

PROLETARIAN NEWS

WORKERS OF THE WORLD UNITE!
YOU HAVE NOTHING TO LOSE BUT
YOUR CHAINS! YOU HAVE A WORLD
TO GAIN! — Karl Marx

A JOURNAL FOR THE WORKING CLASS

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'Saved'--One American Foreign Policy

America's Labor Troubles

The nation is breathing easier, we are told. President Truman has risen to the occasion. The "irresponsible" Mr. Wallace was removed from office and America's foreign policy, as represented by Secretary of State Byrnes, has been proclaimed, officially if not finally, as America's unflinching and united stand on foreign relations.

The people of this nation were told, during the war, what they were fighting for. It was the "four freedoms," enunciated in the "Atlantic Charter." Lasting peace, based upon world cooperation and world prosperity, was America's noble aim. Since firing ceased, the building of this new and lasting peace has been under way.

To judge from radio and newspaper reports, the Soviet Union has not been cooperating. That nation was too slow to withdraw its troops from Iran. It stayed too long in Manchuria. It has called attention to fascist regimes in Argentina and Spain. It is pulling an "iron curtain" down the middle

of Europe. It wants governments friendly to itself in neighboring countries. It wants an outlet through the Dardanelles. It wants the Danube controlled by the nations through which it flows.

These demands have made the Soviet nation into a terrible aggressor, so it appears. America and Great Britain must take a firm stand. America must "get tough." American warships must cruise in strength in the Mediterranean. Germany must be made strong, just like Japan must be made strong. This is American foreign policy, as carried out by the State Department. It is all in the interest of permanent peace.

Mr. Wallace did not actually see things the Byrnes way. Wallace thought that if world peace depends upon big three agreement, such must come through compromise, through letting the Soviet Union have its way with its neighbors, through seeing logic and reason in the Soviet demands for security.

Mr. Wallace did not take the
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Nations like individuals have their troubles. America is no exception for it also has a full measure of them. Particularly during the month of September it had quite a dose of labor troubles. Of the strikes that beset the nation the most crippling was that of the maritime workers for it tied up practically the entire merchant fleet of the United States. The Atlantic coast, the Pacific coast, and the Gulf of Mexico were virtually blockaded as if by war. In reality it was a war: the class war between capital and labor.

The strike started when two A. F. of L. maritime unions, some 65,000 members, "hit the bricks" (walked off the ships). This walk-out affected the whole shipping industry. The 90,000 members of the CIO National Maritime Union, in sympathy, stayed away from their jobs. The strike did not end even after the A. F. of L. seamen won their demands for immediately the CIO declared itself as openly on strike.

This stoppage had a tremendous impact upon the nation's economy. Approximately 400,000 workers who make a living handling ships or ships' cargo were rendered idle. The docks were jammed with idle ships. Piers were piled high with merchandise which longshoremen, in sympathy with the striking seamen, refused to handle. Travelers, not only in America but also in foreign countries, were left stranded. As if to further demonstrate labor's organized might, the tug-

boat workers of New York city joined the strike in sympathy. For once New York harbor no longer resembled a crowded thoroughfare, its waters were almost as serene as that of an inland lake.

What was the cause of this strike, it may be asked? The origin of this dispute can be traced to last June when the CIO Maritime Unions staged a brief walk-out which ended in a government-sponsored agreement granting the seamen a wage increase of \$17.50 per month over their previous base pay of \$145 per month. This brief strike in June, however, left unsettled the demands of the two A. F. of L. unions—the Seafarers International Union and the Sailors Union of the Pacific. They likewise demanded an increase and in July received one from the ship operators which set the pay of able seamen at \$10 more than the CIO men had won. But in August the government agency, the Wage Stabilization Board, voided the A. F. of L. agreements and limited the A. F. of L. seamen on government-owned ships to the CIO maritime wage levels. The Board "justified" its action by asserting that the A. F. of L.-negotiated wage increases were out of line with the government's policy designed to curb inflation. The A. F. of L. Maritime Unions vigorously protested the Board's decision but to no avail, hence the strike.

In commenting on this strike, the weekly periodical, Newsweek
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International Notes

Italy

Italy continues to struggle for political "peace." Making "democracy" a reality, since the ouster of the House of Savoy, brings forth new contradictions, new conflicts, new struggles. With a coalition government, composed of extreme "right," "left" and "center," the politicoes find themselves as on a battleground. With British and American occupation forces still on Italian soil and the economic situation in a deplorable state, the masses show signs of an awakening social consciousness to the point of action.

In a special article to the "Chicago Sun," Barrett McGurn writes on the struggle now going on whether or not large landed estates are to be broken up or left intact. He describes one particular incident in the now famous war area, the "Anzio Beachhead." The townspeople of Genzano took pos-

session of 1,750 acres of private property of the estate of "Vera Failla." The owners demanded of the officials of the town, "why didn't you stop them?" "Well, if there were 30 or 40 we would have locked them up . . ." but it was the whole town of Genzano! All we could do was go along to watch them." Such was the answer of officialdom.

The peasant uprisings and land seizures have their supporters and bitter opponents in the government. Velio Spano, undersecretary of agriculture, Communist party member, supports these actions. Antonio Segni, minister of agriculture, Christian Democrat, Catholic Party member, (Spano's superior) condemns this action by stating that "the government is not going to tolerate any more such uprisings." These occur in front of the Churchhill "iron cur-

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HOME SCENE

Stock Market Blues

On September 3 the stock market took a tailspin (reported the worst in 16 years) giving rise to gloom and speculation. Did this break carry serious foreboding of things to come, or was it a minor financial flurry with no basic economic connotation?

We turn to the experts, but they seem themselves somewhat in a quandary and in mutual disagreement, some giving one, some another reason. International uncertainty and war-fears are mentioned; lack of confidence (used so disastrously in Hoover's 30's) is advanced; the Republicans and the

N. A. M. blame the OPA and the Democratic administration; the latter in turn charge the Republicans with ganging up financially in order to discredit the present government; the liberals accuse Truman of abandoning the sound New Deal policies of Roosevelt. But the London Daily Telegraph "takes the cake." It ascribes the fall to the "mercurial American temperament." Such nonsense!

In the maze of all these contradictory opinions, each of which may even contain a partial truth, for there is no basis for international peace and confidence, nor is
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America's Labor Troubles

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(Sept. 16) remarks that this walk-out offers a peculiar variation on the theme of strikes "against the government." That by protesting the W.S.B. decision both unions and shipowners are making the blunt charge that the government's right hand does not know what its left is doing. That the W.S.B. has gone "counter to the fundamental principle of collective bargaining as laid down in the National Labor Relations Act."

But more to the point is the comment of The New Republic which states that, "The ship operators—even as 'agents' for the government ships—can be counted upon to resist any unified approach in the hope of preserving the chaotic conditions which enable them to jockey one set of unions against the other."

The question of who is most to blame—the shipowners or the government—is like splitting hairs because actually the latter is merely the catspaw of the former. This fact is beginning to penetrate the minds of workers more and more as "labor troubles" mount.

After this maritime strike had been in progress for a period of around 9 days the A. F. of L. unions won a reversal of the government's stabilization policy and got the \$5 to \$10 increases negotiated with the ship owners. This put their pay at a rate considerably higher than the CIO unions. This "generous gesture" was not extended to the CIO unions, neither on the part of the government nor the ship owners. The strike therefore continued although the A. F. of L. unions withdrew their pickets which were replaced by CIO pickets.

So far there had been a semblance of labor "unity" in this strike. It is doubtful whether the A. F. of L. unions would have won their demands had they not been supported by the CIO. How did the former reciprocate? On September 17 the heads of the A. F. of L. maritime unions demanded that the CIO maritime union withdraw its pickets from ships under contract to the A. F. of L. and threatened to cross them if they refused. Furthermore J. P. Ryan, president of the A. F. of L. International Longshoremens' Union, ordered his members to cross the CIO picket lines and in several instances personally set the example in this form of scabbing. As a result numerous clashes occurred. What at first promised to be a united struggle against capital turned out to be an internecine conflict within the ranks of labor.

