

Fourth International

**MAJOR DEVELOPMENTS
SINCE EISENHOWER'S ELECTION**

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**CONDITIONS OF LABOR
IN REVOLUTIONARY CHINA**

A First-Hand Report

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CARTELS RESPECT NO FLAG

The Tieups Between U.S. and German Big Business

By Tom Milton

FOURTH INTERNATIONAL

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NUMBER 4

Major Developments Since Eisenhower's Election

(Resolution adopted by National Committee of Socialist Workers Party, May 1953.)

Eisenhower's election and the defeat of the Democratic-Labor coalition has been the outstanding event of American politics since the National Convention of July 1952. This first Republican victory in 20 years invested direct control of the government in Big Business and High Finance, signified by the cabinet composed of millionaires and one labor lieutenant of capital. It considerably increased the influence of the military caste upon the administration and its policies. It pushed to the forefront of power the most sinister and anti-labor elements in the ruling class, evidenced by Taft's domination of Congress and McCarthy's unrestrained witch-hunting activities. Extreme political reaction and unalloyed capitalist conservatism holds sway in the directing circles of the country.

The world has entered into the critical period where the *general* conditions have ripened to the point where a new world conflict can quickly be precipitated. However, the totality of the factors actually determining the moment of conflict is so complex, so fluid, and so subject to modifications that this critical period may stretch out over some years, without war breaking out, but during which it is possible for war to be unleashed at any time.

It is now necessary to assess the possibilities of war in the next immediate phase of world developments and to steer the party's course in accord with this appraisal.

The political developments within the United States have been paralleled by the significant changes in the Soviet Union since Stalin's death. Although neither set of events has yet led to any basic shifts in the world situation, they introduce certain modifications in the relations between the principal powers and in the world relation of class forces that may, for a limited period, vary the tempo of the war drive.

The secret and public diplomatic moves now holding the center of the stage are thus far preliminary and provisional. The Kremlin has intensified the drive for a deal with Washington to gain time for consolidating the new regime, to head off the march toward war, to throw blocks in the path of U.S. imperialism and draw away its partners in Europe and Asia. In the worst event, its "peace offensive" aims to fix the responsibility for war upon the imperialists where it belongs. Mao's government likewise

wants time to develop its economy through respite from shooting war in the Far East. However, it is premature to conclude how far either Moscow or Peking can or will go in making the concessions demanded by Washington.

The Republican administration is being pulled by two contending groups of finance capitalists on war strategy. The Pacific Firsters have been pressing for resuming the Korean War and extending it into China regardless of consequences. The other group, dominant for the moment, prefers to proceed along more cautious and devious lines in solving the major problems of U.S. imperialist policy. As Dulles' tours indicate, neither group intends to be swerved from the objectives of tightening the encirclement around the Soviet bloc and forwarding the military, economic and diplomatic measures required to implement global war plans and preparations. But there are increasing signs (parleys on the Korean truce, revisions of the military budget, relaxed pressure upon NATO, projected postponement of rearmament target dates, proposed lowering of draft quotas) that the leading policy makers in the White House and Pentagon are reviewing their calculations and considering a tactical readjustment in the pace of the war drive.

A series of international political and domestic factors disposes the administration to consider pausing for a while and to jockey for a better position. Since 1950 Washington has exploited its intervention in Korea to the maximum to further its war strategy and looks upon stepped-up action there as less of an asset and more of a liability. The new developments in the USSR and their repercussions, the setbacks to American power in Korea by the mounting colonial revolution, the undermining of imperialist France in Indo-China and North Africa, and of Great Britain in the Middle East, Malaya and Africa, the anti-imperialist upsurge in Latin America, the insecurity of Washington's Western European allies, the crisis of NATO, the delay in the rearmament of Germany and Japan — all induce Eisenhower and his advisors to reconsider their tactics in the international situation. The uneasiness among the American population over the Korean War and the growing financial difficulties imposed by the militarization program (the inescapable Federal deficit, higher in-

terest rates, continuing inflation, the weakness of the dollar) operate in the same direction.

The early May speeches of Churchill and Attlee show how hard the Western European partners and Asian countries are pressing the administration to agree to negotiations with the Kremlin. This pressure cannot be arbitrarily brushed aside unless Washington is ready to risk heading into war without the acquiescence of its allies.

The administration would view any negotiations or agreements as tactical maneuvers. Without altering its plans of world conquest or military preparations, it could utilize the breathing spell to improve its positions at home and abroad for the inescapable showdown while deluding public opinion that Wall Street's government is actuated by "peaceful" intentions and the menace of war really comes from Moscow's refusal to be reasonable or from Peking's "aggressive" moves.

Instead of extending the conflict in the Far East and marching straight toward all-out war, as demanded by the Pacific Firsters, Eisenhower could take advantage of a slight delay for a detour to arrive at the same end. The President's hard core of provocative demands in his foreign policy response to Moscow and Dulles' tough talk are aimed to set the stage for squeezing the maximum concessions from the Kremlin and Peking under threat of total war against the Soviet bloc. If this incipient deal should fall through, that failure could be held up as added and conclusive evidence that it is unprofitable and futile to "appease" Moscow and that it is imperative to go full speed ahead. On the other hand, if sizeable concessions can be extracted, these can help fortify American positions on the international arena and become springboards for the aggressive moves in view at the next and very near stage. The duration of such an interlude could be used to cinch up on military preparations, extend bases in Western Europe and Japan, and try to beat back the anti-imperialist movements in the Far East, Middle East, Africa and Latin America.

A limited shakedown in American economy could simultaneously be used to try to weaken and housebreak the labor movement.

For these reasons a partial and temporary agreement between Western imperialism and the Soviet bureaucracy on certain disputed issues is not excluded. This could terminate the shooting war in Korea and ease the strain in other places (Austria). But it would not put an end to the cold war or eliminate the danger of world war. Such an interlude would be fragile in its foundations, highly unstable and short-lived.

It could be upset — and even prevented — by the threat of a major depression in American economy, by the sudden and serious weakening of capitalist powers and positions in Western Europe, or by renewed outbreaks of the revolution in the colonies or elsewhere. Even if Washington and the Kremlin should come to terms, neither has control over the operations of world economy or the unfolding of the world revolution. Either of these processes, aggravated in the extreme in this epoch of imperialist death agony, can intervene with explosive force to wreck

the diplomatic calculations of the American imperialists and Soviet bureaucrats and suddenly place before them the necessity for new decisions.

In the event that no truce is concluded in Korea, and negotiations on other questions collapse, this turn of affairs could lead to the resumption of hostilities in Korea and the spread of war in the Far East, which could touch off World War III.

The primary task of the party in the light of these events is to expose the real aims of Washington's diplomatic dealings and warn that at best they would do no more than temporarily postpone the projected assault upon the Soviet bloc. They would not end the aggressions of imperialist policy at home or abroad, or the counter-revolutionary activities of the Republican administration. The American people must put no trust in the peaceful pretenses of official propaganda. In addition to the slogans already popularized, the demand should be raised to do away with all secret diplomacy. The party should demand that the American people themselves have the right to make the decisions on the issues of peace and war.

