

LABOR ACTION

Independent Socialist Weekly

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FIVE CENTS

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Commute the Rosenberg Sentence

Ethel and Julius Rosenberg have been convicted of espionage on behalf of the Russian government. They have been sentenced to death in the electric chair. All appeals for judicial clemency in their case have been rejected. The question of life or death for the Rosenbergs is now in the hands of one man: the president of the United States.

Socialists have traditionally refrained from involving themselves in controversies in which espionage is involved. The activities of spies and counterspies are strictly in the realm of inter-government military operations. In peace or in war they are part and parcel of the military conflict for the world. Such activities have nothing to do with civil liberties, with the defense of the right to advocate ideas and organize people to struggle for social objectives.

We are not departing from this socialist attitude now. Our concern with the Rosenberg case does not arise from the nature of the activities for which they have been convicted, but only from the death sentence which has been pronounced upon them. It is this which has made the Rosenberg case an issue of world-wide scope.

It is true that the issue has been pushed primarily by the

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Trust-Busting Marches On

The government, continuing its fierce and unremitting battle against monopolistic practices in this free-enterprise system, is hauling up its heaviest artillery—pea-shooters and popguns. This is in addition to the previous lethal weapons it has been using—squirt-pistols and beanbags.

That is the meaning of the suit that was filed last month in a federal court, by the Justice Department, against three giant soap companies, Procter & Gamble, Colgate-Palmolive-Peet, and Lever Brothers.

These same free-enterprisers were "criminally prosecuted" in 1942 for "fixing the price of soap and related products." At that time they pleaded *nolo contendere*, which is legal Latin for "We're guilty as Judas and beat me, daddy." They were "convicted." After this crushing assault on the bastions of monopoly, they "paid maximum fines totaling \$60,000," according to the Justice Department.

Which means that their monopolistic practices didn't cost them as much as a couple of TV programs, and the fines could safely be paid out of the petty-cash fund used for supplying Coca-Cola to the office girls. As compared with the extra profits made out of the "criminal" price-fixing, it was a slap on the wrist.

It is therefore no great surprise that the same companies continued to violate the anti-trust laws in the same way, robbing the consumers and squeezing their competitors. Hence the present suit 10 years later.

This means that the soap giants have been paying only \$6000 per



year since 1942 for the privilege of continuing their policy.

The present suit, however, is a civil suit, so that the threat of a jail sentence is not even theoretically present, as it was in 1942.

All of which shows how humbly Europeans should listen when self-righteous American know-how experts explain to them that the old system is wobbly on the Continent because of the monopolistic traditions of their economies. As, for example, when Senator Benton told a group of visiting British financial editors: "Frankly, I believe the main reason why you people in Britain have socialism today is because of your failure to fight monopoly and price-fixing. You send businessmen to the House of Lords for the sort of thing for which we send them to federal penitentiaries."

Of course, Britain has as much "socialism" as the U. S. has "free-enterprise" capitalism; and there are as many businessmen in penitentiaries for monopoly as there are senators in the jug. No American industrialist has ever been jailed for violating the anti-trust laws, and right now they have a better chance of making the Eisenhower cabinet than of getting 30 days.

GOVERNMENT YIELDS TO THE WORLD OIL CARTEL

By HAL DRAPER

The sovereign government of the World Oil Cartel—which is at least as independent of the sovereign government of the United States as are the sovereign states of Saudi Arabia and the Sheikdom of Kuwait—this week met President Truman's offer of a Munich-type deal with a flat rejection of a cease-fire settlement of the oil war.

Meeting in the tents of the Justice Department with the White House's plenipotentiaries, Generalissimo Arthur Dean, commander of the legal shock troops deployed by Standard Oil of New Jersey, refused to help the government cover its capitulation with a negotiated appeasement.

This is the latest bulletin from the front which followed the decision by the leaders of the U.S. government to call off the main assault on the five American corporations which, together with two foreign concerns, control most of the world's petroleum reserves and markets.

On Friday, January 9, the highest policy-making body of the government, headed by the president, decided to drop its attempt to get a criminal indictment of the cartel on charges of monopoly. It proposed instead that the monopolists consent to participate in a civil suit which would end with a deal.

An army of 35 oil lawyers met Attorney General McGranery under the white flag on January 12 and then informed reporters, simulating high indignation, that they would settle for nothing less than unconditional surrender.

As Dean attacked McGranery for the benefit of the press, an associate reminded him that the attorney general "said he spoke for the president of the United States."

"That's right," said Mr. Dean, "And speaking for Standard Oil of New Jersey, I said I wanted no part of his proposition and rejected it in its entirety."

That about describes the relative positions in the war of the two Powers. The cartel is not one of those small nations which has to be diplomatic in its language.

The existence of the world oil oligarchy has been no secret. The story in brief behind the conflict is as follows.

In the early 1920's the American oil barons, still faced with the task of making their way in the world while the oil deposits of the Middle East were being developed, were continuing to be for the "open door" policy in that area. Once inside the door, they gradually got it shut.

(Continued on page 3)

LIFE'S Editors Revel in The Wonders of War-Capitalism

By GORDON HASKELL

Twelve years of continued prosperity have produced a great feeling of self-confidence and well-being among the capitalists of America. This feeling is ministered to and bolstered by their ideologists, be they professional economists or popular writers on economic subjects. With the government now safely in the hands of an administration which most directly reflects their own attitudes, feelings and theories, they can scarcely contain their shouts of triumph.

Among those who are given to the most unrestrained outbursts of joyful boasting are the publicists of the Luce stables. About two years ago, *Fortune* magazine came out with an issue entitled "The Permanent Revolution," which set out to show that this phrase is applicable to American capitalism.

They have now been followed by the editors of *Life* in a special issue (January 5) called "The American and His Economy" which asserts that during the past twelve years our economy has undergone such structural changes that it can no longer be called "capitalism" in the sense in which that word has been used in the past. It has "evolved past socialism," they say, and can best be described as "capitalism modified by democracy."

fed by democracy."

The basic factor which makes the editors of *Life* jump with joy is the sheer magnitude of our economy and the unexcelled rate of its growth. The physical assets of this country are now worth one trillion three hundred billion dollars, they say. And even in our smaller dollars of 1953, that is quite a bit. A catalog of U. S. wealth reads as follows:

"Houses, factories and other structures — \$585 billion; producer durables (machine tools, railroads, other instruments of production)—\$150 billion; consumer durables (automobiles, ap-

pliances)—\$135 billion; non-farm land (land in towns, national parks)—\$120 billion; inventories (things waiting around to be sold)—\$110 billion; military and naval supplies—\$90 billion; farmland—\$70 billion; our hoards of gold and silver—\$30 billion; our foreign investments—\$20 billion."

An article written for this edition of *Life* by Frederick Lewis Allen presents another figure which is to say the least, impressive. "The total per capita income of the people of the U. S. was 40 per cent larger in 1950 than in 1929, even making full allowance for the rise in the price level."

Of course both Allen and the editors of *Life* know that such figures can be pretty meaningless to the readers of their magazine, if they stand alone. Everyone knows that we are in the midst of an economic boom. Even people who never bother to look at statistics of any kind know that more people are working today than ever before, that more is being produced and consumed, that more people have been buying houses and cars and television sets and all the other things which go into our standard of living. People know, also, that this has

(Turn to last page)

UAW Sets a Deadline To Revise Contracts

By WALTER JASON

DETROIT, Jan. 10—Unable to get anywhere in informal talks with major auto companies over supplementary demands during the past three months, the United Auto Workers (CIO) has set March 1 as the deadline for results.

Occasion for that deadline is the beginning of a revised index on that day which may seriously effect present cost-of-living escalator clauses in the current five-year contracts with General Motors, Ford and Chrysler, as well as many smaller corporations.

Speaking for the 1,300,000 UAW membership, President Walter P. Reuther told a press conference that the abnormal inflation has outmoded the present wage and other economic provisions of the present contracts.

STRIKE HINT

Among the demands recently made to the Big Three were a new ceiling on the maximum drop of the escalator-clause raises; it is to be only 5 cents out of the present 25 cents per hour granted as extra cost-of-living pay during the past three years; an upward adjustment of \$20 a month on pension payments which have been frozen since 1950 and which have not kept pace with the inflation; changing the annual improvement-factor payment from 4 cents to 5 cents an hour, again to catch up with the devastating effect of inflation.

The UAW also wants the dropping of the compulsory-retirement feature of the pension plan which

it signed with the corporations. This represents a reversal of old policy.

Since the new government index upon which the escalator-clause payments are made is being drastically revised—its base is to be the price level of 1947-49 instead of the present 1935-39 level—the UAW has a legal gimmick for negotiations now, because any changes in the index must be approved by both management and labor, as a source of calculating payments.

"Obviously in the absence of an agreement by March 1, there is no contract," Reuther pointed out, hinting at the possibility that a strike might occur afterwards, unless a settlement is made.

NEGOTIATIONS

Recently, Carl Stellato, president of Ford Local 600, had urged that a nation-wide conference of delegates from Ford, Chrysler and General Motors be called to present united demands on the Big Three. Reuther's public pronouncement is an answer to this demand.

Reuther said he had met with C. E. Wilson and Harlow Curtice of General Motors since the November election, but he did not say whether any progress had been made in working out the UAW demands.

Until today the attitude of the corporations has been, "You signed the five-year contracts—now live up to them." It remains to be seen if this viewpoint is changed now that the corporations find themselves openly in control in Washington.

LABOR SCOPE

WHICH ARE THE 'BEST' UNIONS AND WHICH ARE THE 'WORST'?

By BEN HALL

Which are the three "best" labor unions and which are the three "worst"?

Pageant magazine put this question to labor writers and experts on "every big daily paper and important national magazine, from Boston to Honolulu" and reports its findings in the January issue.

While the replies do not necessarily tell us, which unions are in fact the "best" and the "worst," they are of interest as a sign of the state of mind of the nation's writers on labor affairs.

The three "best" in order were: (1) UAW-CIO; (2) ILGWU-AFL; (3) International Association of Machinists. And the runners-up for best were: International Typographical Union, AFL; United Steelworkers, CIO; Amalgamated Clothing Workers, CIO; United Mine Workers.

BOTTOM OF THE PILE

The three "worst" were: (1) International Longshoremen's Association, AFL; (2) International Hod Carriers, AFL; (3) United Electrical, Radio, and Machine Workers, Ind. The runners-up for "worst" were: International Longshoremen's and Warehousemen's Union, Ind.; International Union of Operating Engineers, AFL; Brotherhood of Teamsters, AFL; United Mine Workers.

Unfortunately, Pageant doesn't bother to report on the reasons advanced by the various writers for their choices, so we are left to speculate. A brief commentary

by writer Irwin Ross offers a few tidbits of information on some of the unions and explains for those who are interested, if there are any, why he thinks some unions are good and some bad; but we are still left in disappointed anticipation of an explanation of the results of the survey.

MIXED FEELINGS

Anyone who glances at the morning headlines or hears the evening newscasts knows why the AFL Longshoremen win first prize for the "worst." The Hod-carriers run a close second with a union so efficient that it found national conventions totally unnecessary for thirty years, 1911-1941. For the same thirty years, the officials were so busy advancing the interests of their members that they found no time to issue financial reports; and when finally, in 1941, a convention did take place, they presented a thirty-year financial accounting in a special abridged form. The report gave two simple figures for each month of the thirty years: how much came in and how much went out. It did not tax the attention of the delegates with any other burdensome details.