Red-baiting was also indulged in by the heads of the A. F. of L. unions. J. P. Ryan while roaming the waterfront in his limousine instructed the longshoremen not to "respect any Commy picket line." On the other hand, one of the A. F. of L. leaders, H. Lundberg, in demanding withdrawal of CIO pickets, made the statement

that the CIO maritime unions were engaged in a "political strike."

The CIO countered with its contention that the pay differences could be worked out if the shipowners would sit down and negotiate, but that "they (the shipowners) want to have a little fun first and see a little bloodshed." The CIO furthermore charged that Mr. Ryan who led his longshoremen through the picket lines (thereby acting as a strikebreaker), was not the "real culprit" but was simply acting at the behest of the shipowners. (New York Times, Sept. 17.)

What conclusions can we draw from this strike? Namely this: that as long as labor is divided that long will capital remain the stronger. It's a condition that only the rank and file members of both the A. F. of L. and the CIO unions can cure. Eventually the two groups must join together. If they don't do it for love of one another then capitalist exploitation and oppression will be the relentless force that will cause them to unite.

New York's Trucking Strike

Simultaneously with the maritime strike there occurred in New York the strike of 15,000 teamsters of the A. F. of L. Teamsters Union. Sympathy walkouts also took place as 10,000 teamsters left their jobs in New Jersey. The city of New York resembled a besieged metropolis. So effective was the strike that such large chain stores as the Atlantic and Pacific food stores closed down. Most of the city's food is delivered by trucks and as the strike continued the empty store shelves soon resembled "Old Mother Hubbard's cupboard." Truck drivers are tough, the nature of their work more than likely determines their make-up. Their pickets were able to prevent those truck drivers who attempted to scab on them. The strike therefore was quite complete.

As it progressed business and industries began to curtail operations, for lack of goods and raw materials. Workers were laid off. The city took on a "holiday" aspect but with a feeling of tenseness in the air. The newspapers had to streamline their editions, cut out all advertisements, for lack of deliveries of newsprint. For once the readers did not have to wade through many pages in order to have their "heads fixed." Somehow it was reminiscent of that Great Depression year of 1933 when the Bank Moratorium took place.

What was the cause of *this* strike? Basically the same cause of all the "labor troubles." The truck drivers were just merely trying to catch up with the high cost of living. They demanded a 30 per cent increase in wages. Mayor O'Dwyer of New York city took a hand in this dispute and suggested a compromise, which he

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'SAVED' -- ONE AMERICAN FOREIGN POLICY

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matter lightly. In his letter to President Truman he made a good case of the necessity of being able to see things from the Russian point of view. Any fair-minded person would agree if he was not already too prejudiced against Wallace for his "New Deal Communism."

He went to Russian history to show that repelling invaders had often been her lot. He told of the united attempts to crush the Soviet Union in its first years, from 1917 to 1921. He told of how the rearming of Nazi Germany had been acquiesced in by the western powers because it was aimed against communism and the Soviet Union. He told of the demand for open waterways on the Danube and the Dardanelles while Suez and Panama canals were fortified. He told also of America's huge armaments program, \$13 billion appropriation for the army and navy alone for the 1947 fiscal year.

He further told of air and naval bases held by the U. S. in far-flung sections of the world, and asked how Americans would feel if the Soviet Union should have such a program, and extended it close to our shores. He made a specific case of this country's possession, and continued production, of the atomic bomb, and showed how America's proposal for international control would not have been accepted by this country had the case been reversed. Soviet Russia having the bomb and bringing such a proposal here.

Mr. Wallace also spoke of America's eagerness for foreign trade, of the extension of loans to Great Britain and other nations for such trade purposes and of the failure to treat the Soviet Union in like manner. In short, he made it plain, from beginning to end, that America's policy as carried out did nothing but create Soviet suspicion. He thought that if harmony and peace should be achieved the Soviet Union had to be met without suspicion and on equal terms. If the Wallace plan was publicized, and enlarged upon as much as the Byrnes plan is, there can be no doubt but that the overwhelming majority of the public would support it, but that is one thing that will not happen.

A few newspaper men and radio commentators have mildly hinted at this method before. They, too, are being silenced, not from Washington but just as effectively by their employers. John W. Vandercook is off the air as from today (September 20).

The owners of America, the men of steel and oil, and cars, and Alka Selzer, have the nation's policy pretty well in hand. So powerful and so cunning is their propaganda that even organized labor is not immune to their influence. William Green, president of the American Federation of Labor, in

his Labor Day speech, talked about the destructiveness of modern war, about the absolute need for maintaining peace, and the way to do so: "get tough with Russia."

At present the Congressional elections are approaching. The Republican party, having rebuilt its strength to some extent, largely by opposing the Roosevelt "New Deal" policies, is out to capture Congress. The party of the Elephant, at present, has a "leave-Business-alone" policy. On foreign affairs it endorses the Byrnes policy. It was jubilant about the Wallace affair. Here, the Republicans have found weakness in the Truman administration. Especially would it have been fine if Wallace had been left in the cabinet. His ousting was good for the nation but it weakened their talking point. And, that it seems, is more important to office seekers.

Meanwhile, Wallace, as a private citizen, is now "free" to express himself. The Democrats had planned to use him to line up votes for their ticket. Now he is not suitable. He is an honest man. He said so himself. How can he line up votes for a party which backs a wrong foreign policy, one that might lead to war.

As an individual, Wallace might be free to talk but few will hear him unless his words are circulated. That requires organization. Perhaps the liberal elements will arouse themselves to form a new party. That, at least, would bring on debate, and perhaps a splitting of votes away from the old parties. Should such votes come mostly from the Democrats it would be an aid to the Republicans, a result contrary to the wish of the liberals at this time. Being an opportunist, makes working for a cause a difficult task.

Since the administration has now been purged and the official foreign policy "saved," it might be well to look into the controversy a bit deeper. There is no doubt that the Byrnes policy is the policy of American big business. So important, so indispensable, has the whole world, outside of the Soviet Union, become to the multi-millionaires that they cannot afford to see any part of it becoming friendly to anybody but themselves.

To be friendly, in an international sense, means being willing to do business. The Soviet Union is willing to do much business with its neighbors. Such business would be lost to Great Britain and America. But the trouble goes further. It becomes a question of who are most likely to become friendly to the Soviet Union.

In all the war devastated nations, where upset economic conditions are causing hunger and unrest, the proposed methods of reorganizing production and distribution of goods differ. The old

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PEACE OR WAR?

World War II has bequeathed to a war-weary world many problems of peace. Not the least of these is "permanent" peace. Can the human race achieve its long sought desire? Can we cooperate and forever banish the scourge of war.

Hardly had the guns of the latest imperialist holocaust been still-ed and the smoke of battle cleared away than the ominous sounds of war and rumors of war were heard once more. This time a new "enemy" has been chosen. It did not take long to discover this "opponent." At the present, Fascist Italy, Nazi Germany and Tojo-ized Japan and their satellites lie prostrate in defeat. No new "aggressor" here. Other powers, France, China, Holland, Belgium, etc., offer no opportunity at present of finding an "evil" one. They were allies. Where then can reaction find its "whipping post" to vent its fury? In the Soviet Union say the voices of propaganda. But the U.S.S.R. was our ally.

After a successful anti-Hitler coalition by the big powers which liquidated the fascist nations, it was only natural that the desire for the same unity and cooperation should be continued after the war in the problem of building the peace of the world. Dumbarton Oaks called forth the question of how, San Francisco brought into being the instrument of the United Nations Organization, foreign ministers' conferences laid down the rules of procedure for peace treaties, United Nations meetings are being held to discuss and work out means of avoiding future wars and the Paris Peace Conference is now at work on the first phases of treaties with former enemies.