II. The Republican Administration And Labor

The Republican victory has broken the political coalition between the White House and labor's officialdom which existed under Roosevelt and Truman and has modified relations between the administration and the union movement. Under the Democrats the union officialdom relied upon influencing the White House in their favor in return for delivering the vote and blocking independent political action.

The brazen plundering of the country's resources and gouging of the working people by the profiteers and landlords has reached unprecedented proportions under the new Republican administration. This forces the union officialdom into a more critical attitude on domestic issues which directly affect their interests and organizations.

At the same time, suspicion of the Big Businessmen and Brass Hats in the Administration helps create a more receptive audience in the union ranks for criticisms of Washington's policies and suggestions for a new political course for American labor.

Underneath the surface passivity of the labor organizations run currents of restlessness which now and then spurt forth in department stoppages and spasmodic strikes. The man-hours lost through strikes last year was the largest since 1946. This is paralleled by increased questioning among the workers of the consequences of official foreign policy and the political role of American labor. These are significant symptoms.

However, the continuance of the arms boom, full employment, minor concessions by the corporations, the strait-jacket of the bureaucracy, have prevented any wide and deep-going strike struggles except for the steel and coal strikes over the past period. Despite accumulated grievances, no significant change has occurred in the situa-

tion of the workers, as analyzed in the last Political Resolution. A basic change can come about only with a worsening in the material conditions of the masses.

Neither the administration nor its labor agents would ease their respective witch-hunts in the slightest in case of a partial deal with the Kremlin. But the consequences of altering the rate of the militarization program and the conclusion of a truce in Korea could modify the prevailing relations between Big Business and organized labor. A slackening in production, with consequent unemployment, would lead to a worsening in the economic outlook and living conditions of the workers. The elimination of overtime and the difficulties in getting two jobs would pinch the budgets of many families burdened with installment or mortgage payments. Even a minor shake-down would permit the employers, sure of support from government agencies, to take the offensive against the unions, tighten the screws upon the personnel in factories and offices, further hack away at union conditions and organizations and increase the speed-up. The monopolists will seize the chance to try to pound the powerful labor movement into submissiveness and regiment it still more for the next phases of their war-drive.

These provocations would arouse anger and protest among the workers. Despite a disadvantageous economic situation and the handicaps of their leadership, a growing spirit of resentment and resistance to the aggressions of the employers could erupt in sporadic strikes and wild-cat actions.

A major shift in the economic situation would have to intervene before any drastic shake-up in the relations between the capitalists and organized labor would develop and before the mass of workers could begin to pass over from their present relative quiescence to large-scale class action and fierce social struggles. But the relaxation of war tension, coupled with Republican reaction spear-headed by McCarthyism and punctuated by Big Business attacks on labor, can shake the relative stability of class forces and give rise to a conjunctural sharpening of the class struggle. How deeply this would go and how long it would last would depend on unforeseeable circumstances.

The notion that little if anything effective can be accomplished in action by the militants in the union movement until a general war has run a considerable course, is false in perspective and practice. The transition of the workers to a more energetic state will be the result of prolonged molecular processes. Even small signs of a shift in their moods and actions must be noted and their first expressions grasped if the militants of the vanguard are to fulfill their role as a ferment in the process of radicalization.

Without plunging into any ill-considered or reckless moves, party members and sympathizers must remain alert to changes in the moods and movements of their shopmates and be ready to work with them as they rise up to defend their conditions. They should look for openings to bring forward the ideas and proposals of the transitional program as a guide to the activity of the

militants and thereby extend the influence of the party and its program.

It would be wrong and unwarranted to overlook opportunities of this kind and permit them to pass by without intervention on the ground that they will not decisively alter the over-all situation. Even if the war drive should be stepped up and the war advances rapidly, cutting across a sharpening of the class struggle, and suppressing for a while its manifestations, such efforts would be justified. They preserve the working class from demoralization and despair, strengthen the militants in the eyes of the union ranks, help them cope with repressions and victimizations and win supporters for our movement.

III. Party Tasks for the Next Period

The Theses on the Coming American Revolution, adopted in 1946, govern the broad course of the party in the historical unfolding of the struggle for socialism in this country. The work of the membership in the next period should be conducted in accord with the main line of orientation laid down in the political resolution of the 15th National Convention. Anything at variance with this revolutionary orientation must be rejected. All the specific tasks indicated are designed to implement our course of continuing to build an independent revolutionary party rooted in the mainstream of the organized working class.

For the coming months there is no single task within the frame work of our major orientation like the national election campaign in 1952, upon which our forces are to be concentrated and to which others are to be subordinated. The party has to engage in a general rounded program of activities suited to available forces and resources. The most important are the following:

1. Labor Party

The Labor Party provides the most general formula for our efforts to advance the politicalization of the union militants. For the time being our work around this issue is largely confined to education, propaganda and agitation. There are now few signs of organized moves in the direction of the Labor Party in the mass organizations. But the ranks manifest a willingness to listen to arguments for independent political action which must be cultivated. Regardless of the low ebb in the Labor Party movement, the party must persevere in its preparatory work in the CIO-PAC, the AFL-LLPE and unions and watch for occasions to hammer home the urgent need for the Labor Party in the press, unions, and mass organizations.

2. Union Work

Possibilities for fruitful trade union work are present even under adverse conditions. But the type and scope of union activities necessarily vary according to objective circumstances. Participation of the comrades in union actions is almost wholly — and rightly — confined at present to issues which remain within the framework of

official policy and do not bring them into direct conflict with local and international officials.

However, it is possible, and advisable, within these restrictions to carry on certain types of work: to circulate the paper, fight shop grievances, oppose the witch-hunters, improve their own political education, contact the best militants and recruit them into the party. Through a judicious use of appropriate slogans from the Transitional Program it is possible to raise and help generalize the thinking of workers and guide their development. To carry out this union work it is imperative to improve the coordination of union fractions nationally and locally. Both have been extremely lax in the past period. Rectification of this will help increase the effectiveness of the fractions.

The party must take note of two important aspects of the union movement.

a) The presence of two different strata among the workers. One comprises the older, better-paid, more skilled and privileged, with lengthy seniority, who tend to be conservatized, more tired, less mobile. The other embraces the younger, poorer-paid, less skilled, without much seniority or stake in the job, harder-driven and discriminated against. These underprivileged layers, often including ex-GIs, women, Negroes, Mexicans, Puerto Ricans, and other minorities, are less conservatized and likely to be more impatient, vigorous and combative. We must consciously direct attention to these fresh elements and base our work more and more upon them because they are the best material and will be the main driving force in the formation of any emerging left-wing.

b) The Negro workers play a twofold role inside the union, and between the Negro community and organized labor. Their struggles against discrimination on the job, just in themselves, can also serve to heighten the consciousness and militancy of the white workers and in some cases push the union bureaucrats into action. The colored workers also transmit class militancy and radical ideas to their own Negro community. These considerations urge that particular attention be paid to the struggles and demands of the Negro worker. Wherever the union is officially on record to fight discrimination, the militants must keep this from remaining a dead letter and try to realize it side by side with the Negro members.