The United Mine Workers is listed as the seventh "best" union and the "seventh" worst at the same time. This is doubtless an authentic representation of the mixed feelings of labor reporters toward this union; some overwhelmed by re-

spect for its gallant struggles to raise the living standards of its miners; others offended by its readiness to strike and to fight; still others repelled by its one-man machine rule; and still others attracted to or repelled by the strong personality of its leader, John L. Lewis.

"POLITICAL" UNIONS

But most significant is the choice of the United Auto Workers and the International Ladies Garment Workers Union as No. 1 and 2 "best" unions. Ross believes that they are admired because they both presumably cooperate with employers and avoid strikes. He doesn't bother to tell us how and why he reaches his conclusion, nor does he quote from the opinions of a single writer. Nor does he seem to remember that the UAW has led some of the biggest and most dramatic strikes in recent years.

In the CIO, the UAW is the union which has gone furthest in the direction of independent political action and is on record for "a political realignment" through the formation of a new progressive party. In the AFL, the ILG plays a similar role. In New York State, where it is strongest, it has initiated the formation of a new political party which cooperates with the Democratic and Republican Parties but is nevertheless independent of them.

Report Says Gangster Ready To Sing About Tresca Murder

NEW YORK, Jan. 8—Judge Joseph M. Proskauer, chairman of the State Crime Commission, had on his desk today a letter from Norman Thomas, chairman of the Tresca Memorial Committee, urging that the commission investigate the ten-year-old murder of Carlo Tresca, anti-totalitarian editor.

That request was made, Thomas said this morning, particularly because of the charge by Ed Reid, reporter and author, in a book entitled *Mafia*, that Italian Fascists paid \$500,000 to a crime syndicate here to have Tresca killed, but also in the light of pertinent information currently obtained from other sources.

Some new leads on the Tresca case were set forth in a memorandum accompanying Thomas's letter to Judge Proskauer—leads involving certain well-known underworld figures whose names have lately been in the news.

One of those leads, Thomas stated, had to do with a character often on the front pages, who is declared to have offered to reveal the names of Tresca's slayers to a

high placed official on condition of leniency in another criminal case. That lead, from a trustworthy source, came to the memorial committee only this week.

Reverting to the Reid charge, Thomas commented:

"While the price said to have been paid for Tresca's murder seems fantastic, we have reason to believe today that there is more substance behind Mr. Reid's statements about this crime in his book than we had supposed. And we feel that the state commission might profitably invite him to appear before it for questioning."

REID ANSWERS

Recently Thomas wrote Reid [see LABOR ACTION last week] contending that he had a duty as a citizen to supply the authorities with any tangible evidence that he might have on the Tresca slaying, in support of his charge. Replying, Reid held that he had acted in good faith, and that cooperation by the authorities was needed to follow up leads given by him. Thomas quoted him as saying:

"When I told the story of the Tresca murder I told it as fully as possible without revealing my sources. My duty as a newspaperman was to tell people the truth and at the same time prod existing authorities into a possibly more complete investigation than has yet been made.

"There are many more facts in the book than in my initial story in the *Brooklyn Eagle*. . . I cannot subpoena witnesses—the district attorney can, and he has the full authority of the law behind him. I am sure you will agree that the pattern I followed in the *Harry Cross* exposé—when followed up by the D. A.—produced results. After all, I can't do everything!"

Reid, formerly with the *Brooklyn Eagle*, is now on the *New York Daily News* staff. "My own feeling," Thomas

averred, "is that the State Crime Commission may well be in a better position now than District Attorney Hogan's office to solve the Tresca murder—because of the far-reaching scope of its inquiry, and because of the mass of data on interlocking crime it has already turned up. And like the district attorney, it has power to subpoena witnesses.

"As I pointed out to Judge Proskauer, the Tresca killing, which beyond doubt was a political crime, had all the earmarks of a hired job, performed by local gangsters, and we believe that the identity of the perpetrators is a matter of common knowledge in the New York underworld."

Tresca was editor of the Italian-language journal *Il Martello* (The Hammer), and long relentlessly fought both Fascists and the CP.

Asian Socialist Conference Unites Diverse Parties

By DAVID ALEXANDER

LONDON, Jan. 7—There are many varieties of policy among the groups in various countries which call themselves socialist, but almost any one of them is likely to be found represented at the present conference of Asian socialists in Rangoon.

A conference of Asian socialists was first suggested in 1950 in discussions between Indian and Japanese socialists. Its basis was to be essentially "neutralist" in the cold war and independent of "colonial" social-democracy.

This is the first important function of the present conference. Whereas the last meeting of the Socialist International at Milan was dominated by European parties, largely committed to the two-bloc struggle, the Asians are oriented mainly by the Indian, Burmese, Japanese and Indonesian socialist parties, all of whom have a strongly "neutralist" trend. Most of them feel that for Asians there is no good choice in the East-West

struggle and that they must concentrate on raising their own standard of living.

With the possible exception of the Indonesian socialists (led by ex-Premier Sjahrir), the inspiration of the present socialists stems largely from (anti-colonialist) non-European sources. In view of the fact that Indian and Burma gained their freedom under the British Labor government, it was possible for Attlee to be one of the British fraternal delegates sitting at the conference table. On the other hand, representatives of countries like Israel and Indonesia, which had to expel the Europeans, are more sharply anti-British Labor Party. They are unwilling to forget so easily that most of the West European parties still support imperialism in practice, albeit lukewarmly in theory.

In fear of an impending drift away by socialists in Asia from those in Europe, Attlee and Rose (the Labor Party's international secretary) went to Rangoon to prevent this. In doing so, they underlined the essential contradiction of social-democrats forced to support imperialism out of fear of the consequences of replacing it.

There are other interesting and interested parties at Rangoon. The Israeli delegation, led by Foreign Minister Moshe Sharett, is there in a bid for support by Asian elements, especially those of the "Arab-Asian" bloc of the United Nations. They have a particularly strong position since theirs is the governing party in Israel, the Mapai. Furthermore, few of the Arab countries have legal socialist groupings which the government would allow to send representatives.

Besides a wide spread of views, the Asian socialists have represented among them parties of different degrees of strength. The Burmese and Israeli parties are in their governments; so is the Yugoslav CP which sent a fraternal delegation. The Indian, Indonesian, Japanese and other delegates are from large opposition parties.

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(Other forums on aspects of this subject to be announced soon)

Marxism in the United States

By LEON TROTSKY

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Yields to World Oil Cartel — —

(Continued from page 1)

In 1928, following a price war, Standard Oil of New Jersey negotiated an agreement with the Big Two abroad, Royal Dutch-Shell (British-Dutch) and Anglo-Iranian (British). The basis was the principle of "as is"—that is, freezing the status quo division of the world among them.

As described by the Federal Trade Commission report to be mentioned below, the high contracting companies agreed to: (1) acceptance of "their present volume of business and their proportion of any future increase in consumption;" (2) "joint use of existing facilities;" (3) "construction of only such additional facilities as were necessary to supply increased demand;" (4) "elimination of any competitive measures or expenditures which would materially increase costs and prices;" (5) shutting in of excess production.

In 1930, when a rise in production "threatened" to depress world prices, the three firms drew up their Memorandum for European Markets to "stabilize" the situation.

In 1932 a world Central Committee was set up by Jersey Standard, Anglo-Iranian, Shell, Socony-Vacuum, Gulf, Atlantic and Texaco to ensure that "the principle of 'as is' was to apply to every country or area of the world, except the United States" (the U.S. being in the unchallenged jurisdiction of the American section of the Oilintern).

Since then, says the FTC, "these principles were never formally abandoned" and the as-is principle "became practically a custom of the trade," though Jersey Standard claimed that it withdrew from the agreement in 1938.

Internationalists, They Are

As a result, the large majority of the world's oil has been under the control of seven companies, five of them American. These are the companies under attack by the government trust-busters: Standard Oil of New Jersey, the Texas Company, Standard Oil of California, Socony-Vacuum, and Gulf Oil, working in alliance with the Royal Dutch-Shell group of satellite corporations and with Anglo-Iranian.

Not under their control are the oil supplies of Mexico (which drove them out under President Cardenas), Iran (since its nationalization of the oil industry by Mossadegh) and of course the Iron Curtain countries (which, however, account for only 7 per cent of the total reserves in the world).

Of the 93 per cent of the oil supplies outside Stalinland, 85 per cent is concentrated in seven countries: the U.S., Venezuela, Iran, Saudi Arabia, the Sheikdom of Kuwait, Mexico, Iraq, with Canada making an eighth which is growing in importance. Forty-two per cent is in the Middle East alone.

The major areas in which the American companies are interested are: Iraq (Jersey Standard and Socony-Vacuum); Bahrain Island (Standard Oil of California); Saudi Arabia (S.O.Cal., S.O.-N.J., Texaco, Socony); Kuwait (Gulf, with Anglo-Iranian); Venezuela, world's biggest oil exporter (Jersey Standard and others); and Canada (Jersey Standard).

It can be gathered that with these far-flung operations on which the sun never sets, holding dominion from palm to pine, the Central Committee of the cartel-state gets impatient with the provincial, narrow-minded and isolationist efforts of a mere single government to cramp its style.

Since 1944, eight investigations of the cartel empire have been undertaken, more or less abortively. In 1949 the Federal Trade Commission launched the one which is now coming to a climax.

Its report was the result of two years' study by the head of its Bureau of Industrial Economics, Dr. Corwin D. Edwards. (After the Second World War, it was Dr. Edwards who drew up the briefly noted plan "FEC-230" designed to decartelize Japan and break up its Zaibatsu holding companies. The Truman administration dumped it.)

MSA Gets Indignant

The FTC report, entitled "The International Petroleum Cartel," was presented to Truman and promptly suppressed. It was classified "secret" on the ground that its publication would have an unfortunate effect on American foreign relations, this even after the FTC agreed to delete sections on certain especially delicate points at the request of the State Department. The touchiest passages apparently dealt with the way in which the Oil Empire manipulated certain governments of the Middle East and South America to conform to its interests.

Though shelved, the report became a hot potato in April of last year, when Senator Thomas Hennings (Dem., Mo.) asked for its publication. Hennings' interest, reported the magazine *Business Week* last year, "was sparked by independent oil companies and consumer cooperatives in his state." In addition, and perhaps more important, the Mutual Security Administration stepped into the picture.

To take the MSA's interest first: This, the Marshall Plan aid-agency, found that it was paying an extra \$80 million to the oil monopolists solely because the cartel arrangement enabled the latter to hold them up.

This fight goes back to 1948, when the ECA (predecessor of MSA) balked at buying Middle Eastern crude, f.o.b. Europe, at \$2.20 a barrel. In 1949 ECA got the price knocked down to \$1.75. Subsequently it found that the companies were selling Middle East crude in the U.S. at \$1.41, f.o.b. Persian Gulf. Thereupon it decided to get back the difference between the two prices. The government started a suit for the millions against Socony, Esso and some affiliates of the California-Texas Corporation, the last named being a fusion product of Standard Oil of California and Texaco.

Senator Hennings' blast in Congress dealt especially

with the cartel's basing-point holdup, which was also behind the MSA's indignation. Briefly, the cartel system was to fix prices, by using, as its standard, the price of oil on the U.S. Texas Gulf coast plus the cost of transportation from that point. This would be the price anywhere in the world known as "Gulf-plus."