In all these endeavors the leading role is taken by the "big three" the U. S., Britain and U.S.S.R. Then why the accusations against one of their number.

For the answer, we must understand their basic, fundamental differences and also look to history. In most of the world, ownership of the means of production, the necessities of life, land, mines, mills, factories, etc., are privately owned by the few with the masses doing the work of producing. This system of social relationship was named by Karl Marx and is known as Capitalism, that is, exploitation of wage-labor by capital.

In one sixth of the world, the Soviet Union, this system has been abolished. All the means of production are owned by the masses who also do the producing. Therein lies the basic difference. After the November 1917 Revolution in Russia when all power was placed in the hands of the workers and peasants, a great struggle went on to rebuild a devastated land wrought by war, famine, aggressiveness by the world's capitalist powers and civil war within its borders. For some 23 years the Soviet Union built and strengthened itself, economically, culturally, scientifically, militarily and politically.

When Nazi Germany struck on June 22, 1941, and brought to the Soviets a war of defense as well as a class war, most of the ruling class of the world and their "voices" gave the Red Army from three weeks to six months to "fold up." These statements by "military experts" are stupid when viewed in retrospect and in the light of what the world now knows. Instead, the U.S.S.R. took its place as one of the three great powers of the world. No great decision, no international steps can now be taken without first considering her position and wishes in world affairs.

With the basis of modern wars, namely economic rivalry, markets for the sale of surplus commodities, spheres of influence and investments, control of trade routes (sea and air), sources of raw materials, etc., still prevailing as the major conditions of the capitalist countries, especially the U. S. and Great Britain, but eliminated as a consideration in the life of the Soviet people, it became clear why the U.S.S.R. can offer cooperation to the peace seeking elements and sections of the world.

The Soviet statesmen and diplomats do not hesitate to point out that to insure the highest degree of cooperation among the world powers on any point of issue requires more than simple majority rule. Two-thirds or three-fourths majority on any question shows a greater degree of unanimity than fifty-one per cent.

They do not interfere in the natural development of peoples in other states for independence and economic well being. They have no predatory ambitions towards other peoples' property. What they do have is a determined will that no unfriendly regimes shall encroach on their borders such as prevailed for a quarter of a century. This position of the Soviet Union however, brings the opposite results to Britain and the U. S. Each section (of Europe especially) which develops its own nation on this basis lessens by that much the influence of U. S. and British capital investments and control. With the development of ever greater commodity producing ability of the U. S. and Britain, it becomes increasingly clear that greater markets are needed, not less. Herein lies the rub. Such are the causes prompting Churchill to yell, "Iron curtain."

As capitalism in its highest stage, Finance imperialism, continues, it brings forth ever greater contradictions and conflicts. It develops a higher political consciousness of the masses of workers, preparing them for the same historical task that the workers of Russia completed.

Nicolai Lenin, the great leader and thinker of the Social Revolution of 1917, before and after, correctly names the twentieth century the period of Imperialist Wars and Proletarian (Social) Revolutions.

INTERNATIONAL NOTES

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tain."

We are reminded of the period of B. M. (before Mussolini), following World War I, in the 1920's. The workers took possession of the factories of the north of Italy, but failed to understand the nature and role of the state machinery, the government, and in the end were forced to capitulate to that "power of coercion." With the experiences of the past and the lessons of history (the Paris Commune, Russian Revolution of 1905, October Revolution, 1917, etc.) before them, the Italian masses are showing signs of political consciousness. Working class representatives are in the front of the battle. As contradictions arise, are in turn resolved, bringing forth new sets of contradictions, the political barometer will go up. At last the masses of Italy and eventually of all countries, will learn that "political peace" and "democracy" will be possible only when "their" outmoded ruling class is replaced by a classless society. Only the proletariat, allied with the peasantry and such of the intellectuals and scientists who join with them can accomplish this.

Stanley Cederlund

* * *

The Far East

The unofficial civil war in China has now taken on large scale military operations. The two month siege of Tatung, Nationalist stronghold near the great wall, seems to have been lifted with the arrival of government forces. The great communist stronghold of Kalgan has not, as yet, been dented by the Nationalist troops. It is quite possible that the communist forces may lose a few towns of minor importance in the present drive. The communist forces are still intact and judging from past experiences we can rely on them to make a comeback. In the decade from 1927 to 1937 the Chiang Kai-shek government announced the

What has this to do with world peace? Just this. We have witnessed two such imperialist wars and the first successful proletarian revolution. Marxism gives us the key to the correct understanding and action to be taken by the world's workers in bringing into being world peace. No amount of reform, halfhearted pacifist measures, idealist wishful thinking will bring about world peace. The cause of war will remain as long as capitalism remains.

The Proletarian Party is a revolutionary political party of the working class, basing its teachings, analyses and plan of action upon the principle of Marxism. Its rolls are open to membership of workers willing and desirous of ending once and for all, exploitation of man by man, thus ending wars and economic ills assuring a world of "permanent peace." Will you join us?

Stanley Cederlund.

liquidation of the communist forces about six different times. Today the communist forces are bigger and better than ever.

Japan

On Sept. 15th, 600,000 Japanese workers, mostly coal miners and steel workers, staged a one day strike to demonstrate their solidarity with striking seamen. The Congress of Industrial Unions sponsored this strike. It is similar to the CIO in the United States, only the workers are more advanced politically. The railroad workers remained on the job when the government agreed not to fire 75,000 men whom it considers surplus. A Tokyo newspaper sued the railway union because it refused to carry its paper. The union said that newspaper published stories unfavorable to the union. The American workers can profit from this incident. In the short time of one year since Japan's surrender, the Japanese workers have done a very good job of organizing themselves into unions.

Europe

The monarchists continue to fall in Europe. The latest one was that of Bulgaria. By an overwhelming majority the people decided on a "people's" republic. This is not a soviet government, but workers will have a big voice in it. It could be likened somewhat to that of Yugoslavia.

In Greece the return of King George was a fraud perpetrated by the royalists with the support of British forces. The withdrawal of British troops from Greece would almost certainly see the overthrow of the government. Armed clashes
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BITS AND SKITS

A revised definition for a "free election" would probably run like this: A free election is one such as held in Greece, with the British and U. S. warships standing by, ready for action, to insure the return of the Greek monarchy in opposition to the democratic will of the Greek people.

* * *

Capital pays tribute to labor once a year—on Labor Day; the rest of the year labor pays heavy tribute to capital.

* * *

When the stock market goes down, business go up—in smoke.

* * *

Religion and Idealism reason from the unknown abstract, to the known or concrete; science and materialism proceed in opposite manner—by means of the known or concrete they attempt to explain the unknown or abstract.

* * *

Secretary Byrnes' speech at Stuttgart, Germany, was psychologically timed to affect the free elections the right(wing) way. He urged "Germany for the Germans." Our hunch is that it is not the workers he has in mind. They wouldn't be Byrnes' Germans.

R. Daniels.

PROLETARIAN NEWS

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Wall Street and the Workers

When people speak of *Wall Street* there is significance to the term. It carries certain implications. That famous street is associated with wealth, great wealth, and particularly its financial form. It is the banking center of the nation, the home territory of *Finance Capital*.

When the capitalist system first began to take form, within the structure of feudalism, it was the merchant class who carried it on. Capitalism's first form, therefore, was *Merchant Capital*.

In time, *Manufacturing Capital* overtook and marched alongside of *Merchant Capital*. This period (Manufacturing, the production of commodities by hand tools, and the wage-labor and capital relationship) lasted approximately three hundred years, roughly, from the discovery of America until the *Industrial Revolution*, in the latter part of the Eighteenth Century.

About this time the American Republic came into being, the *Industrial Revolution* playing a greater role in hastening that political revolution than is usually recognized. With the machine age, capitalism entered a higher stage, *Industrial Capitalism*. It was not until this stage that the capitalists as a class gained political supremacy and took over the control of nations.