3. Negro Work

The party's attitude toward the NAACP as the predominant national organization of the Negro people is to support it, help build it, function within it, make it a better agency of struggle for Negro rights. This long-range work must be carried on with the same patience and persistence as union work, despite the undeniable difficulties imposed by its petty-bourgeois leadership and many other shortcomings of the organization. Efforts should be exerted to link the unions more closely with the NAACP and interest Negro unionists in becoming members and activists in the local organization, as the nucleus of its progressive wing and sympathizers with our ideas.

In addition to engaging in local movements on Negro grievances, local initiative can be taken on burning national issues, such as Los Angeles exercised in the Moore bombings, and Buffalo on the Willie McGee case.

Special attention should be given to holding classes for Negro contacts; to the Marxist education of our Negro cadres and to acquainting party members and sympathizers with the socialist approach to the history, struggles and problems of the Negro people.

4. Youth and Student Work

Particular heed must be given to the special needs and problems of young workers in industries, offices and neighborhoods in order to attract them to our movement.

Activities on the campus should stress (a) taking party campaigns to the students in local and national elections such as in the Dobbs-Weiss campaign and defense cases like the Kutcher, Trucks Law and Illinois 1030 fights, (b) entering campus protest movements against the witch-hunters to protect academic freedom, (c) where feasible, forming groups or clubs to educate the student youth in socialist ideas.

5. Struggle for Women's Rights

Agitation for child's care and recreational centers and for better school facilities offers one of the best approaches at present to the general field of struggle for women's rights.

In the shops the union membership can be mobilized to demand equal pay for equal work, uniform upgrading and the abolition of discrimination against women workers.

6. The Party Fight for Legality and Defense Cases

The intensification of the witch-hunt which intimidates so many likewise engenders opposition in widening circles menaced by McCarthyism. This provides a broader basis for organizing resistance to the witch-hunters. Our party has never failed to support any struggles against encroachments on democratic rights or in defense of the victims of reactionary attack, from the Stalinists in the Smith Act and Rosenberg cases to the Quakers and Jehovah's Witnesses.

On its own behalf the party has carefully selected those issues and cases to fight back on which had the widest appeal and promised to rally the widest support. It has been practically impossible and politically undesirable to openly contest every act of victimization. At the same time, wherever the basic rights and legality of the party were threatened by federal, state or local legislation and effective forces could be mobilized, the party has accepted the challenge, as in the Seattle ballot case, the attempt to rule the SWP off the ballot in New York, the Illinois petition law 1030, and above all the Trucks Law in Michigan and the Devine Bill in Ohio.

This series of actions springs from our determination to fight the witch-hunters for the utmost freedom of functioning under the given conditions. The party is resolved not to yield an inch more to the reaction than

is necessary or compulsory. The revolutionary vanguard has the duty to contend for the broadest scope for its political work, submitting to restriction and repression only against overwhelming odds and irresistible force, and returning to the open field as quickly as changed circumstances permit.

The principled character of our policy in defending all victims of reaction, and the vigor of our defense work has enlisted broad labor and liberal support, exposed the Stalinists by contrast, and made the witch-hunters a bit more cautious in applying measures of repression against our party.

The fight for legality is closely bound up with our general activities as a political party. Participation in election campaigns is one of the best and most effective ways of establishing and safeguarding the right to function as a legal organization. The Plenum categorically rejects any tendency to retreat or retire from the electoral field under present conditions. Through such activities the party demonstrates that it is not a sect or a propaganda group but is striving to fulfill its role as guide and leader in the living mass movement. The courageous challenge to the witch-hunters on the electoral field as elsewhere attracts new forces toward a party which demonstrates that it is not cowed by the onset of reaction.

7. Opponents Work

The 1952 Convention resolution states that, while it is necessary and important to carry on activity among opponent organizations, such work must be strictly subordinated to our main work in unions and mass organizations, not only in words but in practice. The party favors opponents work in Stalinized movements wherever investigation ascertains that this promises fruitful results and is not at the expense of our major line of endeavor. Naturally, those comrades working *within* such organizations must adapt themselves to the tasks in hand. But it is impermissible for the party press or its representatives to adopt a conciliatory attitude toward the Communist Party or to any other alien political tendency.

Wherever we encounter the Stalinists in our work in the mass movement, our task is to challenge this rival and combat their ideas and influence as part of the contest for leadership of the radicalized elements. This is the more imperative in view of the latest rightward turn of the CP toward entry into the Democratic Party, supporting Democrats and liberal capitalist politicians, nestling closer to the trade union bureaucracy, and opposing in practice the real preparations for a Labor Party. This latest turn of the American CP is another link in a long chain of class betrayals.

Moreover, our opponents work encompasses a broader field than Stalinist circles alone. Wherever new formations mobilizing significant mass opposition to capitalist reaction and heading in a progressive direction, start to crystallize, as around the ADA in New Jersey, the situation should be probed for possibilities of conducting fruitful work among them.

8. Election Campaigns

The experiences of the last three campaigns (the Presidential, the Los Angeles and Oakland municipal elections) indicate the pattern for the party's electoral work in the present period. The party rejects the concept that election campaigns are to be run only under exceptional conditions as incidental activities. The party has a more positive attitude on this question. It seeks to enter elections wherever conditions are not prohibitive. The Los Angeles and Oakland campaigns conformed in all respects to these requirements and demonstrated what can be accomplished today. They showed that good results may be expected in return for the energy expended.

The aims of our electoral work are not primarily to amass votes, but to reach the maximum audience with our ideas, catch their attention through the slogans of the Transitional Program and our anti-war agitation, interest new people in socialism, and thereby develop a pool of supporters from which contacts can be drawn and recruits made in follow-up activity.

Election campaigns reinforce and supplement other types of mass work. They bring the message of the party into the unions through our candidates and help comrades in the shops who cannot otherwise openly identify themselves to refer their shopmates to the broadcasts and literature of the party as a basis for discussion. Election campaigns stimulate and elevate the political life of the branch, keep the party in closer touch with the sentiments of the people, and out in the arena of political life.

The prospective supporters of our movement have not been assembled in any single place or under any one banner, but are scattered throughout the mass, and can only be reached through precisely such means. The party's *main* efforts must therefore be directed not toward propagandizing in the relatively restricted politically advanced circles, but to addressing unionized workers, Negroes and other critical-minded but politically unattached elements, with our agitation on the immediate issues of greatest concern to them, linking these up with the transitional demands and our socialist views on the problems posed by the war, witch-hunt, capitalist rule, the colonial revolutions, etc.

9. Press Circulation

As the voice of socialism and principal organizer of the party, the circulation of the press must be the constant concern of the branches and not be permitted to lapse into routinism. The campaigns in the past few years have shown that circulation can be maintained and new circles of readers penetrated if this work is efficiently organized. With proper planning and direction sub campaigns can be morale builders for the branches.

10. Educational Work

The experience of numerous branches has demonstrated the value of holding regular forums on the big issues of the day.

Internal educational work should center around basic training classes for new and prospective members, classes

on the Transitional Program and its application to current problems, on the basic documents of our movement, on Marxist theory, and the history of the party.

IV. 25th Anniversary of American Trotskyism

Next October will mark the 25th anniversary of the founding of the Trotskyist movement in the United States. It also coincides with the 50th anniversary of the birth of Bolshevism in 1903. Through the person of Trotsky and the Left Opposition in the Russian Communist Party an unbroken line of continuity links the beginnings of Bolshevism in Czarist Russia with American Bolshevism represented by the Socialist Workers Party.