The big gimmick here is that the cost of producing oil in this American area is the highest in the world, but fixes the price for all other oil.

Arabian Nights Profits

Thus, Hennings charged, although the average Middle Eastern crude production cost is 10 cents per barrel, the average U.S. cost is \$2 per barrel. Through this device the companies made an estimated \$12 billion net, after taxes during the past 6 years, in excessive profits on foreign business—with the senator defining excessive profits as those over and above a comparable operation in the U. S.

Such "excessive" profits—not to speak of the total profits—were going on at a yearly level of \$3 billion. This on a total overseas investment of \$10 billion!

While on the subject of oil profits, this is the place also to quote *Fortune* magazine for last October:

"Arabian-American Oil Company, owned jointly by Jersey [Standard], Standard of California, the Texas Company and Socony-Vacuum, does not like to call attention to its earnings and therefore reveals no dollar figures. But last year it must have grossed around \$500 million, on which it must have earned [this is *Fortune* for "netted a profit of"] around \$350 million, which it split with Arabia's King Ibn Saud in lieu of royalties, etc. Kuwait Oil Company, Ltd., owned by Anglo-Iranian and Gulf Oil Corporation, will this year probably net upwards of \$300 million, of which half will go to Sheik Abdullah of Kuwait, whose tiny sheikdom (population 150,000) thus technically enjoys the world's highest per capita income.

"Who, Antitrust asks, really pays for this Arabian Nights dream of opulence? . . ."

(This, incidentally, appears in a *Fortune* article which is a frank, unashamed and belligerent defense of the historical necessity for the world oil cartel and its Arabian Nights profits.)

Agit-Props at Work

To get back to Senator Hennings—the oil cartel's Agit-Prop Department immediately got to work, of course. Its big arguments were, and are, two. In the first place, as reported by *Newsweek* last year, "They argue that oil prices are fixed by the market, by supply and demand—not by cost of production."

That oil prices are not fixed by cost of production is obvious. That they are fixed "by the market, by supply and demand" is as blatant a Big Lie as any out of Moscow. That's what the cartel is for—to prevent just that happening. Monopoly is created precisely to destroy the effectual operation of the free market in determining prices, so that exorbitant monopoly prices may be obtained.

As a matter of fact, not even the U.S. Texas Gulf price is fixed "by the market, by supply and demand." Through its control over the amount each oil well is allowed to produce in Texas, the Texas state commission in charge virtually acts as the price-fixer for the cartel. This state commission has not been on the outs with the Oil Empire. . . .

The second cry of the petroleum propaganda publicists is the appeal to patriotism. Hennings, or the FTC, or the Justice Department, or anyone else who dares to attack them is charged with "weakening their prestige abroad," hurting American foreign trade, interfering with the U.S.'s (i.e., the American oil companies') ability to control the world's oil stocks in time of war, and encouraging certain governments with which they have to deal to give them a hard time (which might vary from outright expulsion, as in Mexico and Iran, to merely holding them up for a bigger cut of the loot).

It is the cry of national security which is especially heavy in the present crisis, which may well have been brought on by the Democrats' exigencies in the election campaign. For it was only last August that the FTC report was finally released by Truman. The setting was pure partisan politics.

Election Flourish

In July John Sparkman was nominated as Stevenson's running mate (or millstone) in the presidential race. As we will remember, Sparkman had little in his favor outside of his ability to convince the South that the Democratic Party was no danger to White Supremacy. His appeal in the North was less than powerful. He had, however, been trying to get himself a buildup as the defender of the economic interests of the little businessman, as chairman of the Senate Committee on Small Business.

With appropriate press flourishes, he prevailed on Truman to let him, as committee chairman, release the FTC dynamite. On August 18, the administration threw it into the midst of the campaign, after sitting on it for two years, (the report meanwhile being reduced from 900 pages to

378). It also took other steps to pose as Galahad against the dragons of monopoly.

Senator Blair Moody made a speech to the National Congress of Petroleum Retailers to the effect that the cartel was going to be smashed. A couple of days later the MSA filed its above-mentioned suit. In September the Justice Department started a grand-jury investigation on the basis of criminal charges against the oil companies. The oil companies' ambassadors refused to take their bows in court, staying away from the hearings while crying blue murder.

What has happened now is that Truman, a matter of days before leaving office, has pulled the rug from under the trust-busting show. It is hard to see any other outcome in spite of the conditional nature of Truman's offer.

For while the president proposed withdrawing the criminal suit on the condition that the companies bring into the court the documents and records subpoenaed by the government, so that a civil suit can be substituted, it is apparent that this action also cuts the ground from pushing even a civil suit to any real conclusion. At the best, Truman may be hoping to come to an agreement with the monopolists to save the government money on agencies' dealings when it is the government that is involved (like the MSA).

Thus, referring to the proposed civil suit, the *N.Y. Times* writes: "The assumption on both sides tonight was that this would be done preliminary to a later consent arrangement between the government and the companies." (Jan. 12.)

Fifth Column

And also: "Although presumably the same reasoning that led the State and Defense Departments to object to criminal proceedings would apply to a civil suit alleging the same violations, disinterested lawyers were quick to suggest that a civil suit could easily end in a compromise and consent arrangement whereby the companies might agree to end the practices complained of."

That last phrase does not of course mean that the companies would agree to break up their cartel or cease to fix prices for their profit. At the most as we indicated, it could mean that the cartel agrees to give the federal government a special discount on its blackjacking.

It is apparent that the chief advocates of the cartel within the government—its fifth column—are the State Department and Defense Department, including the Joint Chiefs of Staff. As *Newsweek* noted last year, "An interested spectator is the State Department, which for years has counseled and sometimes encouraged U.S. oil companies to develop petroleum reserves abroad."

The argument now too is that the cartel is performing a national function and that use of the big stick by the government would discourage investment of private capital in the business of cornering the world's oil for American availability in the next war.

The argument, of course, is on some solid ground. The cartel is performing an important function for American imperialism. This is the basis for the alliance between the two Powers.

This is not to be confused with the purely hypocritical protestations of the oil lawyers, like the statement by their leader Dean: "If it were not for the question of national security, we would be perfectly willing to face either a criminal or civil suit," he said with straight face. "But this is the kind of information that the Kremlin would love to get its hands on."

No doubt he is referring to the disclosures, to be obtained from the records he refuses to present under subpoena, of how the cartel's Central Committee rules its halliwicks in the world. The crimes of the monopolistic pirates must be underwritten lest the pots in the Kremlin yell "Dirty kettle!"

One Voice Speaks Up

Dean also knows, naturally, that the new administration coming in can be counted on to take off the heat in any case. Eisenhower, who has already made friends with the Texas oil men and who is not going to argue with the Joint Chiefs about national security, is a safe bet.

Meanwhile, an embittered man is the lone voice in the situation that has even partially articulated the anti-trust point of view. Stephen J. Spingarn, chairman of the FTC, chose to put it on the same plane as Dean—namely, what'll the Kremlin say? (Thus Stalin is the arbiter of American policy, it seems.) But still he spoke up, and at this writing that is more than can be said for some other liberal statesmen.

Spingarn said that it has long been Moscow's propaganda line that "bourgeois government such as that of the United States are but the pawn of monopoly."

"Perhaps no theme is more insistent in Soviet propaganda than this alleged subservience of democratic governments to financial and industrial interests. The anti-trust laws in this country are looked upon as nothing more than a sham and pretext, to be trotted out occasionally in order to delude the people into thinking that monopoly is going to be effectively dealt with.

"Any abandonment of the case, in whole or in part, will be cited as further dramatic proof that the Soviet Union has been correct all along in its insistence that democratic governments are but the puppets of monopoly. The fact that the case was filed just before the election and dropped—or weakened—shortly thereafter will be cited as additional evidence of the hypocrisy of American 'democracy.'"

The American people needn't get this from Stalin's demagogic propaganda. They might even be able to figure it out themselves, on their own. And there is no reason for their conclusions to be favorable to Stalin's brand of imperialism, as they learn what really goes on in the midst of the "new capitalism" proclaimed by the Luce magazines.

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Youth Student Corner

The Gag of Censorship at UCLA

By VICTOR SAVAGE

LOS ANGELES, Jan. 6.—The UCLA campus has again been hit by repressive measures, this time in the form of censorship.

When *Scop*, the campus literary-humor quarterly, appeared late in November its publication was suspended and all available copies were confiscated by authority of University Regulation 25 (containing a "catch-all" clause).

Among *Scop's* articles was one entitled "Scop Reports," which was a picture parody of the Nixon campaign fund. It is rumored that if *Scop* had been published as scheduled, i.e., before the election, or if it had satirized other major political figures as well as Nixon, there would not have been the new-famous suspension due to "action detrimental to the best interests of the university."

Let us suppose that this article had appeared before the election. Why would it have been proper to criticize a candidate then, but not after he became a high government official? Should our government and its officers be above criticism?

Furthermore, if *Scop* had criticized, let us say, Sparkman also, then it would be open to the charge that it had attacked only the major parties.

CENSORS IMPOSED

Just prior to the suspension Shelly Lowenkopf, *Scop's* editor-in-chief, had raised students' eyebrows by publicly apologizing for his "poor taste." In reality he was referring to the administration's criterion for good taste which has never been made explicit. It remains a mystery whether Lowenkopf was at any time threatened with expulsion or suspension.

Scop's staff immediately announced plans for a January issue on the assumption that the ban was only temporary, but Dean Hahn put a stop to all this.

Next, Publications Board took up the problem of reinstatement. Lowenkopf, with a haggard look, again profusely apologized and himself proposed a three-man censorship board to be composed of a non-student and two student members of Publications Board. This censorship board would have to give unanimous approval before anything could be printed in *Scop*. This resolution passed 6-0-2.

The following day the Student Executive Council passed this resolution plus a recommendation that the administration reinstate the magazine. (It was reinstated under these conditions about a

week later.) Only then did Council adopt a motion creating a committee to investigate the following:

(1) Whether the Committee on Student Conduct had proper authority under University Regulation 25 to suspend *Scop*.

(2) The advisability of the president's suspending an agency of the associated students without consultation with students.

(3) What action, if any, should be undertaken by council in regard to the suspension.

INTIMIDATION

A motion asking for information on exactly why *Scop* was suspended was defeated. Dean Hahn stated that such information could not be disclosed!

When pressed on this point he conceded that the only objections to *Scop* were in the form of telephone calls, but steadfastly refused to divulge the number of calls or their sources.

This raises the question: Has the school's reputation been damaged (as implied by the official phrase "detrimental to the best interests of")? There is a real difference between the objections of a few individuals and a general public reaction. Why does the administration insist on keeping this information secret?

At any rate, after council had voted the way the dean wished, he commented to all present (and to the obvious embarrassment of council members) that "the Regents created student government with a stroke of the pen and they can abolish it with a stroke of the pen."

VICIOUS CIRCLE

What was the purpose of this intimidating comment? What would have happened if council and student groups in general had pursued a more militant course and called Hahn's bluff?

Let's say they had refused censorship with all its insidious implications and had taken the offensive—attacked the administration not on its own ground, but on the issue of free student government and students' rights. Perhaps here too the dean would have won, but at least the issues would have been clearly drawn for all to see.

In the past President Sproul has been opposed to any form of prior censorship. But now the administration has used *ex post facto* censorship as a club with which to beat student government into acceptance of prior censorship, the thing which Sproul says he dislikes.