During all this long development there were bankers. They had, in many instances, evolved out of the goldsmith's shops. The goldsmiths had become custodians of funds and other valuables. Banking itself has undergone great changes, but until the present period the role of the bankers was a secondary one under capitalism. They were the money lenders and funds collectors for the merchants, manufacturers and industrial capitalists. However, with the vast expansion of modern industry and the complex development of capitalism banking capital took on many new functions.

By the last decade of the Nineteenth Century, in a number of leading nations, the bankers had become the dominant section of the capitalist class, and publicists began to refer to this development as "the Money Power." The present of great industrial monopolies, the period of the *Trusts* or great combines. This development ultimately centered in the banking institutions. Much of the industry of modern nations came under their sway. In time an elimination process developed in the financial field. Small banks were absorbed or eliminated, and either voluntarily or under economic pressure the large ones began to unite. "Mergers took place. Today, a few financial trusts, great banking institutions survive. This is *Finance Capital*, its final stage.

Thus *Wall Street* itself has gone through an evolution, and the process cannot be reversed. It can only go forward into still larger units. Vast industries are controlled, and owned, by those powerful financiers. Like an octopus, the tentacles, or arms, of which reach out and absorb its prey, the *Wall Street* money power reaches into all branches of American business.

Billions of dollars of *Finance Capital* are invested within the nation's industries, and other billions are invested throughout the world in

general. The U. S. A. is no longer just an American power. It is a world power, standing above all other capitalist nations. It is the world's most modern and greatest empire. Its methods are those of *Finance Imperialism*, and its international relations are sometimes referred to as "dollar diplomacy," altho this term is now a bit lame.

America is now the greatest creditor nation. But in addition to vast loans made to many governments there are enormous direct investments in industrial and natural resources in various parts of the world. All this requires a very different foreign policy from that which prevailed fifty years ago. At the beginning of this century American capitalists were just beginning to invest in foreign fields. Altho their home market was expanding their surplus capital expanded still faster. To their highly efficient exploitation of labor at home they were able to share in the exploitation of millions of workers in other lands.

Prior to World War I, the U. S. Navy was sixth or seventh in size. Great Britain had a two-power navy, i.e. one equal to any two navies combined. The end of World War I, saw the end of Britain's naval supremacy, but parity between the British and American navies prevailed until World War II, shattered that relationship. America now has the world's largest navy, greater than any in world history, bigger, it is said, than all other naval forces put together.

Wall Street's investments must be protected. America's home and foreign policies are formulated upon that basis. Theodore Roosevelt saw the beginning of this. He did not understand it, but he did not like it and stormed against "the invisible government." He fought the trusts. Yet, he was a good servant of *Finance Imperialism*, despite his attacks upon it. He could denounce it, but as an inevitable development he was powerless to stop it.

William Howard Taft, who succeeded him in the Presidency, did not try to "bust the Trusts," because, as he said: "One cannot unscramble eggs." Since then, *Finance Capital* has become, practically, just one great scrambled egg embracing most of America's business, including its "political business." It makes no difference whether the mahouts of the Elephant or the stable-boys of the Jackass are in charge at Washington, the orders of *Wall Street* are carried out. The *Finance imperialists* own America, its industries and natural resources. It's *their country* and they are running it. The owners of the beehive collect the honey. The bees may do a lot of buzzing, and a little stinging, but when hungry they go back to work, producing more honey for their masters.

Working people, the vast majority, own no investments abroad and very little at home. Most workers, taken over a period of years, have little else besides a job and sometimes not even that. But the early training they receive, the *schooling* they get in lieu of an *education*, fixes their heads so that they think they are running things while they are actually being run.

It is not usual for wage-slaves in a millionaire's industrial plant to talk about "our shop" and about working at "my machine," and "we made ten million dollars last year," etc. etc. How is it made? Who does the making, and who does the taking, never seems to enter their minds. Even when they speak of "my job" they are talking nonsense. It is the employer's job, and when his "hand" is no longer able to deliver the required service he is thrown out and a new "hand" replaces him. "His" job is now being filled by another wage slave.

Thousands of workers in a modern industry, who talk about "my job" and "my shop," don't even own an oil can, or a floor broom. It is the same in politics. They talk about "my Congressman," but the congressmen and govern-

ment belong to the same class who own the mills mines, factories, etc., and consequently own the jobs.

The workers also talk of "our government, our navy, our courts, judges, police forces and jails." They talk of these in the possessive sense. Perhaps the latter, the jails, come closer to the possessive, for it is workers who build them and in the main fill them.

At first sight this whole thing seems harmless enough, just a matter of habit, more or less a formality, but it is the basis for their actions in politics. It determines how they cast their ballots on election day. The worker who looks upon government, not as a capitalist developed and controlled institution, but as an impartial body, one serving the people as a whole, is politically trapped, altho he may be honestly unconscious of it.

He sees the Republican and Democratic parties, and their candidates, as his political representatives, and his approach is simply that of choosing the "best" of the two parties or the "best men" within each. It never enters his mind that they are not there to serve him at all, but to serve the class that exploits him for profit, those who own the industries and who own "his" job.

The majority of the workers do not own a square-foot of ground. They own no factories or machines, nor the product of their own labor, and most of them live in rented houses which belong to others. They own no commodities which are shipped to foreign markets. Their own commodity, labor power, which they sell to their employers for wages, just provides a living. They certainly have no foreign investments, and usually none at home. Therefore, armies and navies, however necessary they are for the rich capitalists, do not serve working class interests.

For the worker who may not have a dime in his pocket, and may not know where his next meal is coming from, a condition which is all too common, to be worrying about what is happening to "our money" would be funny were it not so tragic. Yet, we meet up with "down and out" workers who are alarmed about the safety of "our investments" in China or Iran, or "our rights" in the Mediterranean, or who may be losing sleep over the risk "our" government has taken in lending so much of "our money" to Great Britain.

This mental enslavement to capitalism (altho they often don't know it) paralyzes the American workers politically and holds them harnessed to the interests of *Wall Street*. In this frame of mind they are easy picking for the professional politicians, who are usually professional patriots as well. A flag-waving speech and a line of praise for the workers as "sovereign American citizens, sitting on top of the world," etc., etc., and the average worker goes dizzy. He becomes intoxicated by American chauvinism, and his vote is in *Wall Street's* bag.

However, not all of the workers are just that simple. A small, altho growing number understand the political situation and do not support the parties of capitalism. A larger number, who in part understand, are ready to agree that the workers must engage in independent political action with the aim of gaining control of the nation, are yet unable to break with capitalist politics. They want to be "practical" and they stay with what they regard as the best section of capitalist politics, lest the worst section should win.

As this "choice" has always been here, and will continue to be, these "practical" political actionists, thus continue to support capitalism. Independent working class political action is necessary, they will agree, but "this is not the time. It would be a mistake to do it this year. We have to wait for more favorable conditions." For them it will never be the "right time."

These aspects are all part of the relationship

of Wall Street and the working class. They, the workers, cannot break with this enslavement without first breaking the chain of ideology which holds them. The first step they must take is to recognize themselves for what they really are—wage workers, whose role in life is the production of wealth for another class. When they fully recognize that, when they have learned the simple fact that capitalism has them economically enslaved, then their political enslavement becomes obvious to them, and they can understand the reason for their political plight.

The second step for the workers is to do something about it, not merely groan and complain. Lamentations will not help them. Organization and action are the answer. Without organization the workers are powerless. And, as politics is the power through which nations are controlled, then political action is the force necessary to achieve labor's emancipation from capitalist exploitation.

The capitalist, as a class, are in power. They will resist all attempts to break their control. A political party of the workers may confine itself to a struggle to remove some of the evils of capitalism, leaving the basic evil, the exploitation of labor, intact. But, a revolutionary party does not aim to make capitalism more enduring. It strikes at the root of the evil, at exploitation itself.