The party should fittingly celebrate this occasion with an extensive program of public and internal activities under the supervision and direction of the Political Committee. These should be designed to inspire and inform sympathizers, contacts and members about the meaning of our prolonged fight for revolutionary socialism in the citadel of world capitalism.

The following activities are recommended to the Political Committee as part of this program:

1. A 25th Anniversary Fund to be raised apart from the regular budget and ear-marked for special projects as follows:

a) The holding of the Fourth Session of the Trotsky School.

b) Publication in pamphlet form of the six Los Angeles lectures on "America's Road to Socialism", by James P. Cannon, and other pamphlets on the history of the SWP and the significance of its struggles.

c) The sustaining and improvement of the magazine.

d) Pamphlets on the CIO, the Labor Party and the Negro question.

2. A special anniversary issue of the magazine and a sustained series of articles in the paper.

3. National tours and anniversary banquets.

4. The Trotsky memorial meetings held in August should be linked up with the coming 25th anniversary of the party.

Labor in Revolutionary China

A First-Hand Report

This is the concluding section of a first-hand account on the conditions of the working class in New China. The period covered is from the victory over the Kuomintang regime in 1949 up to the end of 1951 when the article was written. The author is a leading Trotskyist with many years experience in the Chinese labor movement.

* * *

The Trade Unions

Prior to liberation, the already weak forces of the Communist Party in the unions were annihilated by the Kuomintang, whose control was then absolute. Subsequently, the Chinese CP did not recognize these unions, and set up other organizations for workers' representation. The CP was then very weak in the large cities. In Kwantung province, the regional union had very few cadres of natives of the cities.

The situation in Shanghai was better, but it was only a quantitative difference, not a qualitative one. Few workers' cadres followed the army of liberation when it entered a city. In general, these cadres consisted of workers who had left the city between 1947 and 1949 in order to get to the liberated regions, but there were very few such in the south of China. These old members now have fine positions in the army or the administration, but they do not do rank and file work. Since the CP occupied many cities in a short space of time, it lacked worker cadres. The question was all the more serious since it did not have the confidence of the masses on the basis of which it could form new cadres.

To remedy this, the CP selected from among the most intelligent of its members those who had been trained in the army and sent them into the factories to take leadership in the workers' organizations. But these leaders did not have the remotest conception of a worker's life and of the proletariat's mode of thought. They were accustomed to the army and the giving or receiving of orders, without any knowledge of how to deal with workers or how to represent their interests.

In his speech of August 1950, Dun Tse-hwei brings up these facts. He concedes that the union cadres had had a "bureaucratic and commanding attitude" and that they were never able to adopt "a life of mass work." He added:

"The slogans and resolutions of the unions were not adapted to the workers' interests. The principal reason for this is that the resolutions were drawn up not as a function of the concrete situation and the real demands of the workers but solely on the basis of the personal opinions of the comrades. Certain among them defend the opinion that among the workers some elements cannot be convinced and that they can only be given orders . . . They considered themselves heroes whom the masses must follow blindly, they lacked confidence in the working class masses and did not allow them to select their representatives; they exercised a real dictatorship. They did not approve the opinions which the workers would express.

"Some of them would say: 'I have worked for the revolution for ten years. Today I have acquired this position, but the union members are rising so swiftly that in a few years they will outstrip me.'

"The directors consider themselves as conquerors, as proud lords who do not have to take the trouble of study-

ing. They rest on their laurels, completely ignorant of the complexity of present problems. What is most serious is that these, who despise the workers, do not want to work with them. The director, the heads, are solely preoccupied with comparing their salaries, position and advantages with those of other members of the administration, and refuse to work with other members of the union." (Workers Daily, Aug. 6, 1950)

This bureaucratism, tied to the policy of "assistance to the capitalists," which had compelled the workers to "voluntarily" sacrifice their wages, lost the unions the masses and best cadres. Six months or a year after their establishment, certain unions no longer had more than a few members or did not even have a single one. The reason for this must be sought in the disgust of the workers for the cadres who had thought them too backward to be permitted to participate actively in trade union life.

In this period the union was really nothing but an official "bureau" whose directors were named by the government, the funds distributed by it, and the work organized and controlled by it. In this way the organization became alienated from the masses.

The Trade Union Law

At the end of June 1950, the People's Government published a "Trade Union Law" covering workers in all enterprises, functionaries, teachers and workers of every kind. They received the right to form unions, on condition of recognizing the superior authority of the General National Trade Union. In the State enterprises, the unions could represent the workers in the control of production. In the private enterprises, they could conclude collective contracts within the framework of the negotiating committee between employers and workers. The unions from then on were assigned the task of "education and organization of the workers and carrying out the policy of the People's Government. A new attitude toward work must be adopted, its order must be respected, competitions in production must be organized. In the State enterprises, a struggle must be conducted against corruption, waste and bureaucratism, and against sabotage; in the private enterprises, the prime task is to develop production, respect for the interests of the employers and the workers must be maintained, everything interfering with governmental action, especially sabotage, must be annihilated."

The State, the various enterprises, and the schools are required to place some of their meeting places at the disposal of the unions, so they can there set up offices, halls for meetings, for education and organization of workers' leisure. Other services (postal, telegraph, telephone, electricity, water, etc.) are also free for the unions. Whoever belongs to the union receives his entire wage if laid off. The union also takes care of quickly securing a new job for him. Before hiring or firing a worker, the union must be advised by the employer and has a veto right. If use of the veto provokes a struggle, mediation is under the jurisdiction of the Labor Bureau or the courts. The "administrations" and the employers must set

aside as reserve 2% of all wages for the trade unions. 1.5% is earmarked for the education and culture of the workers, .5% is left at the free disposal of the union, whose members also pay dues.

The General Trade Union also anticipates setting up auxiliary commissions for productivity, bureaus for workers' study and inventions, for education and culture; commissions for working women, for the worker's family, etc. These sub-commissions still remain to be set up and their work organized.

One month after publication of this trade union law, at the beginning of August, the unions launched a movement for intensive reform, bearing on two points:

1. Defining the veto right of the unions.
2. Struggle against bureaucratism and authoritarianism.

Starting with this date we note an outburst of articles in the papers and periodicals condemning those "who are losing their class position," against bureaucratism, etc.

To determine the role of the unions, it is sufficient to return to the previously quoted speech of Dun Tse-hwei. He is at present the spokesman of the new trend. In another portion of his speech, he deals with methods of work, wherein he insists that "members must demonstrate patience towards the workers so as to convince them more readily. Patience is the only method for educating the working class."

What is to be done if the working class cannot be convinced? Can authoritarian methods be used? Dun Tse-hwei gives the reply:

"No, absolutely no. We must wait for the attainment of consciousness by the working class." And he continues: "if the opinion of the mass is opposed to that of the leadership, what can be done? Can it be overcome by the use of authority? No, absolutely no. The comrades in the unions must respect the opinion of the majority . . . In this case, we can try to convince them and to modify their decisions. On the other hand, summarizing our point of view, it is by following this policy that the workers will understand their mistakes and will regain their confidence (in us)."

The Chinese CP has now learned the ABC of revolutionary work.