Here we have one more example of the vicious circle: student apathy begets submission to an increasingly paternalistic administration, which in turn makes it difficult for students to take stands on issues in opposition to the administration, which in turn creates still further student apathy.

READING from LEFT to RIGHT

STALIN FOLLOWS IN HITLER'S FOOTSTEPS, by Peter Meyer.—Commentary, January.

The first part of this article presents 14 pages of textual excerpts from the notorious trial of Slansky and his fellows in Prague. Some interesting passages follow, highlighting the anti-Semitic emphasis of the court.

PROSECUTOR: You never learned to speak decent Czech?

GEMINDER: That's right.

PROS.: Which language do you speak usually?

GEMINDER: German.

PROS.: Can you really speak a decent German?

GEMINDER: I didn't speak German for a long time, but I know the German language.

PROS.: As well as you know Czech?

GEMINDER: Yes.

PROS.: That means that you speak no language decently. A typical cosmopolitan!

GEMINDER: Yes.

SLANSKY: I deliberately shielded them [Zionists] by perverting the campaign against so-called anti-Semitism. By proposing that a big campaign be waged against anti-Semitism, by magnifying the danger of anti-Semitism, and by proposing various measures against anti-Semit-

ism—such as the writing of articles, the publication of pamphlets, the holding of lectures, and so forth—I criminally prevented the waging of a campaign against Zionism and the revelation of the hostile character of Zionist ideology, and the unmasking of the hostile activity of Zionist and Zionist organizations.

SIMONE: As a conspirator I am responsible for every action and crime of each Jewish member of the conspiratorial center.

JUDGE: Explain why you had such a hostile attitude toward the People's Democratic Czechoslovakia.

FISCHL: Your honor, I could not possibly have any attitude but a hostile one.

JUDGE: Why?

FISCHL: I am a Jewish bourgeois nationalist.

FROM THE PROSECUTOR'S SUMMATION: The Zionist movement is not some kind of an idea, some sort of an ideology. It is—and this trial has shown it clearly—identical with the Zionist organizations in the United States plus the ruling clique of the State of Israel plus the Zionist capitalists throughout the world, bound by close links with capitalist imperialists.

Trotsky's Book On Stalin Out In W. Germany

By B. L.

WEST GERMANY, Jan. 2.—The German book market received a special Christmas present at the end of 1952. Leon Trotsky's biography *Stalin* was published by one of the biggest West German publishing houses, Kiepenheuer-Witsch in Cologne.

The fate of this book is known to the readers of LABOR ACTION. But its publication also has a whole history of its own.

The first attempt to have this book published in German was made in 1948. The representative of Natalia Sedov (Trotsky's widow) entered negotiations with several German publishers. Among others, he approached one of the biggest publishers in Hamburg, who is strongly influenced by the Social-Democrats.

He received a remarkable proposal, namely, the publisher was prepared to put out Trotsky's book, but presented the following conditions: Several chapters of the book were to be revised, several passages which appeared to make the publisher uncomfortable were to be deleted, and in addition a foreword was to be added which would correspond to these changes and deletions.

The publishers Kiepenheuer-Witsch are not a socialist publishing house but rather a typical liberal one which now and then includes books of a socialist tendency in its offerings. No conditions were presented by this publisher, and Trotsky's *Stalin* as put out by them is better than either the English or French editions, not only from the point of view of the text and the translation but in physical appearance as well.

It is to be regretted that books are extremely expensive in Germany, and that the purchase of this book too will be difficult to manage for the ordinary person. But the publishers have found a good solution for making this book available to the public. In addition to the expensive edition they have put out a much cheaper one which is available for purchase only by organizations, and which is chiefly designed for distribution in Eastern Germany.

The book has only been out for a short time, and it is too early to speak of reader reaction. We can only mention one of the first voices to be heard on it so far, and that is the book-review program on the North-West German radio (Nordwestdeutschen Rundfunk). "The appearance of this book puts in the shade all previous books which have been written about this subject," was the verdict here.

Rosenbergs — —

(Continued from page 1)

Stalinists because of their special interests. While the case was being tried they pretended to have no concern with it. Today they are trying to raise the Rosenbergs to the stature of martyrs. With typical cynicism, with a typical distortion of the facts and issues, they are seeking to use the Rosenbergs to distract world-wide attention from the anti-Semitic "trials" which were recently concluded in Prague, and which are about to begin in other portions of the Stalinist empire.

But the fact that the Stalinists are seeking to exploit the death sentence of the Rosenbergs for their own purposes does not justify it any more than their exploitation of the discrimination against Negroes in this country justifies a continuation of Jim Crow.

The death sentence in the Rosenberg case is part and parcel of the atmosphere of hysteria which has been generated in this country. It is part of the psychological preparation of the American people to spill their own blood and that of other nations in the Third World War. It is a product of the attempt of the present administration to show that when it comes to Stalinists, they can be just as tough as the next guy.

The Rosenbergs were not convicted of espionage in wartime on behalf of an enemy government. The death sentence for spies under such circumstances has come to be accepted by all nations as one of the rules of war. In this case, however, the government has applied a wartime sentence to people who are charged with spying for a government which was allied with the United States at the time the acts were committed. We may remark here that if the Rosenbergs were guilty of helping the Russians, then the whole government of the United States stands convicted of the same charge. While they are charged with turning over military secrets to the Stalinists, Roosevelt and Truman were turning over whole nations to Stalinist control and oppression.

The death sentence cannot be justified either from the humanitarian, judicial, or political point of view. In similar cases the British and Canadian governments have meted out sentences running to a maximum of thirty years. They have attempted to preserve some relation between the character of the crime and the punishment imposed for it. Although there is no compulsion for the United States government to copy the judicial practices of other countries, it should certainly be the concern of all decent people that their government not act in a manner less civilized than do others.

From the political point of view, the death sentence in the Rosenberg case is a disaster. First and foremost, it encourages every chauvinist, every witchhunter, every hysteria-monger in the country. It strengthens the idea that where Stalinists are concerned "anything goes." As an act of barbarism stemming from the most sanctified heights of the judicial and political structure, it legitimizes barbarism in the struggle against Stalinism both here and abroad.

In addition, the death sentence gives domestic and world Stalinism a legitimate issue which can be exploited for their own purposes. Just at a time when the hands of international Stalinism are reeking with the blood of the Prague victims, the American government is giving them an issue with which they can distract attention from their own crimes.

Ethel and Julius Rosenberg must not be executed. Every effort must be made to prevail on the president to commute their sentence. If their lives are spared as a result of the pressure of Americans who love justice and freedom and are determined to fight for them, a blow will have been struck against the forces of capitalist reaction at home and of Stalinist reaction throughout the world.

The EDITORS

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Stalin's Theory of 'Capitalist Encirclement'

By W. H.

Since according to Marx the state is an organ of class coercion which withers away when socialism becomes established, and since in the USSR the bourgeoisie no longer exists and formally it has already been declared that socialism is established there, Stalin had to come before public opinion to explain why the Russian state has not yet withered away. This he did at the 18th party congress in 1939, where he put forward the thesis that the Russian state must not wither away but, on the contrary, must strengthen itself, because of the hostile capitalist encirclement.

In his *Questions of Leninism* on page 606 (Russian edition) he says that "there must be retained, on the whole, the function of military defense of our country from outside foreign attacks, that is, there must be retained the Red Army and Navy as well as the punitive organs and the secret intelligence service necessary to ferret out and punish all the spies, terrorists and saboteurs who are being sent into our country by foreign powers."

Nowadays Stalin has announced a new doctrine about the "possibility of construction of Communism in one country," asserting that "under the conditions of capitalist encirclement, the state must not wither away even under Communism." The Stalinist theoreticians immediately got busy to interpret and explain this new theory.

Thus, academician P. F. Yudin says the following: "Both under the victory of Socialism and under the victory of Communism in one country which finds itself in a hostile environment, the state does not wither away because it is always necessary to be prepared to beat off a hostile aggressor. For this purpose an army is a necessity. It is also necessary to be prepared and to know how to capture spies and wreckers, who are sent to us by capitalist states; for this purpose special organs of the state apparatus, organs of Intelligence and coercion are a necessity." (P. F. Yudin: *Socialism and Communism*, published by Pravda, Moscow, 1946, p. 36.)

"The strengthening of the Soviet state," he writes further, "means practically not only the strengthening of the economy but also the strengthening of military organization, of secret intelligence, and of the whole state apparatus." (*Ibid.*, p. 35.)

"The functions of military coercion within the country has already withered away, since exploitation is abolished, exploiters do not exist any more, and there is nobody who must be oppressed." (P. 33.)

"From the point of view of the internal relationships of socialist society the army is not necessary any more. Exploitive classes have been destroyed and there is nobody who must be oppressed. For the purpose of keeping the economy of the socialist society going, if there were no capitalist environment, the state as a political power also gradually would have become unnecessary. But as long as capitalist encirclement exists, in order to defend the socialist society from foreign enemies the state is a necessity and it will be strengthened further." (P. 36.)

Raising the Dead

Let us pay attention to the assertion that within the USSR "exploitive classes have been destroyed and there is nobody who must be oppressed." But in *Pravda*, for August 2, 1951, in the editorial reply to the article by British minister H. Morrison we can read something quite contrary to this: "In the USSR there does not exist freedom of speech, press, and organization for the enemies of the people, for landlords and capitalists destroyed by revolution. For them we have prisons and labor camps, and only for them."

Hence, on the one hand, the landlords and capitalists do not exist any more and there is nobody who must be oppressed, but, on the other hand, the "destroyed" landlords and capitalists still exist, the organs of oppression—prisons and concentration camps—still exist, and imprisoned in them are "only" landlords and capitalists!

It is only very surprising how "only" these elements—capitalists and landlords—could survive even physically for thirty years in the concentration camps. In point of fact, however, landlords and capitalists and all the old exploitive classes have been dead for a long time already and today in the concentration camps are imprisoned only workers, collective farmers and revolutionaries. Mr. Yudin, not *Pravda*, is right, though Mr. Yudin and *Pravda* are one and the same thing.

The assertion of Mr. Yudin that "from the point of view of the internal relationships of socialist society the army is not necessary and more" is quite correct, but Mr. Yudin lies when he says that the "function of military coercion within the country has already withered away." It would really have withered away if Socialism existed in the USSR. But the facts on the army's participation in the liquidation of national republics in 1946 (Crimean Tartars, Chechens and Ingushes, etc.) and the army's continuous fight against the guerrillas in the Ukraine prove something quite contrary to the assertions of Mr. Yudin.

What Stalin Defends

The same is true of the organs of Intelligence and terror of the MGB (Ministry of State Security). We have read about the trial and shooting of Osmanov and Sarantsev in the USSR in December 1951, of the two alleged American spies who parachuted from an American airplane onto the territory of the Moldavian Republic of the USSR. We also have read the stories about the American plane which was forced to land on the territory of Hungary, as well as about the American planes shot down over the Okhotsk Sea near Siberia and over the Baltic Sea near Lithuania.

If all this is true then it is a very bad service the Americans render the Soviet people because by these actions they help the Stalinist regime justify its terror and

oppression of innocent men in the Soviet Union. Such actions save the life of the Stalinist dictatorship.