However, exploitation cannot be removed until complete political power is in the hands of the workers. This latter is the aim of the Proletarian Party. It calls upon the working class to do just that. It contends that in relation to the economic position of the workers capitalism can only become progressively worse, even with liberal reforms, "new deals" and such, and that the only logical action for the modern workers is the revolutionary overthrow of the entire system and the inauguration of a new system, the classless society of Communism.

State Capitalism and State Socialism

Some of our readers have called attention to the fact that certain alleged socialists claim that in the Soviet Union the economic system is that of "State Capitalism," and they request that we explain the difference between State

Capitalism and State Socialism, "if there is a difference," says one.

Of course there is a difference. It is not surprising that capitalists can't distinguish the one from the other, altho we suspect that some don't try to understand. A socialist, assuming that he really understands socialism, should have no difficulty in making the distinction.

In recent years the misuse of those terms have been very glaring. For instance, during the heyday of the "New Deal" many capitalist periodicals continually referred to it as "socialism" or as "state socialism." Franklin Roosevelt was sometimes branded as a "socialist" and occasionally a "communist." This branding of Roosevelt and the "New Deal" was partly politics and partly the confused state of the capitalist minded writers.

In a society, such as that which prevails here, the means of production (mills, mines, factories, etc.), and the natural resources, are owned by one class, the capitalists. This system of society, therefore, has been called Capitalism. The State or government functions for that class. Where it has taken over certain enterprises, as hydro-electric power, the postoffice, and such, it is STATE CAPITALISM. In other words, those state enterprises are owned and operated in the interest of the whole capitalist class. They exploit wage-labor like any private capitalist. In fact it is impossible for there to exist any socialism under capitalism. The capitalist State cannot introduce socialism, even if it were trying to. But it can, and does, introduce State Capitalism. That is what the British Labor Government is doing at the present time. The executives of the British State may call themselves Socialists. The working class may have voted for what they thought would bring socialism. What it is bringing is State Capitalism. Why?

The Capitalist system still prevails in Britain, and the State is a Capitalist State. Its constitution and laws are based upon class ownership of property. The capitalist class has not been overthrown. They are still the owners of Great Britain, and the profit system remains intact. Even though the Labor administration takes over the banks, the coal mines, and the steel industry (as they plan to do), these enterprises are still the property of the capitalist class. They own the bonds. What the Labor party has introduced is a measure of

State Capitalism. Where a Capitalist State runs industry, whether it is in "Socialist" Britain or "Free-enterprise" America, it is STATE CAPITALISM, and can be nothing else.

Where a nation has, through revolution, overthrown and eliminated class ownership of the means of production, and ended the exploitation of one class by another, there any State enterprise is STATE SOCIALISM.

Socialists, such as those of the S. P. of America, whose program, if it were ever applied, could only bring about STATE CAPITALISM, are ready to yell "State Capitalism" at the Soviet Union. This behavior is understandable, because if they visualize state capitalism as Socialism they can readily fall into the opposite error of seeing Socialism, where it does exist, as "State Capitalism." Those who are standing on their head see everything upside down.

One of the real tests in relation to this question is; "Have the capitalists, as such, been abolished, have they been expropriated, or do they still continue to receive their incomes from the exploitation of labor, say as interest on investments in the "government owned" industry? If so, it is State Capitalism and nothing else. On the other hand, where no capitalist class remains, where they have been completely expropriated, as in the U. S. S. R., then State Capitalism is an impossibility. There can be no form of Capitalism without capitalists.

The matter can be briefly summed up as follows. Where capitalism prevails, as in America and Great Britain, a state owned industry is *State Capitalism*, and under a workers state, where complete political power is in the hands of the workers, a state owned industry is *State Socialism*.

State Socialism is the first stage of the Socialist society, before the state has died out. *State Capitalism*, is the last stage of capitalism, before the working class has conquered political power. This latter stage is not necessarily the beginning of socialism. It is in fact the last stage of Capitalism. Regardless of who introduces and administers it, its effect is the strengthening of capitalism. It can be a means of saving and prolonging Capitalism. Therefore, it is important to be able to distinguish between State Capitalism and State Socialism.

John Keracher

International Notes

(Continued from page 5)

between government forces and republicans and communists continue in northern Greece.

In Italy the workers and peasants have a very trying winter ahead of them. Inflation is one of the biggest problems confronting the government. In Rome province, hundreds of farm workers have seized uncultivated land after getting tired of waiting for the government to do something for them. In other provinces, the Communists and Socialists have organized the peasants, with the object of "squattening" on undeveloped parts of big estates. The industrial workers in the north are also preparing for action unless the government does something about rising living costs. The government has a hard year ahead of it.

Talking about squatters the British workers also seem to have caught on to the idea that unoccupied buildings, even if they do belong to the bourgeoisie, should be made use of immediately. Tired of

waiting for the "Labor" government to do something for them, London workers, many of them veterans, occupied the fashionable Duchess of Bedford apartments. The Communist party led the squatters. The "Labor" government is in the embarrassing position of having to oust workers, to help the bourgeoisie. No party can administer a capitalist state for anyone but the capitalist class.

West Indies

According to a report in the Chicago Daily News, by Stephen Trumbull, the island of Martinique in the French West Indies now has a communist administration. It appears that a trend toward the left had been in process for about a year, culminating last June in a communist victory, altho the news had been withheld from America.

The majority of the inhabitants are Negroes. In the election a lineup of parties, similar to that of France took place, but an alliance of socialists, democrats, and Ca-

tholic republicans failed to prevent the communists from gaining a clear majority.

Further, it appears that Martinique is no longer a mere colony but has been created a department of France, as is now a number of former colonial possessions. Thus, it is entitled to two representatives in the French Chamber at Paris. Two communists are now in Paris representing Martinique. One is described as an eloquent Negro. He is a former school teacher named Aime Cesaire. The other is a carpenter, Leopold Bissol. This development may spread to other islands in the West Indies.

The Balkans

An intense struggle is taking place in the Balkan nations and those in the Danube valley. The big property owners, where they have not been expropriated, are looking to Britain and America, especially the latter, for aid. The workers and peasants, in the main, are looking toward the Soviet Union.

It is this division along class lines that lies behind the disputes over Trieste, the Danube, the Dardanelles, etc., at the Paris confer-

ence, Britain and America want to keep the waterways open for their commerce, but gateways thereto under their control in case of war.

Czechoslovakia, Bulgaria and Yugoslavia seem to be definitely aligned with the Soviet Union while Romania, Hungary and Austria are divided over the issue, torn as it were between the east and the west.

Of course the Yugoslavs wanted Trieste. Italy wants to retain it, but the United Nations seem to prefer that it become an independent port, "internationalized," to use their term. The Soviet Union wants it to be definitely independent, controlling itself. The western powers want its "independence" controlled by the United Nations for many years to come.

If Soviet policies prevail in the Balkans and eastern Europe in general, import duties will be high upon British and American goods. Favorable trade agreements will draw those nations toward the Soviet Union, both as a source of raw materials supplies and a market for their finished products.

C. B.

HOME SCENE

(Continued from page 1)

there any lack of administration bungling, nor are the anti-administration forces incapable of collusion; yet the picture remains far too vague unless we go into some of its economic background. For amidst all the speculation and manipulation the stock market is still in the long run a reflection and indicator of the economic trend generally.

The New Council of American Business, reports top government economists as stating, in a pamphlet called "Operation Boom-Bust," as follows: "Sometime in 1947 the economy will suffer a severe but short setback. This brief but violent bust will threaten every independent business in America, will destroy thousands of businesses today making comfortable profits." The reasons they gave are: (1) "Inventory accumulation already begun—which will result in an eventual severe cut-back of orders. (2) Resistance to rising prices becomes more accentuated, with families being 'priced' out of the market. (3) Tapering off of construction as costs soar." (PM, Sept. 3).