It is undeniable that there has been a cleansing of the unions and that the new policy on wages has raised the standard of living of the working class. As a result there has been a marked increase in the number of members and in the degree of activity of the unions.

We even find an expression of regret by the CP that only 80% of the total number of workers is represented in the unions.

We can state that in the spring and summer of 1950, the unions were a capitalist instrument in the hands of the government. Today they represent the organization of the working class. We must now admit that, if not from the standpoint of its immediate interests, at least from that of its long-term interest, the unions are the protective organization of the proletariat.

Labor Time, Wages and Labor Protection

The State-ized enterprises all belong to big industry, to heavy industry especially. Prior to liberation, a large section of these enterprises had already adopted the 8-hour day. After liberation, the CP did not extend the labor time; it limited itself to insisting that the workers "educate" themselves during their leisure.

In the period immediately following liberation, the State enterprises maintained wages and acquired benefits in principle, but in isolated cases real wages were reduced in certain enterprises in various ways during a very brief interval. However, there were few cases of layoffs among the workers in State enterprises. Consequently, during the first period after liberation, the discontent of the workers in State enterprises with the CP was not based on unemployment or wages, as was the case in the private enterprises. In cities like Shanghai or Tientsin, the workers demonstrated relatively greater activity. They tried to profit from liberation in order to improve their living conditions and liquidate certain elements. Their attempts, however, were halted by the CP. In other cities, Canton for example, the workers remained completely passive, they adopted a spectator's attitude regarding liberation and viewed the CP as a stranger, saying to themselves: "Let's wait and see!" In the course of the chaotic events which marked the first social period, the bureaucratic and commanding attitude adopted by the CP cadres toward the workers, the "voluntary" contribution — an obligatory levy on wages — reduction of the annual bonus by the purchase of treasury bonds at the end of 1949 (a purchase ordered by the government) — all these factors naturally engendered discontent among the workers in the State enterprises.

Following the change in policy of the government toward the workers in the autumn of 1950, living conditions of the workers in the State enterprises improved slightly. Beginning with 1951 (especially in the Northeast) the government began to orient its policy in the State enterprises towards a wage reform. At the present time, the system of 8 wage categories is applied in the entire Northeast as well as in some factories in the rest of the country. It appears that in the USSR the categories in the system of 8 are set up as follows:

| Category: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------|---|------|------|------|------|------|------|-----|
| Index: | 1 | 1.12 | 1.28 | 1.56 | 1.68 | 1.91 | 2.25 | 2.6 |

(Of course, the salaries of bureaucrats start at levels 5 to 10 times the minimum wage for workers.)

In the scale of categories applied in China, the highest index is 3. In other terms, "the highest wage that a skilled worker can obtain is three times the minimum wage." But in the Northeast, "The wage of the better technician is 5 or 15 times more than the lowest wage." The CP is extremely slow and prudent in its reform of the wage system. In the course of the reform, the total amount of wages has not decreased. The number of workers whose wages have decreased because of the reform does not exceed 10% of the total number of workers, and

in general, they have the right to other forms of subsidy as recompense. The CP has guaranteed that the system as recompense, (The CP has guaranteed that the system of piece-work wages will be universally adopted in the future.)

Present Standards

At present the wages of skilled workers in the State-ized factories have in general attained a level above—or at least equal to — that reached prior to liberation. An ordinary fitter can make about 8 to 9 hundred thousand yuans a month. If the author of this article were still working in his old plant, he would obtain an identical salary. Prior to liberation I had a wage slightly above that of workers in other plants; in my enterprise, we were actually paid not in Kuomintang money but in rice. At that time I earned 540 cattys of rice a month; today, with 800,000 yuans (about 206 Hong Kong dollars) one can buy 560 cattys of rice. At Hong Kong, if I worked in a big enterprise — the docks of Tai-Kou, for example — I would get a real wage of 156 HK dollars (without pay for Sunday) which would be worth only 290 cattys of rice; their purchasing power in industrial products would probably be greater than on the continent. But as is known, Chinese workers (including those in Hong Kong) still work today primarily to provide for food and lodging; consequently we can say that wages on the continent are relatively higher than in Hong Kong. Also, on the continent, the workers receive advantages in addition to their wages which are completely lacking in Hong Kong.

The imperative needs of the leaders of industrialization, and the wide prevalence of plant accidents, on the other hand, compel the government to give special attention to safety equipment and to sanitary conditions of the workers. I have no knowledge whatever of existing conditions in the plants of Europe; as regards the old Chinese plants, especially the smallest ones, they were as close to hell as possible. Often 15 minutes were needed to go from the workshop to the toilet (in factories where piece work existed, management had nothing to lose by such a state of affairs), many workers took their meal alongside cesspools; the dormitories (when there were any) were regular stables; if it was management that supplied the food, flies on the plates were normal. In the factory where I formerly worked, the north wind penetrated the shop during the winter and people shivered from cold while working. Under Japanese occupation, a stove was installed but management had it taken away after the return of the Kuomintang. The Minister of Labor has now promulgated hygienic and safety rules. After having read them and compared them with the treatment which we received in the past, I could not refrain from saying: "What a great change!" Canteens must be set up in the factories with stoves for re-heating food (for workers who bring their meal to the factory); it is obligatory to ventilate the workshop and furnish individual lighting — for example, the lamp utilized by a lathe operator must be of opaque glass to prevent eye injury. Toilet facilities must be constructed proportionate to the number of work-

ers; cooked food must not be kept more than one day in the kitchen, and the cook must be dressed in white, etc.

In the State enterprises they have already planned or begun the building of dormitories for the workers. The equipment of these dormitories is considerably better than before. According to the reports of those who have visited the plants on the continent, workers who have a family can obtain two rooms — which seems like a miracle to Chinese workers, to those of Hong Kong particularly, for it is the rule for them to be packed in with their wife and their children into an eight-foot square room, in which they sleep, eat, rest and receive their visitors.

Social Insurance

Besides this, what contributed most to the welfare of the workers was the promulgation and application of the laws on social insurance which the Department of the Interior adopted in February 1951. These laws are effective only in private or State-ized enterprises (plants, mines, railroads, transport, postal services, and electric works) of over 100 workers. All workers except those "who are deprived of their political rights," are entitled to their benefits. But in enterprises which the government recognizes as being "in extremely difficult financial conditions, and even unable to maintain proper operation," application of the law can be temporarily postponed.

The costs of social insurance fall entirely upon capital. There are two kinds of payment: direct payment, and payment to the union of social insurance funds. Each month capital supplies a contribution equal to 3% of the total amount of wages. This contribution, deposited in State banks, constitutes the social insurance fund at the disposition of the unions.

To workers and clerks who have an accident during working hours, capital underwrites the necessary medical expenses, while paying their usual wages. Injured workers have the right to a compensatory pension (60 to 74% of their wages) which is paid them each month up to their death by the social insurance fund; those who can continue working but with reduced working power, can receive a supplementary allowance (5 to 20% of their daily wage) up to their old age, retirement or death.