But on the other hand we are accustomed to the fact that Stalinism intentionally exaggerates and often simply invents such stories about spies and wreckers. All over the USSR people know the anecdotes about how the NKVD's examining magistrates cross-examined the "agents of the Sandwich Kingdom" and the "spies of Nebuchadnezzar" (a Babylonian king of 562 B.C.).

We do not say that Stalin's thesis about "environment" is groundless. From the outside the USSR is really in a hostile encirclement and this encirclement would really like to see the restoration of private capitalism in the USSR and of the pre-revolutionary "integral and indivisible" Russian empire. But the peoples of the USSR are against the restoration of capitalism and the empire, and therefore, in view of this fact, the role of Stalinism comes to nothing.

Stalinism with its "organs of Intelligence, state apparatus, prisons, labor camps, army, and MGB" does not at all fulfill any function of defending the peoples of the USSR and the achievements of the October Revolution. On the contrary: by its very existence, by its terror and dictatorship, Stalinism weakens the defensibility of the USSR; for who wants to defend his own yoke, who wants to defend prisons and concentration camps?

If socialism had existed in the USSR, if there had been no Stalinist dictatorship, Hitler's armies would never have crossed the borders of the Soviet Union and millions of Soviet soldiers would not have given themselves up voluntarily to the invaders, as actually happened at the beginning of World War II.

GPU "Revolutions" Only

And what does Stalin do in order to change the hostile environment? It would seem that a change in the socio-political order through revolution in the neighboring capitalist countries would have been most desirable for the USSR. But it is not so, because the USSR is not a revolutionary but an imperialist power.

Stalin actually controls all the CPs which participate in the Cominform. Yet he did nothing, for example, to help the really popular uprising in Italy in 1948-49. In Italy at that time there actually existed a revolutionary situation when the peasants arose against the landlords and bourgeoisie. The situation was very similar to that of Russia in 1917. The Italian trade unions in fact declared a general strike at that time in order to help the peasants, but the Stalin Communist Party broke that strike.

What does this mean? It means simply that Stalin and the Cominform have forbidden the Italian CP to participate in revolution. It means that Stalin does not want a revolution, even if it would be led by a Cominform party. He does not trust the foreign CPs!

And this is not the first nor the last example. A similar situation exists in France where there has been a revolutionary situation continuously during the last five years, which manifests itself constantly in solid strikes and demonstrations, and where a permanent condition of economic instability forces the workers into a hopeless situation.

Stalin is not a traitor to the revolution. He never had anything in common with it. By his policy he brought about the defeats of the first Chinese revolution in 1926, of the revolution in Spain in 1937, and of the revolution in Greece in 1949. He pursued the same policy in relation to the present Chinese revolution when he continued to negotiate with Chiang Kai-shek until the very end of the latter's regime and tried to conclude "trade treaties" with him to annex the province of Sinkiang to Mongolia as late as 1949.

All the facts plainly show that Stalin is against the revolution outside of our country. Instead he appears with another program. It is a "People's Democracy road of development," as he said himself, and it consists of the occupation of a foreign country by Russian troops, the occupation of all leading posts by agents of the MGB, and only then the "construction of socialism" may begin.

Army of Imperialism

Hence, it is not only for terror and oppression within the USSR that Stalin needs to "retain" the army, state apparatus and secret police, but he needs them also for "building socialism" abroad. Stalin includes these occupied "People's Democracy" countries in his sphere of influence and yet continues to talk about hostile encirclement and to justify the existence of concentration camps and the MGB.

Stalinist logic says: Today it is necessary to struggle against remnants of the bourgeoisie in Poland, Hungary, Bulgaria, etc., and for this purpose a Russian MGB is necessary. Behind the frontiers of Soviet sphere of influence there still exists capitalist encirclement. Hence, for this purpose, a Russian army is necessary.

If Stalin occupied the whole of Europe, there would still remain the "environment" consisting of America and Canada. If America were also occupied, then there still would remain the "encirclement" by Honduras, Costa Rica, and Antarctica. And if Stalin occupies the whole world, the "great Russian scientists" will discover that human beings live on Jupiter and Mars too and that they may attack the victorious "motherland of socialism" and "our holy Russia." Hence the "encirclement" will not have changed even then and there would exist a "necessity to retain the army, navy, the punitive and intelligence organs. . . ."

The "People's Democracy road of development" is a road of pure imperialism and war, and not the road of revolution. Instead of pursuing a policy of non-interference with the internal affairs of foreign countries (since the revolution is also an internal affair of a coun-

try and it cannot be "imported from abroad"), Stalin has transformed the Communist Parties into simple espionage organizations, tools of the MGB and the Ministry of Foreign Affairs, wheels in the cart of Russian imperialism.

The Cominform still uses socialist propaganda, though out of its ideology there remains only phraseology. But even this phraseology and propaganda in general is contradictory to the direct interests of the Kremlin. Stalin today propagates the idea of peace and "peaceful coexistence" with the capitalist world, whereas the Cominform today propagates Stalin's "People's Democracy road of development."

On account of this, the two leading members of Italian CP, Valdo Magnani and Aldo Cucchi, who recently broke with the CP, have said the following: "The Italian CP comes out with propaganda about permanent peace in the whole world. Yet simultaneously it says that a revolution in Italy is not possible without a war, that socialism in Italy cannot be built without an appearance of the 'socialist army' of the USSR on the territory of Italy. According to these words, it is evident that if we want a revolution and socialism in Italy we must be for war between the USSR and the Atlantic bloc and against peace, and if we want peace and do not want war we must deny the idea of revolution and socialism." This is a brilliant exposition of Stalinist contradictions.

Why then is Stalin against revolution? This problem has been discussed by us several times and it was explained by the fact that Stalin is afraid of revolution. He is afraid because a true revolution, not controlled by the Russian army and MGB, has 99 out of 100 chances to take a different road from the Stalinist one, and that such a revolutionary country would become independent from the USSR. In other words, Stalin is afraid of "Titoism," of the "Titoism" such as especially existed in 1948.

But this answer is still insufficient. Stalin is afraid not only of "Titoism." He is even more afraid of the influence which such a revolution would have on the moods of the masses and the situation within the USSR.

Lvov on China

It is very difficult for us to see from abroad the influence on the situation within the USSR which is exercised for instance, by the present Chinese revolution. It is possible only to notice that in specialized publications and in the local and provincial press far more attention is paid to China than in such central organs as *Pravda*, *Izvestia*, or *Bolshevik*.

In the central press they give frequent and stubborn emphasis to the "connections of the Chinese revolution with the USSR" and the "role of the great Stalin in this revolution," whereas in the rest of the press this is mentioned very seldom.

Very interesting and characteristic, with regard to the influence of the Chinese revolution on the USSR is, for instance, an article by VI. Lvov in the Leningrad literary monthly *Zvezda*, No. 5, 1951. This magazine has always been notable as standing very far from Russian nationalism and imperialism. Its editorial board has already been purged three times during recent years and it has always been accused of being "cosmopolitan." This same magazine, as is known, recently published the famous translation of the "nationalist" V. Sosiura's poem "Love the Ukraine."

The article by VI. Lvov was published under the title "China is the Cradle of Science." The subject is rather apolitical, but under the conditions of a drum-beating propaganda by Russian nationalists that "all discoveries and inventions in science have been made by Russians," Lvov's article is a courageous and bold counterattack.

Lvov proves that Chinese science is much older than the Russian, and that Russians borrowed many discoveries from China; that China had her own military generals, like Sung-tsie, who were better than the Russian Suvorov in the art of war strategy; that Soviet scientists misinterpret China's contributions to chemistry and astronomy, etc. it is evident that were it not for the contemporary Chinese revolution Lvov would not have written his article, and, even if he had written it, it would not have been published, because it obviously contradicts the present arch-nationalist course of the Russian CP.

Of course, we cannot guide ourselves by subjective wishes and look for outside influences on the USSR where they do not exist. We said previously that it is difficult to follow all the events from abroad. Our information from other sources, i.e., from directly within the USSR, must be kept secret for evident reasons. But there should be no doubt that a revolution in one of the capitalist countries must necessarily have an effect upon the situation within the USSR, especially upon the spirit of the working class, as was already known to be the case at the time of the Spanish revolution of 1937, for instance.

Problem in the Satellites

Stalinism is afraid most of all of a socialist rather than a capitalist encirclement. But even a "People's Democracy" encirclement would not be very pleasant for Stalinism. This is not a paradox.

In the "People's Democracies" the backbone of private capitalism has been definitely broken forever and this fact troubles Stalin very much. What will happen there in the future? he obviously muses.

We said above that the "People's Democracy road of development" is a pure Stalinist invention and to a certain extent it gives Stalinism a pretext to continue its existence (as a necessity to retain the army, MGB, etc.). But this is only one side of the coin; the other side has a somewhat different picture.

In the "People's Democracies" a very big problem looms before Stalin: he has to organize a very strong bureaucratic apparatus there in order to be able to "build" (Continued on page 6)

In Defense of Franco's Victims

Presenting
A Brochure Just Issued by
**THE CHICAGO COMMITTEE TO DEFEND
LABOR VICTIMS OF FRANCO**

A whole generation that has grown up today knows of only one Spain—the Spain of Franco. The Spanish Civil War of 1936-1939 is not to them a daily headline, constantly bringing home the sacrifices and suffering of the Spanish people in their fight against totalitarian tyranny.

But to those who participated in the labor and liberal movements in the 1930s it is impossible to forget that there are two Spains—one, the Franco dictatorship, triumphant with the aid of men and equipment from Nazi Germany and Fascist Italy; the other, free Spain with its various political parties and trade unions, defeated but still in existence underground and in exile.

When one considers that the Spanish people suffered one million killed during the Civil War, out of a total population of twenty-five million, it is a tribute to their courage and love of freedom that their resistance to the Franco dictatorship has not been crushed.

Last year's wave of strikes was eloquent proof of their determination. Starting with protests against a rise in streetcar fares in Barcelona, that city, the largest industrial center in the country, was swept by a general strike, soon followed by similar strikes in the cities of the Basque provinces, and in Pamplona, capital of Navarre. In all cases the strikes led to mass arrests by the government, although in some cities new strikes were successful in forcing the release of those arrested.

The underground parties and unions were instrumental in spreading the strikes but they had to pay a heavy price in prisoners. This has placed an additional burden on their comrades in exile whose chief responsibility is to aid, in every way possible, the antifascists in Franco's jails and the underground itself.

There are 250,000 Spanish antifascists in France, on passports, recognized by the French government, of the Spanish Republican government-in-exile. These exiles undergo great hardship to aid their comrades in Spain, but their means are limited, since they are strangers in France, usually occupying the poorest jobs. Furthermore many of the exiles suffer from the after-effects of injuries and disease.

Now they have been struck the hardest blow of all—the negotiations between the U. S. and Franco for American bases in Spain in exchange for military and economic aid to the Franco regime.

Far from leading to any relaxation of the dictatorship, these negotiations have set off a new wave of arrests designed to forestall any attempt by the underground to overthrow the dictatorship before American aid can bolster it.

The AFL, CIO, Americans for Democratic Action and many other organizations in the U. S. have opposed aid to Franco in resolutions officially adopted by their conventions. But these resolutions have not deterred the government in its negotiations, and cannot until the labor and liberal movements seek the year round to mobilize public opinion through mass protest, and to aid and defend all democratic-minded victims of the Franco tyranny.