It is similarly reported in Newsweek (Sept. 9) that "The Commerce Department posted a small sign of warning last week. Factory stocks, listed in the monthly business survey at total manufacturers' inventories, expanded during July by 600,000,000 to a new high of 18,000,000,000. It was the largest July increase on record. Government economists recalled that the first indicator of the 1919-21 boom-and-bust cycle came when goods began piling up in warehouses."

These sources indicate that manufacturers' inventories are so high as to spell actual danger of a Boom-Bust, perhaps as soon as 1947.

We are not overlooking that part of these inventories, perhaps even a substantial portion is not circulating because of price discrepancies. The larger fact must, however, be faced; that the tremendous war prosperity is now over, with business relatively receding; small business has been badly mauled, several hundred thousands of them; and the workers, with all their recent increases and the hullabaloo about the exorbitantly high labor costs, are earning nowhere near what they earned during the war. Hence the contradiction—accumulated inventories holding out for high prices and on the other hand shortages and a shrinking home market.

And this is but one phase of it. For American industry is tremendous, it produces way over its home capacity. Hence it seeks foreign outlets for its surplus commodities and capital.

Repeatedly some of the nation's spokesmen, notably Wallace, have pointed out that post-war prosperity and full employment hinges upon our foreign expansion. Mindful of the tremendous war output,

and the revolutionary changes in technique and method that almost doubled production, they had a foreknowledge that unless market expansion kept pace with production serious economic crises were certain to come. A factor that possibly didn't enter into their calculation was that peace could also bring in its train social instability and change, deflections from capitalism and conditions generally unsafe for investment. At the moment, Europe is in such a predicament, especially so in eastern Europe and the Balkan states. The question of property and investments lie at the bottom of the political contentions between the powers. U. S. capitalism is faced with the dual prospect of market limitation, at home and abroad.

This condition is strangely contradicted by the simultaneous growth in the productive forces which require the very opposite—expansion.

It is against this background that the stock market must be watched and studied, as a reflection of the contradictions in the process of development. Not that men can't tamper with stocks, they do. But in, and through, their many tamperings, the forces of economic development assert themselves and determine even their tamperings. The capitalist spokesmen may publicly brush aside this market slump as inconsequential but, deep down, there's that constant nervous reminder—perhaps it is the signal for the coming storm.

* * *

The Haunted House

The housing problem is fast reaching the weather situation—where "everyone talks about it and does nothing." Twenty million homes are the calculated need and, at the present rate of construction, it is reported by one official that within a century all homes will be ready for the scrapheap.

Capitalist free enterprise has been quick to take all credit for favorable production records. Blame for shortages has been placed on most everything and anyone with special emphasis on labor as the culprit, but never, never on business.

But the scandalous condition in the housing industry has reached the point where even the capitalist press can no longer cover it up. The New York Times, in a front page story, on Sept. 9, blurts out that: "Skyrocketing prices for key home building materials in the black market have stymied private builders in their effort to meet the pressing demand for housing . . . and threaten to create a national scandal in the industry."

"Oak flooring has reached the unprecedented price of \$350 for 1000 feet in under-cover dealings—a quotation that makes last spring's sub-rosa price of \$200 look like a bargain—and virtually none is available in the 'legitimate'

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America's Labor Troubles

(Continued from page 2)

considered "fair and just" of an 18½ cent-a-hour wage raise. But the trucking companies rejected both the workers' demands as well as the Mayor's proposal. They offered to settle with the strikers for a sickly 6½ cent-an-hour increase. The striking truckmen considered this an insult and refused to settle.

One would think that the Mayor of New York as a "city father" was solicitous of the welfare of the strikers. But as tension mounted and the press headlined stories that the striking truckmen are "starving" the city, preventing deliveries of food, etc., the Mayor then took a hand. He announced the emergency appointment of 2,000 new patrolmen, to preserve "law and order," to "protect" trucks coming with food into the city. The ironical part is that the question of clothing the "new patrolmen" came up. There was a lack of blue uniforms. It was proposed to dress them in khaki.

The Mayor furthermore charged that "Communists" are running New York's truck strike and threatening bloodshed. But his actions and accusations only angered the striking workers that much more.

Mayor O'Dwyer's handling of the strike also brought forth criticism from some of the capitalist newspapers. V. Riesel, labor columnist of the "liberal" New York Post (Sept. 12) had this to say:

"The Mayor uses a strategy, it seems to me, which should be avoided in a walkout as tense and uncontrollable as this one. He steps in too fast. He doesn't give the strikers a chance to blow off steam. He overlooks the value of arriving at the crucial moment when the men are beginning to realize what it means to go without pay. He should be the dramatic peacemaker and not the negotiator."

In regard to the Mayor's rebating, this New York Post columnist further points out that the second lesson the Mayor should have learned "is never to announce that the Communists are leading a strike or deadening a city—unless they really are."

"O'Dwyer's charge that the Communists are running the New York teamster's stoppage and threatening bloodshed seemed to me ill-advised and uninformed. There are only a handful of Communists in this teamster's rebellion. I have proved that by a careful survey. . . .

"If the Mayor had said publicly that the teamsters are underpaid and have an understandable grievance, and then had sought out the rank-and-file leaders as the city did in 1938, he might have shortened the strike."

But it appears that the Mayor had not learned his "lesson," Riesel notwithstanding. He followed a strategy typical of capitalist politicians. The Mayor sent a telegram to Daniel J. Tobin, president

of the International Brotherhood of Teamsters, demanding him to call off the strike. At first Tobin demurred but went so far as to comply with the Mayor's demands by ordering non-striking unions to end their sympathy walkouts. As a result the Jersey truckers and others not directly involved in the strike went back to their jobs. The master had spoken and the servant (Tobin) obeyed. Thus the first wedge in the strike was driven by no less a personage than the "head" of the teamster's union. This maneuver, however, did not end the strike, the resentment of the rank and file, particularly of the New York Local 807, was strong enough to prevent a general stampede back to work.

Whatever "lessons" the capitalist class and its political henchmen learn from strikes, they are not without their object lessons to organized labor itself. For one thing the rank and file members should by now have learned how far they can trust their own "labor leaders." The top union officials, particularly of the Tobin type, dread strikes almost as much as the capitalist class, and are always open to compromise settlement detrimental to the welfare of their own union members.

Of course the strikes that beset the nation need not have occurred had the capitalist class been willing to grant the workers their demands. But this would not be profitable as the shrewd business men know full well. That is not the way to accumulate wealth.

But even if the workers had their demands for wage increases granted in full, what then? They would still have to go back to work—to be exploited. There is also no guarantee that the upward swing in the cost of living would come to a halt. And if it did, there is no guarantee that wages would not be the first in taking the downward plunge. It's an old saying but still an indisputable fact that wages are the last to rise and the first to fall.

The strikes have revealed one object lesson that only the blind could overlook. And that is that the real operators of industry are the workers themselves and not the capitalists. Everyone knows, of course, that the capitalist class profit through that operation. But when the workers ceased operations—through striking—then the nation's industry stagnated. The capitalist class was quick in pointing out that the workers through these stoppages were only "hurting themselves," loss of wages, etc. But profits were curtailed also. Yet the capitalists did not go bankrupt mainly because *they are the owners of industry* and have much accumulated capital. On the economic side, the employing class is always the stronger and the government upholds them in their economic supremacy. What then can the workers do? What is the real solution?

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'SAVED' -- ONE AMERICAN FOREIGN POLICY

private owners want patience, waiting. They want respect for all property rights. The hungry masses want something done now. They will take land, factories and equipment and start working. That is what the Russians did in 1917. To do such things is confiscating, thieving, if you please, in the eyes of American capitalists.