In the case of sickness or accident outside of the workplace, all necessary medical expenses, except for expensive medicines, costs of transportation to and stay at the hospital, which the worker must pay, are borne by capital. When the length of treatment at the hospital does not exceed three months, capital must pay a wage varying between 50 and 100% of the usual salary, according to length of employment; after three months, the social insurance fund pays from 30 to 50% of the original wage, depending on the case. When the length of care exceeds six months, the case is considered as similar to retirement caused by work injury; in other words the social insurance fund pays a monthly pension (20 to 30% of the wage, based on length of service) up to recovery of the capacity to work or to death. In the case of illness of a member of the worker's family, the medical visit is completely free, and a reduction of 50% is made on the

price of regular medications; expensive medicines as well as various other expenses are borne by the worker.

In case of death caused by accident at work, capital pays two months wages as a death allowance; in addition a condolence pension (of 25 to 50% of the wage, according to the number of members in the family directly related to the deceased) is paid out each month by the social insurance fund until the conditions justifying such a pension no longer exist. In case of death occurring separate and apart from work, a death allowance equal to a month's wage is paid by the special insurance fund, and the family receives a compensatory pension of 3 to 12 months wages, according to length of employment. Upon the death of a member of the worker's family who is directly related, the social insurance fund pays a sum varying between 1/4 and 1/3 of the monthly wage as a death allowance.

Old Age Pensions

An employee reaching 60, after having worked 25 years generally and 10 years in the same enterprise, has the right to an old-age pension (35 to 60% of his monthly wage, in accordance with the length of his employment in the enterprise) payable up to his death. If he is to continue working, he receives a monthly supplementary allowance (10 to 20% of his total monthly wage). A worker reaching the age of 50 who can show 20 years of work, 10 of them in the same enterprise, has a right to the old-age pension which we have just mentioned; moreover, in determining his work time, a year is equivalent to a year and three months, and in certain enterprises, even a year and a half.

A woman worker has the right to 56 days vacation before and after childbirth; to 15 days for a miscarriage occurring in the first three months of pregnancy; to 30 days for a miscarriage occurring between the third and seventh month. In all these cases, wages continue to be paid during the vacation.

The insured has the right to benefits from the collective facilities of social insurance. Under the direction of the Central National Federation of the Trade Unions (GFTO), the social security fund sets up collective institutions: sanatoriums, homes for the disabled, old-age homes, orphanages, convalescent homes, etc.

Workers who are not unionized have full rights to pensions for accidents at work, to childbirth leave, to free medical care resulting from accidents occurring away from work; but they can secure only half of the other advantages.

Only one of the major benefits can be claimed, even if the conditions of a case appear to apply to several.

Labor heroes or former military heroes have the right to greater benefits, and they have priority rights for admission into the collective institutions of social insurance.

The unions are the executive arm of social insurance, the Minister of Labor of the central government is the controlling arm.

Compared with the special benefits (medical care for

example) which workers in some enterprises (in the branch of the Committee of Resources) enjoyed formerly, the social insurance benefits are relatively small. But if we consider the total number of workers and the sum total of the acquired benefits, we readily see that a historical reform has taken place. If we draw up the picture of all the things the Chinese workers have lacked in the past, we will understand how this event alone has brought the Chinese workers to speak of revolution, for even in their dreams they did not anticipate anything like this. But I must repeat: social insurance is in force only in plants of over 100 workers. Plants of over 100 workers make up only 14% of the total number of enterprises in Shanghai, but they employ 80% of the total number of workers. The exact figure is 333,400.

The "feudal bosses" of the enterprise (these were a kind of foreman), members of the Kuomintang and the heads of secret societies who oppressed the workers, are now deprived of the right to social insurance. Among the workers, many revolutionists, as well as those whom the CP attacks for other reasons, are indiscriminately deprived of all or part of their rights to these benefits. The wife of a militant Trotskyist finds herself disqualified for the simple reason that her husband is engaged in revolutionary work. In general, in order to deprive workers of the rights to social insurance the CP hides behind "the will of the masses."

Movement For Democratic Reforms

In the Chinese enterprises, the mines and ports especially, there used to exist many indirect forms of exploitation by intermediaries, personal persecutions (the CP gave them the name of feudal exploitation and oppression). The "feudal bosses," intermediaries between capital and the workers, voluntary agents of the employing class, reduced the wages of workers from 10 to 50%; hiring of workers was in their hands; for their birthdays or on New Year, the workers had to bring them gifts; wives and daughters of workers were often kidnapped or humiliated by them. Elsewhere, in certain enterprises — in light industry notably — the foremen were particularly arrogant, delighting in subjecting the workers, especially female workers, to indignities. These lackeys, whose masters were often big capitalists or persons connected with the government, sank their claws into various strata of society, and in order to divide the workers, they organized by force or bribery a large number of workers as a following.

When the power of the new regime was relatively stabilized, a "movement for democratic reforms" was launched in the various zones. The proclaimed objective of this movement was the liquidation of all the various forms of exploitation and oppression which we have mentioned. This movement subsided a long time ago in the Northeast and the North of China; it started last year in the Eastern zone and reached the Central-Southern zone at the end of 1951; it is now approaching its final stage.

In March 1950, the first representative conference of

the National Union of Transport Workers made a "proposal" to the Department of Administration, which the latter accepted, adopted and gave the force of a law. This law abolished in transportation the feudal system of the "boss" and suppressed, primarily in the ports, the tyranny of recruiters, "bosses," heads of secret societies, head porters, etc. The local people's governments are to set up offices of transportation in order to unify the shipping operations of enterprises, institutions, local associations — private or State-ized — and the army. The representatives of the government and delegates of the trade unions formed a joint Transportation Company which named the director sent by the government as its president. The transportation company levied 10 to 20% of the costs of transportation earned by the carriers as a single charge covering taxes, port construction, development of the company's business, and for the welfare of the workers. To this last category, about 30 to 50% of the total revenue of the company must be dedicated. The former evil recruiters, "bosses," etc., were brought to justice and sentenced when complaints and accusations were lodged against them; the properties of the most important criminals were confiscated and turned over to the funds ear-marked for workers' welfare.

In the ports, the coolies launched a campaign against the "bosses," who were called to public judgment and executed. Today the carriers and the coolies of the big cities are all organized into transportation companies.

In the factories, the system of personal examinations has already been abolished.

Three Stages

In enterprises other than transportation, the movement for democratic reforms has brought about varying degrees of improvement. In the mines it has been most marked. Viewing the developments in the Central-Southern zone, three stages can be distinguished in this movement: stages of "democratic struggle," of "democratic solidarity," of "democratic construction."

In the first stage, the union cadres used all sorts of methods for drawing the workers into the struggle against bad foremen, "bosses," leaders of secret societies, etc. The form generally adopted was that of sharpness in speech which was called the "democratic struggle." When the bad elements were "felled" and had acknowledged their submission to the workers, those who were not accused of great damage were authorized to remain working in the plant under the "control" of the workers; the big criminals were brought to the courts for judgment.

After this stage came "democratic solidarity," which aimed at solving all the problems which had arisen during the first stage (conflicts between functionaries and workers, between leaders and the masses, between older workers and new ones, skilled and unskilled workers, or even among the provincial cliques, etc.), in order to fit all the cogs together.

The third stage aims at promoting "political consciousness," at "installing a new attitude toward work," at "coordinating the union organizations" — its principal

aim is to increase production. In some private enterprises, the problems of workers' welfare are raised — the problem of improving living conditions of the workers, for example.