This is the job that the Committee to Defend Labor Victims of Franco has undertaken, and it can be successful only if all affiliated organizations energetically support the Committee's campaigns.

What Is Free Spain?

The Spanish emigration comprises everything from monarchists, who were pro-Franco at the time of the Civil War, at one end, to the totalitarian Communists at the other. But we are interested, of course, only in the democratic anti-fascist organizations.

These include three trade-union federations:

- UGT (General Union of Workers)—socialist in outlook, affiliated to the Intl. Confederation of Free Trade Unions.
- CNT (National Confederation of Labor)—syndicalist in outlook.
- Workers Solidarity—a Basque Catholic union, affiliated to the International Federation of Christian Trade Unions. (This body recently turned down an attempt by the Spanish Falangist "union" to affiliate. Thus the Catholic trade-union movement in Europe has rejected the Francoist claim to the support of Catholics, just as have many AFL and CIO leaders who happen to be Catholic.)

The political parties include the Republicans, the Basque Nationalists, the Catalan Autonomists, the Socialist Party, and the Workers Party, usually referred to as the POUM.

Our Defense Job

One job that confronts us immediately is the defense of Spanish refugees in this country threatened with deportation.

For example, Jose del Rio Cumbre has been fleeing Franco for fifteen years. Now, in the hands of the U. S. Immigration and Naturalization Service, he is being held for deportation to Spain. Sent from Spain as a youth in 1937 by his Loyalist family, he joined other Loyalist forces in France. During World War II, he was seized by Hitler and held in a German concentration camp for three years. A member of UGT and the Socialist Party of Spain, he traveled as a seaman and eventually acquired residence in Venezuela. This year, he was injured aboard ship and taken to a hospital in New York. Seizing him while he was still under treatment, the U. S.

Immigration Service claims there is no evidence that he will be subjected to physical persecution if he is returned to Spain.

Francisco Pau Molina, who has been certified as a Spanish Republican refugee by both the International Refugee Organization (IRO) and the Republic of France, is also held on Ellis Island. His deportation to Spain, in disregard of his official documents, was forestalled at the last moment by the federal courts on a writ of habeas corpus obtained by a representative of the Workers Defense League.

Almost a score of others are being held for return to Franco despite the almost certainty of their joining the thousands of his victims the minute they set foot on Spanish soil.

The law says that they shall not be deported to a country where the attorney-general finds that they would be subjected to physical persecution. The attorney general, through the commissioner of Immigration and Naturalization, rarely makes this finding. The Workers Defense League, in cooperation with the Committee to Defend Labor Victims of Franco, is offering legal defense and assistance to these new victims.

The Cases Pending

But we must also help to defend the many prisoners awaiting trial in Spain, and to try to free those already sentenced. Below are some examples of the cases now pending:

In the Basque provinces:

In the city and region of Bilbao, center of the important iron and steel industry, a general political strike last spring was 100 per cent effective. The movement was organized by the Basque Labor Solidarity, CNT and UGT. It had the effective moral support of the Basque Nationalist movement representing virtually the whole population of the region. The Labor Brotherhood of Catholic Action (HOAC) whose members are active in the Catholic unions also helped organize this strike.

Numerous arrests were made and at long last—a year later—a group of sixteen was to be tried by Franco's courts.

The accused were to be tried on three separate counts:

- (1) Striking, which automatically constitutes a form of sedition in Franco's Spain just as it does in Stalin's Russia;
- (2) illegal association; and
- (3) illegal propaganda.

The prosecution is demanding sentences of 21 years with fines of 200,000 pesetas each against most of the accused, of whom 15 are Basque Nationalists and Catholics, while one is a Socialist.

After much international protest, this trial has been postponed and the prisoners freed on bail. However, the prisoners must still face a court eventually.

CNT:

Many CNT leaders have already been tried and sentenced. In December 1951, 75 members of the National Confederation of Labor (CNT) were sentenced in Seville for anti-Franco activities. Two CNT leaders were sentenced to death and have been executed. One of these was convicted of being regional secretary of the Confederation and the other of having cooperated with the guerrillas.

A group of 30 CNT members were court-martialed in Barcelona in February. They were charged with an assortment of common crimes, robberies, murders, etc., in an obvious frameup where in the prosecution was unable to secure positive legal identification by witnesses of any of the accused.

Five were executed on March 14. Sentence of many of the others of this Barcelona group and also of the group in Seville ranged as high as 30 years.

Two other members of the CNT are awaiting execution in Barcelona, having been sentenced to death in other cases. Others, however, still await trial.

Most important are a group of 28 CNT members, all from the Llobregat valley of Catalonia, who have been in prison without trial for six years! They are being brought not before a regular court, but before a military tribunal. They are charged with seditious acts and terrorism, especially with lending aid to action-groups to forestall their capture by the forces of the regime. This area is near the French border, which is continually being crossed by couriers between the underground organizations and their émigré headquarters in France. The military prosecutor is asking for three death sentences, and for prison terms ranging from six to thirty years.

Involving fewer people, but worthy of special note is the following case:

On February 22, 1948 the special police discovered the printshop where handbills had been printed secretly advising the people not to vote in the referendum of 1947. The proprietor, Joaquin Sarrau Reyes, and an employee were arrested. Two days later the brother of the proprietor, Liberto Sarrau Reyes, and Joaquina Dorado Pita were accused of writing and distributing these handbills in the name of the Regional Committee of Libertarian Youth of Catalonia. These four were then sent to the cells of the main police station, where they remained for 18 days.

During this period Liberto Sarrau received the most horrible beatings imaginable. The purpose was to saddle him with responsibility for crimes he had never committed. After a period in the prison hospital Sarrau was given provisional freedom on January 12, 1949, by the military authorities. A medical consultation informed Sarrau that he was suffering from tuberculosis. Sarrau and Joaquina Dorado attempted to flee to France, but were captured on April 23, 1949 and returned to the main police station.

In August, 1952, almost five years after the affair

began, the military court martial asked the following sentences—Joaquin Sarrau, four years, Joaquina Dorado, fifteen years, and Liberto Sarrau, twenty years.

POUM:

This left socialist organization in Catalonia suffered a severe blow when 21 of its members in Barcelona, including David Rey, who is over 60 and well-known in the Spanish labor movement for many years, were arrested on April 28, 1952. Although they have received thus far no particulars as to the charges, they will undoubtedly be charged with complicity in the Barcelona general strike of 1951, as well as with organizing an illegal association, as in the case of the workers arrested in the Basque provinces.

After a considerable international protest, the POUM prisoners, again as in the Basque case, have been freed on bail. No date for the trial before a military tribunal has been set.

What Can Be Done?

(1) Affiliate to the committee. All non-political organizations and all individuals may affiliate.

(2) If your organization is already affiliated, see to it that a number of members of the organization become active workers in the committee's campaigns.

(3) Give financial support to the Committee's activities. If support is substantial enough, we will not only be able to furnish legal defense for refugees threatened with deportation, but help the organizations whose members are facing trial in Spain.

(4) Turn out to Committee activities which will keep the Spanish issues before the public, beginning with our mass meeting on February 4th.

If you want to know more about the committee, we will be glad to send a representative to your organization to inform you fully.

Chicago Committee to
Defend Labor Victims of Franco
127 N. Dearborn Street
Chicago 2, Ill.

Stalin's Theory—

(Continued from page 5)

socialism." The proletariat, as is well known, is not counted on by Stalinism since, according to Stalin, socialism is built by the state and not by the proletariat (see Pravda, March 31, 1950). Hence a problem comes up: from whom should this bureaucratic apparatus be constructed—from Poles in Poland, Czechs in Czechoslovakia, Rumanians in Rumania, etc.? That is to say: should this bureaucratic apparatus, this new class of magnates, be a national one?

If it should, there is no guarantee that this national bureaucracy will not one day come into conflict with the Russian bureaucracy, as happened to a large extent in the case of Yugoslavia as soon as it became strong and consolidated. To spread the power of the Russian bureaucracy over Rumania, Czechoslovakia, or Poland is not a simple task, and it is probably even a quite impossible one. It is possible to send a Rokossovsky or a Koniev there, but to have all posts occupied by Russians seems physically impossible.

Scrambling the Commissars

This conflict along national lines bothers Stalin very much. The stories of Rajk, Gomulka, Clementis, Slansky, etc. are very well known. It seems to us that Stalin may try to find a solution to this problem by mixing up the national bureaucracies in the "People's Democracies" so that Poles would rule Rumania, Czechs would rule Hungary, Bulgarians would rule Poland, etc. This he has already done to a certain extent in sixteen republics of the Soviet Union. In such case it would become possible to insert some blue-blooded Great-Russians among these "international" bureaucrats and to make the "generally known" Russian a common language.

But in order to do this Stalin must either join all these "People's Democracies" in a federation, in a new USSR, or annex them to the USSR proper. Neither, it seems, has a bright perspective. A federation of "People's Democracies" outside of the USSR would mean the creation of a new power which might one way or another become a competitor of Russia. To annex the "People's Democracies" to the USSR would mean a definite broadening of the multinational basis of the USSR and, consequently, a diminution of the specific gravity of the Great-Russian nation within the USSR.

But one way or the other, the fact remains that the USSR today has no direct capitalist encirclement. For seven years already the USSR has been encircled not by capitalist but by "People's Democracy" countries which, according to Stalin, are friendly to Russia. Because of this fact, Stalin must again take the floor and explain the following to the peoples of the Soviet Union and the whole world: Why are there no changes within the USSR? Why does the terror of the MGB not wither away? Why do the prisons and concentration camps still exist and even grow up in quantity and quality? Why on the Amur, Bug, and Prut Rivers, i.e., on the Russian frontiers with China, Poland, and Rumania, do the battalions of the frontier guards and regiments of MGB troops still stand? Why are these frontiers covered with electrified barbed wire and mines? Are they now defending the Holy Russia from . . . "People's Democracy" spies and saboteurs?

Soon, very soon, Stalin will be forced to answer these questions again.

The fear of the foreign environment comes to life only where there is a definite fear of one's own people. This is why both imperialist camps in today's world are afraid of each other.

From VPERED

Whitewash Job for the Spanish Stalinists

A N.Y. Times Pundit Re-enacts His Role as Apologist for the CP in the Civil War

By A. STEIN

"Lying, slander, bribery, venality, coercion, murder grew to unprecedented dimensions. To a stunned simpaton all these vexations seem a temporary result of war. Actually they were and remain manifestations of imperialist decline. The decay of capitalism denotes the decay of contemporary society with its laws and morals."—Leon Trotsky, *Their Morals and Ours*.

Perhaps our epoch will go down in history not as the age in which the hydrogen bomb triumphed but as that period when the lie was preferred to the truth, when falsification took precedence over fact, and a politician's or journalist's ability to slander the living and the dead invested him with authority and power.

If the frusting reader thinks we are giving way to melodramatics about the moral degradation of our times, we invite him to the unpleasant but necessary task of reading the December 27 issue of the *Nation*. There he will find a vicious attack on George Orwell's book *Homage to Catalonia* and a sturdy defense of Stalinist conduct in the Spanish Civil War—signed not by Ilya Ehrenberg, nor even by the *Nation's* fellow-traveling Del Vayo, but by Herbert L. Matthews, chief editorial writer of the *New York Times* and that paper's correspondent in Loyalist Spain during the crucial years of 1936-39.

