the overwhelming majority of the population, is deprived of any material means to give education to their children.

In order to get rid of all these evils and get our country out of cultural backwardness it is necessary to create human conditions of existence for the

peasants, it is necessary to take land from the landlords and to hand it over to the peasants.

To achieve this, it is necessary:

35) To hand over landlords' land without payment to the peasants and to legalize this reform in the form of a special land law.

36) To ensure long-term and cheap credit for the peasants to enable them to purchase agricultural implements and the necessary seeds. To ensure long-term and cheap credit to small artisans to enable them to purchase raw materials, etc., and carry on their manufacture and trade.

37) To ensure Government assistance to the peasants in the improvement of old and the building of new irrigation systems.

38) To cancel debts of peasants and small artisans to moneylenders.

39) To ensure adequate wages and living conditions to agricultural laborers.

In the Field of Industry and the Labor Problem

Our national industry suffers not only from an extremely low purchasing power of the peasants but also from the fact that it is exposed to competition on the part of foreign goods in the country. Foreign countries pursuing dumping policies flood the country with cheap goods whereas our manufacturers, having no support on the part of the Government, try to make good their losses which arise from foreign competition by increasing pressure on the working class, by worsening its conditions. But the industries cannot develop if the living conditions of the workers deteriorate, for a hungry and moneyless worker cannot be an adequate factor for the development of modern industry. This circumstance

is another reason for the insufficient development of our national industry. To break through this vicious circle, it is necessary to guard our national industry against the competition of foreign goods, to launch an all-out industrialization of the country and to improve the conditions of the working class. The Communist Party of India considers that to achieve this, it is necessary:

40) To provide for the protection of the national industry against the competition of foreign goods in the country by promulgating appropriate laws;

41) To develop the national industry and to prepare conditions for the industrialization of the country without sparing any efforts and resources of the state to achieve this end;

42) To improve radically the living and working conditions of workers by fixing a living wage, application of the eight-hour day and forty-four hour week in all industries and trades, introduction of a six-hour day in underground mines and other trades injurious to health, social insurance at the expense of the state and capitalist against every kind of disability and unemployment, by the establishment of labor exchanges working in association with the trade unions, by the establishment of industrial courts, by the recognition of the trade unions and the right to collective bargaining;

43) To introduce effective control of prices of goods of mass consumption.

44) The problem of the refugee population, mainly of the millions of the uprooted workers, peasants, artisans, middle-class employees, etc., must be resolved by their speedy rehabilitation by the state and especially by providing them with land, instruments of labor, employment and facilities for developing their life in their own national way.

National Independence of India

In spite of the much-advertised statement that the British have left our country, it is a fact that a large number of factories and workshops, mines and plantations, the shipping and banking of India are owned by the British capitalists who annually draw hundreds of millions of profits from them. With this power over our economic life and their ties and partnership with big capitalists in our country who are collaborating with them, the British imperialists from behind the scene, and their collaborators, hamper the development of our industries and thus perpetuate our poverty.

We cannot be a strong and prosperous country until we are industrialized on a wide scale; but industrialized to such an extent we shall never be as long as British capital exists in India, for the profits of British enterprises are taken out of the country and we are unable to use them to expand our industries, as long as the big national capitalists, their collaborators, keep us tied to the Empire.

Moreover, one has to take into account numerous British advisers with whom our Navy, our Army, police and other punitive organs team.

To become a truly independent state, India has to break off with the Empire, to put an end to the domination of the British capital in the country's economy and to get rid of the British advisers.

Therefore, the Communist Party of India considers necessary:

45) The withdrawal of India from the British Commonwealth of Nations and the British Empire;

46) The confiscation and nationalization of all factories, banks, plantations, shipping and mining owned by the

British in India, whether in their own name or under the signboard of Indian companies;

47) Removal of British advisers in India from the posts held by them.

Foundations of the Foreign Policy of India

India needs peace and peaceful development. She is interested in peace and economic co-operation with all states. In this respect, Britain is not an exception if she only proves capable of carrying on economic co-operation with India on the basis of full equality. India is not interested in the spurious play between peace and war, between partisans of peace and advocates of aggressive war, carried on by the present Indian Government.

The chief enemy of peace and advocate of an aggressive war is now the United States of America, which has rallied round herself all aggressive countries. This camp of war is facing the camp of peace which includes such states as the Soviet Union and the Chinese People's Republic and other countries of People's Democracy. Instead of joining hands with the partisans of peace against the aggressors and branding the United States of America as chief aggressor, the Indian Government is carrying on a suspicious play between these two camps, and is flirting with the U.S.A., thus facilitating the struggle of aggressors against peace-loving countries. What India needs is not play between peace and war, but a united front with peace-loving countries and friendship with them.

Still less is India interested in the wrangling in which the Indian Union and Pakistan are engaged and which is not counteracted on the part of the present Indian Government.

The unbalancing of the integral economy of India caused by the division of the country, the strife between Pakistan and India, which enables the reactionary ruling circles to divide the people, will be overcome by a firm alliance of friendship and mutual assistance between India and the State of Pakistan. Such a friendly alliance must include the State of Ceylon also.

The economy of Ceylon is dependent on, and complementary to, that of India. Quite a large section of its people consists of Indian (mainly Tamilian) plantation and other workers who have migrated to Ceylon. The Ceylonese and Indian landlords and traders incite the Indian and Ceylonese workers against each other to gain their selfish ends. The absence of an alliance is utilized by the imperialists and their henchmen to sow discord among all these states and to sow hatred among their peoples, leading to the eviction of millions of people from their homelands. Only a firm alliance and friendship can defeat this game of imperialists and the reactionary ruling circles of these countries.

Therefore, the Communist Party of India considers it necessary to guarantee the following:

48) Honest and consistent policy of peace with all peace-loving states and united front with them against aggressors;

49) The policy of economic co-operation with all states capable of carrying on economic co-operation without any discrimination whatsoever, on the basis of full equality;

50) The policy of alliance and friendship with Pakistan and Ceylon.

The Communist Party of India puts this program before the people of In-

dia, in order that they may have a clear picture of the objective it is fighting for.

Our Party calls upon the toiling millions, the working class, the peasantry, the toiling intelligentsia, the middle classes as well as the national bourgeoisie interested in the freedom of the country and the development of prosperous life—to unite into a single democratic front in order to attain complete independence of our country, the emancipation of the peasants from the oppression of the feudalists, improvement in the life of all working people, to bring about a major forward stride in our agriculture, a major forward stride in our national industry and secure the cultural advancement of our country.

The people of India, led by its working class and its Communist Party, guided by the teachings of Marx, Engels, Lenin and Stalin, firmly allied with the million-headed peasantry of our land, will achieve this program. The principles and the philosophy of Marxism and the leadership of the Communist Party have led nearly half of humanity to Socialism, to freedom, to real democracy, at the head of which stands the Soviet Union. The peoples of Asia led by the great Chinese People's Democracy are now battling to free themselves from imperialism. India is the last biggest dependent semi-colonial country in Asia still left for the enslavers to rob and exploit. But the Communist Party believes that India too will soon take its place in the great nations of the world as a victorious People's Democracy and take the road of peace, prosperity and happiness.

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