A movement for nationalization is in harmony with the Soviet conception. It spells friendliness. The expropriated capitalists will be sore about it but find no sympathy in the Soviet government. Their friends will be in the western powers. Thus it is not Soviet aggression but native expropriation which is wrong to diplomats, such as Byrnes. When such expropriation actually takes place with Soviet approval, and under the protection of Soviet occupation forces, it looks so much like Soviet aggression that it can be handed on as such to the gullible American public.

But the communist ideas, the ideas of production for use and not for profit, does not stop at the Oder river on the western boundary of the Soviet occupied zone. Stories spread of the growing "hordes" of communist agitators in western Germany, France and Italy. Their influence is growing. The church might hold it back. The occupation soldiers might intimidate voters. Police might prevent seizure of property, but the trend, to all appearances, is spreading. For the capitalist class it necessitates a policy of getting tough, not only with the Soviet Union but all around.

Once it is realized that the Byrnes foreign policy is not so much one of getting tough with the Soviet Union as of getting tough against the spread of communism, it becomes clear why the Wallace plan received so little support. It will also be equally clear that the Wallace plan of compromise and agreement cannot be adopted after discussion. The capitalist press and radio will be weighted down with the other side of the argument until but few ears will hear much of the Wallace plan.

Meanwhile, stabilizing capitalism is going to be a most difficult

The solution to the nation's "labor troubles" can only be brought about when the working class take collective ownership of the entire industry, its factories, mines, railroads, shipping, etc. But this, some one might proclaim, would mean the end of capitalism! It certainly would. In fact, to the upholders of the profit system it would be a calamity. But to the real operators of industry—the working class—it would mean the end of poverty and exploitation. For them it would be the beginning of a life of abundance.

Al Wysocki.

task. It might be done in Greece if the rest of Europe was tranquile. But Europe is much bigger than Greece. Besides there are China, India, Indonesia, the Middle East. All these places are big. Populations run into hundreds of millions. They are not in a tranquile state. Some of them are now in open rebellion.

America has become a world power of first magnitude. It now has a "united" cabinet and, perhaps, nation. But the get tough policy is a big job. It was a costly job to reduce Germany and Japan to impotence. Now they are talking of rebuilding and strengthening them. Why? They don't feel strong enough for the job alone. Germany and Japan might not be rebuilt to strength under capitalism. If not, who should worry? Clearly the capitalists who feel uneasy in a world full of spreading communist ideas.

The capitalist class needs the workers, to work and produce profits in peace time and also to get tough and man the guns in war. This the workers can be induced to do, but only if starvation can be kept somewhat at a distance. Here is where failure sets in. Too much peace creates depressions and mass unemployment. Too much war causes suffering and economic upheaval. Both lead to communist thought and agitation.

A third world war cannot be prevented by the capitalists. Its coming might be delayed or speeded up. A few would prefer it soon. While America alone has the atomic bomb, such a war might kill many communists. It would also kill others, and it would create more economic chaos and misery, conditions for a more rapid growth of communism.

These are the conditions the world is facing. The Wallace episode is a small ripple in comparison. There might be many who, with Wallace, wish for permanent peace, for friendly relations with all nations, for more world trade and mass employment. These are noble dreams but nothing more. Stark reality goes the other way.

As for the workers of the world, their hope lies in a rapid spread of the communist method. If today, while the world is yet tired of war, the workers of Europe and Asia could muster enough strength to rid themselves of capitalism, they would lay a more solid foundation for permanent peace than any number of well-wishing Wallaces could ever begin to do.

Capitalist society has given the world mass production. That is real progress. But capitalist society stands helpless to perfect mass distribution. Thus the world faces a crisis, a crisis of rebirth. The next stage in social development has been reached in the Soviet Union. All sections of the world are in process of taking the necessary step. It cannot be stop-

HOME SCENE

(Continued from page 6)

market at the new ceiling level of about \$175.

"A year ago the price on this material was about \$85 for 1000 feet and the ceiling also stood at that figure. Before the war better grade oak flooring was selling at \$65 to \$70, but now rough framing lumber is bringing almost twice that price through illegal channels.

"Nails are up to \$15 a keg, as compared with \$3 to \$3.75 before the war. Soil pipe has risen to \$6 for each five-foot length, against \$2.80 or \$3 last spring. Contractors must pay 20 cents a pound for most sheet metal, and other essential products have risen proportionately.

"Some experts estimate that at least 75 per cent of the supply of some vital materials flows into the black market, despite increased production in most lines. They express the view that the entire supply priority system of the veterans' emergency housing program has broken down."

OPA sanctioned a rise in oak flooring amounting to more than 100 per cent increase over a year ago. This increase, mind you, is for the shoddy material and they are not using gold spikes for nails. Would anyone content that wages have risen 400 per cent in one year? The contractors don't even make a peep about that.

With all the skyrocketing prices in building materials, black market, etc., the question still remains what is happening to the building materials? Why aren't they used to shelter vets and workers? Capital investment engaged in construction sees a more profitable outlet, and a lesser risk, for those materials in erecting industrial plants, commercial establishments and amusement and sport arenas.

A few gold bricks are being peddled off to some house-hungry vets, the rest, together with the civilian working population, are left to wander along aimlessly in the search of the unattainable. The government, despite any pretensions, is doing next to nothing to alleviate this plight. As an or-

"Preventative War"

In case you don't know it, a "preventative war" is not a defensive war, nor an aggressive war. It is just a war to "prevent war."

* * *

Royal Democracy

Greece, it has been claimed, is the original home of democracy. It is possibly out of regard for this that the self-styled leading democratic nations of the modern world saw to it that a royal democrat, King George, was returned to the homeland of democracy. Long live the king.

ped. The workers have no interest in attempting to stop it.

Christ Jelset.

gan of big business it pipes the profit tune. For labor to tolerate this condition for long is tantamount to admission of softness in the head.

* * *

Price Relief and Feathering the Financial Nests

During the "price holiday," between June 29 and August 5, prices of the primary wants of man, food and clothing, rose phenomenally. It was a holiday for the merchants of wares. A sellers paradise.

The U. S. Bureau of Labor Statistics index of 28 basic commodities in primary markets showed a rise of 25 per cent in 26 days after June 28, with foodstuffs rising about 34 per cent. From the average price increase of milk of 16 per cent, to the average increase of lard in about 12 cities of 90.5 per cent, the only variation was in the percentage of increases.

While the holiday spirit prevailed, the OPA Extension Bill was signed by President Truman. A Decontrol Board, as part of the new OPA, was created to soften the transition from the more rigid wartime price controls to the normal peacetime "natural" price control.

What has happened to price controls now can be gauged by the periodic announcements by the OPA and its Decontrol Board. The press reports OPA orders following price increases. Footwear in about 30 per cent of its production allowed 8 per cent increase in retail prices. OPA orders 6 to 8 cents a ton increase in coal and other solid fuels. Decontrols ordered on this and that item. OPA orders increases on that or this article. And so it goes, price increases through OPA rulings or through decontrolling. The net result is price jumping. OPA or no OPA, the effects are the same.

Labor union officials threaten strikes if price hikes are not checked. Capital points to labor as responsible for price spiraling. Every price increase brings action for strikes. Every strike actions speed the capitalist down to the OPA for price increases. A vicious circle.

The "smart" people in government, business and labor unions have what they think is a sure cure—greater productivity. President Truman, the National Association of Manufacturers and other agencies of business, and William Green, president of the AFL, now see eye to eye that what is needed is greater productivity.

Who will benefit from the increased productivity? Who have benefitted in the past from such intensified work? Business has, but not labor. It is natural for business to holler for bigger and better production, for they benefit from it. But for a labor union to join that chorus is something else. It denotes either ignorance or a good labor leader for the boss.

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HOME SCENE

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The output and rate of production has been tremendously accelerated during the war. Varying figures are cited but all point to and agree that it has increased. The results are well tabulated and recorded in financial and trade pages of the press. In the war years of 1941-1945 the average net profits of Armour were 241 per cent above the average for the 1936-40 period. National Dairy Products showed in the first six months of 1946 a net profit of \$11,802,554 compared with \$6,977-276 in like period last year.