Matthews' first point is that Orwell was ignorant of the real nature of the political forces and conflicts that prevailed in Loyalist Spain. You see, Matthews, as a correspondent, had the good fortune to transmit official government and Stalinist press releases while poor Orwell merely fought on the Aragon front or spent his time in Barcelona, the seat of revolutionary workers' power.

However, this is a small point. What matters to Matthews is that Orwell did not understand that revolution and the waging of a military struggle against Franco were incompatible. According to Matthews, "The fact was that the war—that is victory in the war—and the revolution were incompatible. The Loyalists were losing the war because of the revolution." That is Matthews' opinion. But what follows is not a matter of opinion but a falsification of fact and history.

Third-Hand Falsification

Says Matthews . . . "The Communists were the best soldiers, the best administrators, and . . . they were out to win the war first and worry about the revolution afterward."

Rarely has so much falsehood been compressed into so brief a sentence.

The truth is: The Stalinists were out to crush the revolution.

The truth is: After successfully crushing the revolution, they sought to gain control of the government.

The truth is: the Stalinists never let anything interfere with the achievement of these aims and that included the military struggle.

Let us present some evidence by Orwell himself, which first appeared in the English magazine *Controversy* in August 1937: Speaking of the pitiful armaments on the Aragon front where he was serving, Orwell wrote, "A government which sends boys of fifteen to the front with rifles forty years old and keeps its biggest men and newest weapons in the rear is manifestly more afraid of the revolution than of the fascists."

And when the Anarchists and the POUM denounced the central government for denying the front weapons and accused it of yielding to Stalinist pressure, the Stalinists replied "that there were plenty of arms sent to the Aragon front but that the 'Trotskyists' diverted them across no-mans-land to the fascists." (*Daily Worker*, October 5, 1939.)

Interestingly enough in this connection, Matthews is not above repeating at third-hand this same Stalinist slander that the POUM was dealing with and was infiltrated by the fascists. At the end of Matthews' review there appears an extensive quotation from a letter to Matthews by a certain Spanish politician, Dr. Negrin.

The letter declares, "He [Orwell] came to the chaotic front of Aragon under the tutelage of a group possibly infiltrated by German agents." (Italics in the original.) How exquisite are Matthews' morals! The Stalinists assert the slander unconditionally; the shady Dr. Negrin insinuates the same slander in a letter to Matthews, and Matthews prints the slander without affirming or denying it!

The GPU Terror

But let us continue on how the Stalinists supported the military struggle. We can cite the impressive testi-

mony of the well-known Spanish historian and philosopher, Salvador de Madariaga. It is impressive because he shares Matthews' view that war and revolution don't mix.

In his book *Spain*, Madariaga asserts that in the spring of 1938 the Stalinists decided to force the right-wing Socialists out of the government and put their man at the head of the government. According to Madariaga, supplies from Moscow began to dwindle so as to make the matter very clear. After the Stalinists had succeeded in forming a cabinet which they dominated in the latter part of April, military supplies began to flow again from Russia. So says Madariaga.

How does Matthews explain the fact that Stalin, the boss of the Comintern, refused arms to the central Valencian government and thereby endangered the conduct of the war? Was it because Prieto, whom Stalin wished to expel from the government, was "revolutionary uncontrollable?" Matthews knows better. Prieto, the right-wing, conservative Socialist, shared the political views of the Stalinists on the conduct of the war and bore equal responsibility for the crimes committed against the Anarchists and the POUM.

But Prieto suffered from one defect. He would not take orders from Stalin. His eyes were turned not to Moscow but to Paris and London. And Stalin wanted unconditional control of the Loyalist government for his own purposes.

At every stage, whether it was in crushing the revolutionary forces or in ousting the Socialists of the Caballero or Prieto persuasion from the government, Stalin was ready to sabotage the military struggle in order to achieve his goals.

Says Matthews, "The Stalinists were the best soldiers." Whom is he talking about here? Does he mean the army of GPU agents who swarmed down and infested the body of Loyalist Spain? The torturers, the assassins, the political murderers? Why does Matthews keep silent about this particular aspect of Stalinist activity in Spain? Why doesn't he refer to the crimes of the SIM, the Service of Military Investigation, an organization of military police completely controlled by the Stalinists?

To speak of the Stalinist terror in Spain is to touch the very heart of the problem, to expose the real aim of Stalinism. When they killed André Nin, the POUM leader, in their private jail, when they assassinated Berneri during the May days in Barcelona, they were destroying the Spanish revolution and its bravest fighters.

Let us conclude with a quotation that in its time was prophetic. On May 11, 1937, the left-wing Socialist paper *Adelante* wrote, "If the Caballero government were to apply the measures of oppression to which the Spanish section of the Communist International is trying to incite it, then it would come close to a government of Gil Robles or Lerroux . . . A government composed in its majority of people from the labor movement cannot make use of methods that are reserved for reactionary and fascist-like governments."

What is remarkable is that when this was written, the left-wing Socialists were collaborating with the Stalinists. But *Adelante* was right. After the POUM and the Anarchists, the Stalinists turned their terror against the left-wing Socialists, and then against the right-wing Socialists.

Negrin's Role

Which brings us to Matthews' next lie. He complains that Orwell never grasped the fact that the "government was not run or controlled by Communists."

When, Mr. Matthews? During the period Orwell was in Spain? True, in that period the Stalinists shared the power with the working-class parties and the bourgeoisie. But Matthews clearly means during the whole course of the war. And he lies.

For step by step the Stalinists eliminate all their opponents, left and right, until they remained in complete control of the government. They maintained that control until the final phase of the war, when the navy and a part of the army revolted in order to negotiate a surrender to Franco.

To show how thoroughly Matthews falsifies let us enumerate the composition of the cabinet which ruled during the last year of the Civil War. At its head as premier stood Dr. Negrin, who also took over the Ministry of National Defense, putting the three departments of war, navy and air under the charge of three Stalinist under-secretaries; the Foreign Office was entrusted to Alvarez del Vayo (the same Del Vayo who today writes a weekly column on international events for the *Nation*). Del Vayo promptly appointed a Stalinist under-secretary and in general turned the Foreign Office over to the CP. Although Del Vayo failed in getting the Stalinist leader Jesus Hernandez appointed as general commissioner for the army, he gave him the General Commissariat of the Army of the Center, which comprised four-fifths of the whole. This was in the spring of 1938.

What more did Matthews want? That Stalin came to Spain in person and take the premiership himself in order to convince Matthews that the Stalinists had control of the Loyalists government and with that control responsibility for defeat?

We cannot refute and expose every major falsification and slander which Matthews utters—for instance, his insinuation that the POUM was a hide-out for international adventurers and shady elements. Presumably the Stalinist ranks did not contain Russian agents, Comintern agents and plain criminal elements.

The Barcelona May Days

Let us turn to a central issue, the May Days in Barcelona. Matthews begins his exposition, appropriately enough with a half-truth. He says, "Nobody—and this goes for George Orwell—ever knew in detail what hap-

pened or why it happened." The key words in this Jesuitical construction are "in detail." That is correct. We don't know "in detail" what happened.

But we do know *why* it happened. So does Matthews. And we do know pretty much what happened, and Matthews lies when he says that the account furnished by the government side was "just as detailed and more authoritative and plausible." For the government version was the Stalinist version and the Stalinists gave four different accounts of what originally happened.

Let us see what took place. On July 3 the Stalinist Commissioner of Public Order, Salas, leading three truckloads of Assault Guards and bearing written orders signed by Aiguade, a minister in the Catalan government, the *Generalidad*, attempted to wrest control of the main Barcelona telephone exchange from the Anarchists. The workers of Barcelona repulsed this attack and overnight Barcelona became an armed camp.

Taking fright the *Generalidad* negotiated with the CNT leaders for peace while secretly it called on the Valencian central government for troops. The CNT and POUM leaders negotiated with the officials of the *Generalidad* and called on the workers to lay down their arms. In the end, the workers reluctantly agreed. But in the meantime 1500 government troops arrived from Valencia and the slaughter of the Anarchist workers and the POUMists began.

Why did the May Days occur? Because the Stalinists and their allies had determined to crush the revolutionary workers' power. In Catalonia, everything was in the hands of revolutionary workers' committees—the militias, the factories, the land. The assault on the main telephone exchange in Barcelona was the first step by the official power, the official government, to crush the revolutionary challenge to bourgeois property and power.

In short, that crucial moment had come when two centers of political power exist, when the question had to be decided—who shall prevail? And in this instance, the challenge had come from the side of the official power which, egged on and led by Stalinism, had decided to take the initiative. The official Anarchist leaders and the leaders of the POUM were ready to negotiate, to surrender peacefully, but the Stalinists had other aims in mind.

And if Matthews wants corroborative evidence on the role of the Stalinists, we refer him to the writings of Jesus Hernandez, one of the former top leaders in the Spanish Communist Party, who gives the story of the Stalinist plot in his book *The Great Betrayal*.

Matthews' Motive

In the last section of his review, Matthews sinks to a new low in mendacity. Seeking to bolster his criticism of Orwell's "ignorance" of what really happened in Spain, he quotes a letter received from a prominent Spanish politician, a man intimately linked with the fate of the Spanish Loyalist regime, in fact, the last premier of the Loyalist government, who turns out to be none other than . . . Dr. Negrin. Negrin, the tool and puppet of Stalin, the man who, against the knowledge of his ministerial colleagues and without their consent, handed over to the Russian government 7,800 boxes of gold; the man, who, as we saw above filled the leading posts in his government with Stalinists . . . this is the moral and political authority Matthews cites to corroborate his defense of Stalinism!

What motivates Matthews' defense of Stalinism? What drives this man, who day in and day out helps write *New York Times* editorials preparing the "free" world for a decisive military struggle with Stalinist totalitarianism, to defend the indefensible conduct of Stalinism during the Spanish Civil War?

The answer is not too hard to come by. "Democratic" capitalism shares one feature in common with Stalinism and fascism. It is the unyielding enemy of social revolution. And yesterday in Spain Stalin was doing the dirty work of crushing such a revolution with the tacit support of Washington, London and Paris. Then the lines of interest ran parallel between Moscow and the Western capitals. It was the era of the League of Nations, the Popular Front and Non-Intervention. But Matthews cannot say this baldly and directly. Who knows—tomorrow Washington may have to promise "liberation" and "revolution" to the peoples of Eastern Europe and Asia. Hence he must lie, distort and slander the living and the dead to bolster his false arguments.

In short, Matthews' primary concern is not a defense of Stalinism, but of the "democratic, liberal" bourgeoisie. For in the time of the Spanish Civil War they lay together in the same dirty bed with Stalin.

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Wonders of War-Capitalism — —

(Continued from page 1)

been true during every boom in American history (except during the war booms when the purchase of consumer durables was replaced almost completely by the purchase of military expendables).

But what the editors of *Life* have set out to prove is that this boom, unlike all the others which have preceded it, rests on such broad, sound and solid foundations that in its essentials it will go on forever.

BIG CLAIM

Perhaps that is overstating their case just a little. They maintain that at some point the boom may slacken and even lead to a temporary recession. But they insist that the structural changes in our economy have been such that the present standard of living of the American people is more or less established as a permanent thing for the future. During brief periods some people may have less than they have now at the top of the boom. But these periods will be temporary, and those who will have less will be few. In the long run, the motto of New York State "Excelsior" (ever upward) will be realized by our economy as a whole and by the people who have the blessed fortune to live in it.