In the private enterprises, the capitalists in the beginning were frightened by this movement; but the CP emphasized unceasingly that it was solely a struggle "against feudal elements, not against capital." At the same time, it separated the movement for democratic reforms from the campaign to suppress counter-revolutionaries. It considered the reform movement as dealing only with internal problems of the working class. Consequently this movement rarely had sufficient sweep to engender bloodshed.

The movement was marked by numerous "deviations." For example, in some plants the CP cadres felt that all the workers were subject to suspicion and demanded a written autobiography from each one of them. Those whose "story was unclear" became objects of struggle. This provoked universal indignation and fear among the workers. And during this time, the CP was compelled once again to "correct deviations."

The principal objective of the movement of democratic reforms, that is, the elimination of bad elements who had oppressed the workers, favored the workers and found enthusiastic support among them. But the CP limited its scope in advance and rigorously controlled the course of its development. The most detestable aspect is that the CP uses this movement to "fell" active elements in the working class who are expressing their discontent with the CP from the left.

Management of Production

On May 1, 1949, before the central People's Government was set up, the first conference of worker and office worker delegates of North China adopted a document in accordance with the principles laid down by the Sixth National Congress of Labor: "Regulations for setting up committees for the control of enterprises and conferences of workers' and office workers' delegates in private and State-ized enterprises." These regulations promulgated and put into effect by the People's Government of North China explained that constitution of control committees and delegates' conferences tends "to promote among workers the feeling of being the masters of the country; to encourage the activity and creative power of the masses in such a way that they consciously and voluntarily participate in improving business and increasing production in an organized and disciplined way; and finally, to develop the capacity of workers for the management of production."

The management committee "is formed by those responsible for production and by an equal number of office workers and workers. The manager or director, the assistant director of the factory, the chief engineer and the president of the trade union are officers of the committee; the list of other executives of the factory who may participate in the management committee must be submitted by the director of the enterprise to a superior

body which will make a selection from it. The delegates of the office workers and workers must be elected by the general assembly of the delegates' conference of workers and office workers, an assembly convoked by the union."

The management committee "is the only body for administrative direction" of the enterprise, under the direction of a superior body of enterprise control. Its tasks are: "to discuss and resolve all important problems concerning production and management, for example, production plans, trade operations, control system, organization of production, selection of personnel, the problems of wages and workers' welfare, etc.; it must also make periodic reviews and draw conclusions from the work record."

The director is president of this committee, whose decisions are applied under his orders. The director has veto power over the decisions of the committee; if the majority of the members disagree with him, he can make a report to his boss in order to secure advice.

An executive committee can be formed within the management committee. It consists of the director, the president of the union and of a member selected by the management committee. The director is its official president.

In a period of military control (as is the case in newly liberated zones) the military representative delegated to the plant is also an official member of the management committee and of its executive committee.

In plants of less than 200 workers, a general assembly of office workers and workers must be convoked. In places of more than 200 workers, a conference of delegates of office workers and workers must be set up, the delegates being elected by the rank-and-file organizations of the productive sections of the enterprise. Elections must take place once a year; delegates are subject to immediate recall. The two kinds of conference which we have just described must hold meetings once or twice a month.

These two kinds of conferences are authorized "to hear and discuss the report of the management committee, to check the management of the enterprise and its supervisory functions, to advance criticisms or suggestions." Their resolutions "become effective only after ratification by the management committee and their promulgation upon instructions of the director. All their decisions concerning functioning of the union must be executed by the union of the enterprise."

General Conclusions

The situation of the working class, as described, is not uniform throughout the country. The transfer of power did not take place on the basis of an adequate awakening of the working class, and this awakening has not occurred up to this day. The working class has still not become master of the country, it still has not achieved sufficient freedom. If we have a clear understanding of all of this, it will be possible for us to grasp that the heterogeneity of the situation of the class is a natural thing. We can

state that conditions are better in the big cities than in the small ones, better in the big enterprises, better in the more prosperous ones, and the description we have given deals only with general conditions existing in the most privileged sections of the enterprises.

Regarding the governmental decrees which we have mentioned (Trade Union Policy, Law of Social Insurance, Policy covering Safety and Hygiene, Policy for the Management of Enterprises, etc.), the reader must not make the mistake of thinking that their application took place without difficulty, or even that they have been completely carried out in China. Things are not that simple. Just as with the law of agrarian reform, these laws can be applied only by means of a brutal struggle. Where the working class is more conscious and the CP cadres more tolerant in their attitude toward the masses, the application is better. But in some regions or enterprises, these laws have never been put into practice, or else only partially.

Nor must the reader make the mistake of thinking that the decrees of the CP are solely destined to harm the workers. This kind of thinking would be even more erroneous. The reports of many of our comrades, of many workers who have visited the plants on the continent, demonstrate that such is not the case. Moreover, the "Criticisms and Suggestions" often seen in the papers are

precise appeals and accusations dealing with inadequacies occurring in certain enterprises concerning the application of the Policy on Hygiene and Safety, the Trade Union Policy, the social insurance laws, or "democratic management," etc. The footnote added by the editorial staff is almost like a government decree. After 15 or 20 days, the criticized persons write to the editors saying: The inquiry is completed, the inadequacies corrected, and the aggrieved worker or workers have received compensation for their damages . . .

A law is a reflection of the relationship of forces between different social classes. The relationship of forces changes daily, especially in a period of overturn, whereas law cannot change in the same way and always drags at the tail of reality. Consequently, in the intermediate period, between existing legislation and that of the following period, the following phenomenon takes place: the real forces of various social classes come into conflict with the existing legislation. Before the new legislation sees the light of day, the existing laws always undergo interpretations imposed by the relationship of forces, and are applied on the basis of these interpretations. This phenomenon is manifested everywhere in China of today. On many occasions, the lawmakers cannot avoid bowing before reality.

Cartels Respect No Flag

A Review, by Tom Milton

Josiah E. DuBois, Jr., **THE DEVIL'S CHEMISTS**. The Beacon Press, Boston, 1952. 374 + x pages.

In this book, the chief prosecutor of the I. G. Farbenindustrie war-crime trial has condensed 150 large volumes of testimony to tell the astounding story of a gigantic cartel. I. G. Farben profitably powered the Nazi war-machine, plundered and spoliated its competitors as this machine conquered Europe, enslaved hundreds of thousands, perhaps millions under the worst of Nazi concentration-camp conditions. Thanks to United States imperialism, it is today as powerful as ever, under the same owners and directors.

The author speaks as a liberal astonished and dismayed by the release of mass-murderers and their restoration to power as part of a reactionary American foreign policy. This is not the way to fight "the vicious Communist evangelism," he laments. "Instead of deliberately favoring democratic industrialists, we have spent most of our billions in backing predatory institutions. . ."

The record he himself presents, however, shows that the Farben defendants were not merely industrialists who happened to be robbers and murderers but the blood-brothers of their American

counterparts, many of whom were closely associated with them in international cartels; they were the representatives of a decadent monopoly capitalism that everywhere today seeks to discard democratic forms.