In the construction materials, the manufacturers "expect the current year to be one of the best, profitwise, since the building boom of the late 1920's."

Could labor boast of increased wages in like manner? The answer is obvious. Even where labor has fought and won slight increases, it is still trailing. The output of labor and its wages show it on the short end. Its efficiency has increased but it was not rewarded to anywhere near the extent of work improvement.

Capital and labor are affected by the price problem in two totally different directions. Capital, from the angle of profits. Labor, from the angle of defending its standard of living. The two are antagonistic.

* * *

Election Forecast

Presidential elections, in contrast to midterm elections, have been of more concern and attracted more attention of the voters, as attested by the number of ballots cast. In the 1940 Presidential contest there was 47 million votes cast, out of 79,389,000 eligible voters. In the 1942 midterm election, only 28 million votes were cast, out of 82,194,500 eligible voters. In the 1944 elections, 45 million, out of 85 million voters, cast their ballot. What will be the figure for 1946 midterm election is speculative.

Some "political strategists" figure that as much as 75 Congressional seats hang in the balance. That only adds fat to the fire. The Democratic machine appears anxious, because any changes made are felt to be in its disfavor. While the Republicans, at this stage of the race, feel confident that they will gain numerically, at least, and at best may gain control of Congress. That is the way the political "inside dopesters" reason.

When Truman took office, his "humility and sweet reasonableness," in contrast to the past Democratic Administration, gained for him and his party, popularity, even from many conservative Republicans. The latter felt, at long last, the office was filled by a less domineering and safer figure. However, that feeling soon vanished when the Democratic Administration came forth with its 21 point program in September of 1945. Amongst some of its points

were favoring full employment, higher minimum wage and unemployment compensation. The conservatives immediately saw "red" and the reaction was quick.

Since then the Democratic Party under Truman's leadership, has earned much hostility of labor as well. The lack of aggressiveness, and even splitting support of "progressive" legislation, by the Democrats led to murmuring among its former supporters in the "liberal" and labor ranks. But more, labor hasn't forgotten or shouldn't anyway the "draft labor" bill. That was the payoff.

Senator Wayne Morse of Oregon, recognized as a Republican "liberal," has characterized the Truman Administration as "an exceedingly reactionary one." Right you are, Senator, but so are the Republicans with their winglets.

The Democrats are counting on "good times"—high level of business (profits), employment and wages—to swing the electorate in their direction. The Republicans will try to tag on their opponents, bureaucracy, bungling, fumbling in strikes, price instability and endangering the economic health of the country generally.

How will labor respond? The official labor movement, the trade unions, both AFL and CIO, as usual, is still treading the traditional path of supporting "friends" within both parties. That these "friends," after election, have turned around and stuck their heel in labor's face is only proof for the latter that it made the wrong choice, but must continue to search for new "friends" within the shell of both parties. What a confidence game!

Old habits die hard. How many more beatings will labor take before strutting out candidates from within its OWN RANKS? We do not know. But we do know they'll take it on the chin so long as they support capital, either Democrat or Republican.

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Monopoly and the Elimination Process

There is a growing alarm in small business circles over the preponderant growth of monopoly capital and its effect upon American economic and political life.

What is happening to the independent, small business, the so-called "backbone" of the American way of life? Statistics show that during the war 500,000 small concerns have folded up, many also have been bought out by larger corporations. It is estimated that corporation capital accounts for 70 per cent of manufacturing output. And this trend is becoming further accentuated.

Wendell Berge, Assistant Attorney General, in charge of the Anti-Trust Division of the Department of Justice, said: "The concentration of the economic power in the hands of a few small vested groups is today higher than ever before in our history."

To this can be added that the political power is no less so in the hands of the same vested interests, who determine basic domestic and foreign policy, though not visibly so. For politics is a phase of the economic, an arm of it, as it were. The hopelessness of reversing the concentration trend through anti-trust legislation and prosecution is inherent in the relation between big business and government.

Concentration of wealth proceeds naturally from profit-competitive economy, based upon the exploitation of labor. Accumulated capital and competition lead to constant expansion of the means of production. With the growth of large-scale industry and technique a point is reached requiring vast financial strength to operate. Trusts and monopolies are formed. This commenced in the latter part of the 19th century. Since then the basic industries, railroads, steel, coal, rubber, oil, automobiles, etc., have, one after another, become exclusive monopoly. Small capital, with its limited finances and organizational facilities, is confined largely to the distribution industry. Although it, too, is gradually being "driven to the showers" by the chains and department stores.

What is there left of "the backbone" except a drying-up old skeleton? The "American way of life," no less than the "old gray mare," is just not what it used to be.

The triumph of monopolistic big business over individual small business is the triumph of large automatic machinery over the hand tool and simple machine. The law of the capitalist struggle for existence decrees that the RICHEST survive. The independence of the small man virtually amounts to an independence FROM property.

But the victory of monopoly focuses our attention not only upon the growing propertylessness of the great mass and their dependence upon the privileged few. It emphasizes the mass-production and social nature of the industrial machine crying out urgently for socialized, collective control. The next step in the elimination process must be that the eliminators themselves will be eliminated in the interests of the whole of society.

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In Defense of the Old Order

The hopes of returning to peacetime economy are being blasted amidst the rumors of a fresh war, for which America is being prepared, psychologically and militarily—NOW. The Bikini atom tests, U. S. professed determination to hold the secret of the atom bomb exclusively for its own use, for its defense (only!). Notice was recently served of a program whereby a network of industrial plants are being mobilized by the Army-Navy Munitions Board, ready to convert the U. S. from peace to war footing within 24 hours. The draft is being continued. The psychological press, radio, and church campaign against communism, all these form one pattern.

As each succeeding point of difference among the world's nations is turned into an impasse, U. S. diplomacy points a stern finger at Moscow charging it with aggression and power motives. The Soviet Union is held responsible for existing instability and civil strife. The old scare of world revolution has been revived, added to which is the danger of "Red Imperialism." To think of it, we are told, how ungrateful these Russians are, if it hadn't been for our arms where would they be now? And of course, the line continues, America has no world ambitions of its own (not much!) for power, all she seeks is the establishment of universal peace based on justice, fair play and democracy.

Essentially what kind of justice we are seeking and for what element, we are not told, but its definiteness is made certain by its deeds. How else is U. S. military support to the reactionary Chiang Kai-shek against Chinese Communists to be interpreted? What business has it in interfering in the internal affairs of China, in the first place, secondly, particularly support to Kai-shek and not his opponents? What are U. S. planes in numbers doing over Yugoslav territory? How much influence did the "courtesy calling" U. S. warships exert in restoring Greek monarchy? How come that right-wing elements are regaining influence in U. S. occupation zones in Germany, Italy and Japan? All these acts point concretely to U. S. aims, i.e. the restoration and stabilization everywhere of the conditions of private property under the aegis of American imperialism. The achievement of this "just" task has become quite complicated. Property relations are disrupted in a number of countries, Poland, Yugoslavia, parts of Germany, China, etc., where a new kind of justice and democracy is being established, stemming from the common people, themselves, from labor.

The tension between the U. S. and U.S.S.R., the two outstanding world powers, is growing because each stands out as the symbol of a different system, around which the opposed forces of the world are synchronizing. It is the antagonism between capitalism and socialism. Out of the self-inflicted ruin of capitalist struggle there are emerging strong trends towards the new social order. It is inevitable that there be reciprocal friendship and aid between such and the Soviet Union. It is equally inevitable that capitalism everywhere, will seek to entrench itself in a desperate battle for its existence.

The story of the thief crying "thief" is very germane to the present situation. Under cover of charges against Soviet aggression the U. S. is itself planning a campaign of aggression. As a present leader of world capitalism it is preparing for a last-ditch fight in defense of the dying old order.

L. B.