Their argument rests on the basic proposition that American capitalism has discovered the secret which has eluded all other capitalist systems. It has found a way to constantly increase its productivity and its gross production, while at the same time constantly broadening the internal market for its products. Or to put it differently, the American economy has tended in the past twelve years to produce a redistribution of income in such a way that wealth, instead of accumulating in the hands of a few and eventually clogging the pores of the system, is now distributed to the many and thus guarantees that they will be able to consume everything that they can produce.

This has been accompanied, they say, by a democratization of the whole economic structure from top to bottom which has advanced to the point where it is no longer correct even to think in terms of the working class and the capitalist class as being clearly distinct groups who are locked in a struggle over the distribution of the national product. Rather, they are partners in an expanding system which is so lavish to all that instead of struggle over scarcity there is mutual respect and toleration in the increasingly equal apportionment of plenty.

FOURTH OF A NATION

It is this line of argument which they recognize as essential to their proposition that the economy has changed in its very nature. Yet at no point do they attempt any rigorous demonstration of it. Rather, they content themselves with the presentation of a few skimpy figures and many striking examples.

True, even a special edition of *Life* is not supposed to be a scientific treatise. Yet it is striking to note how often and consistently the writers depart from what they are supposed to be demonstrating to indulge in further reveling over the sheer magnitude of what is being produced and consumed.

To be sure, Allen admits, "in recent years, at least 10 per cent of American families have been trying to live on incomes of less than \$1,000 a year, and another 15 per cent on incomes of between \$1,000 and \$2,000. But who are these people? They are not 'the masses.' They are not the proletariat. They are a lot of widely separated people who happen to be in a jam—stranded old people, stranded widows, deserted families, migrant workers, sharecroppers, ineffective workers and physically or mentally disabled people. . . ."

They may not be "the masses"

but they ARE one quarter of the total families in the country.

DISTRIBUTION

Elsewhere in *Life* the editors point out that 75 per cent of American families still earn less than \$5,000 per year. This means that half the families in this country earn somewhere between \$38 and \$100 per week, before taxes. The meaning of this can be appreciated even more fully, perhaps, when we add the fact adduced in another article that over 8,000,000 married women are now working in this country, whose income in the overwhelming majority of cases is added to that of their husbands (and in many cases of minors who have not left the home) to make up the total family income.

The only other figure cited by Allen to prove that a major redistribution of income has taken place in the country is that "in the period between the two world wars . . . 5 per cent [of the population] got about 28 per cent of the total take, even after taxes. In recent years they have been getting only 17 per cent of it after taxes—a big relative drop."

First, we must point out that this figure only describes what is listed in income-tax reports as income. It does not describe the distribution of wealth in the country as such.

CORPORATE SPENDERS

Secondly, in attempting to drive his point home, Allen chooses a most unfortunate example. "Ask the proprietor of a lavish restaurant or nightclub," he writes, "how many of his patrons are spending their own money, and how many are spending the company's money by way of an expense account. You will discover that much of what passes for personal wealth these days is corporate spending."

This paragraph is so striking that we are led to wonder whether *Life* has not been hornswoggled into giving its good money to a secret saboteur. We are willing to bet our expense account against that of any assistant editor of *Life* magazine, sight unseen, that this type of "corporate spending" is confined to a pretty narrow group of corporate employees, and not the poorest ones at that.

What Allen has done in attempting to prove that the income gap has narrowed markedly in this country has been to throw the door open on one of the most notorious methods of concealing the real income of the rich from the workers and the tax collectors alike. It is too bad that he did not take the trouble to give us round figures on how many billions of dollars corporation executives and individual business owners spend annually in "lavish restaurants" or in lavish hotel suites, at lavish parties, or in lavish recreation and travel . . . all billed to the business as an "expense." Of course, just to be fair, we would have to include the turkeys given workers at Christmas time by some businesses, and the gold watch given the loyal worker with 30 years' service. It is all "corporate spending."

SQUEEZED FROM ABOVE

But there is another feature of the system which needs some attention. One of the theories which socialists have about capitalism is that in its development it tends to squeeze out the little capitalist. They have maintained that fewer and fewer people own their own businesses; and thus more and more have to work for the big capitalists.

Allen does not deny that this has been happening. He simply claims that the curse has been taken out of this process because the man who is not "working for himself" is not really working for any other individual either. Let us see how he goes about it.

"Fewer Americans work for themselves than formerly," he writes; "more work for somebody else. Or perhaps one should say 'something else'—for it is likely to be a corporation that commands their labors. Nearly half

of all gainfully employed Americans are on the payroll of a corporation, and if we leave farmers out of our reckoning, the proportion is even larger. But this doesn't mean what it would have meant a generation ago; for the very nature of the corporation itself is changing."

How is it changing? Of course we are told that "American Telephone & Telegraph has over a million owners, and no individual holds more than 1/20 of one per cent of the stock." From this we are supposed to draw the conclusion that as so many people "own" AT&T, nobody really owns it at all.

MORE DEMOCRATIC?

From there we are led on to a discussion of how the modern corporation executive differs from his ancestors. He can no longer operate in the freebooting way of the old captains of industry. He must know how to deal with the government, the unions and the "public." By the time Allen gets through with him, he appears more in the guise of a public servant than of a capitalist.

Yet Allen omits the crucial question from his discussion. Actually he is not only trying to prove that corporations are more benevolent today than they used to be. He is attempting to prove that they are, somehow, more democratic. That would be the very sense of saying that "the very nature" of corporations is changing.

He does not claim that they have changed as profit-making concerns. His argument boils down to the proposition that with an organized labor movement, and with a public which remembers where the unrestrained corporations took them in 1929, they have to tread warily.

In other articles in the same issue the editors of *Life* describe corporations with "enlightened" employee-relations programs. But not a single line of what they write even attempts to prove that the vital decision-making powers in the corporations have become democratized by one iota.

LOWERED SIGHTS

The editors of *Fortune* magazine have a long article in this issue of *Life* entitled "Where Do We Go From Here?" A careful reading of their article shows that they are a bit more modest than Allen in their claims.

Although this article is also full of very impressive figures on the productivity of the American economy they confine themselves to attempting to prove that the economy will not be producing on a lower level in 1955 than it was in 1952! Their article is not so much a boast that with our productivity nothing can prevent the standard of living of the average American from going up and up. They seem to be satisfied that we will be doing very well if it can be kept from going down.

As a matter of fact, they do not even attempt to prove that. They accept the idea, apparently, that with a curtailment of armament spending to \$40 billion per year, we can expect unemployment to rise to about 5,000,000 people out of work.

"This statistic in itself would hardly constitute a national crisis," they write. "Unemployment rose to more than 4.5 million early in 1950. The real meaning of such figures depends on who is unemployed, and where. It is impossible, of course, to say now exactly how and where unemployment might occur in 1955. But it will not and cannot be evenly distributed. Much of it will probably occur exactly where the milder unemployment of 1953-54 will occur."

This admission in itself should be enough to discredit the whole contention that a brand-new, perpetual-motion capitalism has been developed during the past twelve years. If the leveling off of arms spending in 1953-54 at about \$54 billion will produce a mild recession, and its drop to \$40 billion in 1955 will result in five million unemployed, what would happen if the armament rug were really

pulled out from under the economy

WAR PROPS

As a matter of fact, the editors of *Fortune* have come to accept a \$40 billion annual expenditure on arms as a "built-in stabilizer" of American capitalism, and they are quite right. That is what LABOR ACTION has been calling the Permanent War Economy. It is also quite true that as long as this remains, unemployment and the general crisis of the economy are not likely to reach the levels of the 1930s.

But to say this is to abandon completely the claim that we have discovered a brand-new shining way of life. It would be more accurate to say that we have found a sure way of death, preceded, to be sure, by a high economic fever.

The editors of *Fortune* do not rest their whole case on the armament economy, for that would hardly serve their purposes. They point to other built-in "stabilizers" such as the large backlog of public works which have been "postponed" since the beginning of the war in Korea, the prospects of increased investments abroad, and the floor under the earnings of farmers and workers provided by government price-supports for the former and powerful unions for the latter. They point, in addition, to the high tax structure which makes it possible for the government to engage in a certain amount of manipulation with taxes when the economic danger signals start showing up, and to unemployment compensation as a cushion against drastic falling of income when layoffs start.

We would not for a moment seek to deny that all of these are important as props for the economy. But they are not sources of economic power. As a matter of fact, such things as high taxes and a rigid structure of high wages can be a danger to continued prosperity precisely to the extent that they narrow the margin of profit. For it is the rate of profit which is the real motor of capitalism—stabilizers have never yet driven an engine forward. And this is essentially why it is basically the same capitalism.

APOLOGISTS

As long as our prosperity continues on a high level, even though this be made possible solely by continued preparations for world-wide destruction, we can expect to be deluged by claims that American capitalism is something altogether different from anything that has ever been seen on the face of the earth. This claim starts with the ideologists of big business, and is echoed by the liberals and others who consider themselves level-headed critics of our society.

They—and all their friends are better off than they ever were before. They have been better off now for a good many years. They cannot bear to think that all this well-being is a product of the poverty of the rest of the world, and of the war preparations to make it infinitely poorer.

Their good jobs have convinced them that they are exceptionally smart people (after all, when they couldn't get any job in the '30s they were much younger) and that they live in an exceptionally fine country. And as the years go by they are less and less capable of understanding why the benighted foreigners don't forsake their foolish ways and adopt systems just like our blessed one. Thus they are easy prey not only for the apologists for capitalism as an economic system, but also for the apologists of the American foreign policy of military containment.

But the engine of capitalism continues to work in its own way, even though it is now equipped with built-in stabilizers and attached safety valves. Its tendency continues to be toward overproduction followed by stagnation. The system which *Life* crows over is not "capitalism modified by democracy." It is, rather, capitalism modified by the Permanent War Economy.

The ISL Program In Brief

The Independent Socialist League stands for socialist democracy and against the two systems of exploitation which now divide the world: capitalism and Stalinism.

Capitalism cannot be reformed or liberalized, by any Fair Deal or other deal, so as to give the people freedom, abundance, security or peace. It must be abolished and replaced by a new social system, in which the people own and control the basic sectors of the economy, democratically controlling their own economic and political destinies.

Stalinism, in Russia and wherever it holds power, is a brutal totalitarianism—a new form of exploitation. Its agents in every country, the Communist Parties, are unrelenting enemies of socialism and have nothing in common with socialism—which cannot exist without effective democratic control by the people.

These two camps of capitalism and Stalinism are today at each other's throats in a worldwide imperialist rivalry for domination. This struggle can only lead to the most frightful war in history so long as the people leave the capitalist and Stalinist rulers in power. Independent Socialism stands for building and strengthening the Third Camp of the people against both war blocs.

The ISL, as a Marxist movement, looks to the working class and its ever-present struggle as the basic progressive force in society. The ISL is organized to spread the ideas of socialism in the labor movement and among all other sections of the people.

At the same time, Independent Socialists participate actively in every struggle to better the people's lot now—such as the fight for higher living standards, against Jim Crow and anti-Semitism, in defense of civil liberties and the trade-union movement. We seek to join together with all other militants in the labor movement as a left force working for the formation of an independent labor party and other progressive policies.

The fight for democracy and the fight for socialism are inseparable. There can be no lasting and genuine democracy without socialism, and there can be no socialism without democracy. To enroll under this banner, join the Independent Socialist League!

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