Hitler Their Salvation

The Farben and other big capitalists who backed Hitler knew very well that their rule was incompatible with the continuance of bourgeois democracy. Two weeks before the March 1933 election, just prior to coming to power, Hitler spoke before a secret meeting of twenty leading industrialists and bankers. The notes taken by Gustav Krupp von Bohlen of the Krupp munitions works have been preserved. "Private enterprise," said Hitler, "cannot be maintained in the age of democracy. . . It is not enough to say we do not want Communism in our economy. If we continue on our old political course, then we shall perish." Following the speech, Goering asked for money, and Schacht stated: "On this table we must raise a fund of 3,000,000 marks." The largest contribution, 400,000 marks, was made by I. G. Farben.

Hitler's coming to power gave I. G. Farben a field of investment in armaments which the rundown economic system could not otherwise supply. As one of the Farben defendants admitted:

"Before Hitler, Germany was in an economic crisis illustrated by an unemployment of six million people, and our investments were abnormally low. As soon as Hitler came into power, things began to change and our investments grew. In 1936, they started to jump rapidly, and in 1938 they grew to an extent of approximately RM 50,000,000. It was absolutely clear that our new investments were tied up directly and indirectly with the armament program."

Clear indeed, as clear as it is today that the investments of American big business are tied up with its armament program. And in Eisenhower's big business cabinet we see the same tendency toward the direct fusion between the state and monopoly capital, which DuBois charged — and proved — took place in Germany: "It [Farben] was an enterprise which asserted influence of such importance that the government used it for its own ends (political and military) and Farben in turn used the government for its own ends. In some respects it was an organization more powerful than the German government."

Profits from Gas Chambers

Farben supplied the Nazi war-machine with its synthetic rubber, its gasoline, its aluminum and nickel, most of its

magnesium and high explosives and a good part of its textiles and plastics. At the same time it used the threat of Nazi arms to take over the Austrian chemical industries before the formal annexation of Austria, and part of the Czechoslovakian chemical industry before the Munich pact, as well as picking up plants in Poland and in France after the conquest of these countries. To continue its feverish war production it was supplied with slaves from the conquered countries by Himmler, worked them at such a rate that they were worn-out wrecks in three months and then sent them to the state gas-chambers to be killed by Farben gas. At Monowitz, which it built at the cost of two million dollars and ran on its own authority, and where conditions were even worse than at Buchenwald, its records, kept with business-like accuracy, show that more than 100,000 passed through to death.

These facts are so appalling that the mind staggers in contemplating them. DuBois can account for such monstrosities only by referring to "totalitarian-minded Germany." In them, however, we can see the ugly features of capitalism present from the very beginning of its existence, but now hideously swollen in its period of decay. Farben's rapacious seizure of foreign industry is reminiscent of the years of America's robber barons. The defense of Farben's chief of personnel for having employed kidnapped eight-year-old children — "I assigned them to keep them off the streets" — is reminiscent of the sickening hypocrisy of the early English child-labor employers. German capitalism, breaking through the restrictions imposed on it by the victors of the First World War and seeking desperately for new markets and fields of investment, acted with the frenzy of a maniac bursting from his straitjacket, its madness the violently lunatic stage of an irrational system geared to the making of profits without regard to humanity. American capitalism is taking the same road today seeking world conquest in the wake of the loss of Eastern Europe and China and in the face of colonial revolt.

Profits Scorn War Frontiers

The Farben capitalists worked cheek by jowl with American capitalists in their American branch, General Aniline and Film Corporation, which, through its five subsidiaries, sold such well-known products as Bayer aspirin, Prestone anti-freeze and Agfa cameras, besides dyes, plastics and fabrics used in every American home. Among the American capitalists on the board of directors of this corporation were Walter Teagle, president of Standard Oil Company (New Jersey), Charles Mitchell, president of the National City Bank of New York, and Edsel Ford. Also, relatives of the Farben magnates, such as the son of Carl Duisberg, the first chairman of Farben's board of directors, the son of Walter von

Rath, the first vice-chairman of the Farben board, and the brother of Max Ilgner, one of the war-crime trial defendants, became American citizens and directors and prominent stockholders of the American subsidiaries.

When Ilgner, the founder of General Aniline, became worried about Nazi Germany's falling exports, he consulted Mitchell, who advised him to ask Teagle for help. Teagle introduced Ilgner to Ivy Lee, the publicity agent who had built up the image of Standard Oil's John D. Rockefeller as a kindly old gentleman dispensing dimes to make the people forget his perpetration of the Ludlow massacre. Ilgner arranged for Lee to see Hitler, Goebbels, von Papen, von Neurath and Schacht and worked with him to "see to it that the American public is better informed by fair publicity."

As president of Standard Oil of New Jersey, Teagle conferred with Hermann Schmitz and Baron von Schnitzler, two of the Farben defendants, and entered into an agreement with them. Farben had discovered how to make gasoline from coal, and Standard Oil was afraid of losing its world-wide petroleum dominance. The two great trusts set up "Jasco," the Joint American Study Corporation:

"According to the Jasco agreement, Farben agreed to let Standard continue its oil business everywhere, without Farben competition, except in Germany. In Germany, Farben was free to take over the market if it could. So long as Farben didn't try to compete in oil, Standard would stay out of the existing market in all other chemical fields. Standard also promised to help Farben beat out its other chemical competitors."

When, with the outbreak of the European war, the United States Treasury blocked the payment of dollars to Germany, both trusts stood to lose money:

"Farben was about to lose its half of the profits from the Jasco sales of non-strategic products. And Standard Oil would go on getting its share of the profits only if the United States were kept in the dark about the clandestine 'engagement' between the two firms. As the United States drew nearer to war, there was danger that the Farben patents would be seized, and Jasco would be sunk."

A meeting was held in the Hague between two other of the Farben defendants and a representative of Standard Oil. "Within twenty-four hours, all the Jasco patents were transferred to Standard Oil. Farben agreed also to put in Standard's custody the 'experience' for making goods with no wartime use. . . Standard Oil even agreed to hold Farben's profits until after the war."

Ford's Unbreakable Friendship

Edsel Ford's friendship with the Farben directors also made possible a

war-time deal which paid dividends for him, while it strengthened the Nazi war-machine. Carl Krauch, another of the Farben defendants and the director of the Ford Motor Company of Germany, kept Ford's German plants working for Ford throughout the war. His testimony reads:

"I myself knew Henry Ford and admired him. I went to see Goering personally about that. I told Goering that I myself knew his son Edsel, too, and I told Goering that if we took the Ford independence away from them in Germany, it would aggrieve friendly relations with American industry in the future. I counted on a lot of success for the adaptation of American methods in Germany's industries, but that could be done only in friendly cooperation. Goering listened to me and then he said: 'I agree. I shall see to it that the Deutsche Fordwerke will not be incorporated in the Hermann Goering Werke.' So I participated regularly in the supervisory-board meetings to inform myself about the business processes of Henry Ford and, if possible, to take a stand for the Henry Ford works after the war had begun. Thus, we succeeded in keeping the Fordwerke working and operating independently."

Ford's French subsidiary also continued to operate under German occupation throughout the war at a profit to Ford. A year after the war began, Maurice Dollfus, the chairman of the board of this subsidiary, wrote to Edsel Ford: "Our trucks are in very large demand by the German authorities and I believe that as long as the war goes on and at least for some period of time, all that we shall produce will be taken by the German authorities." He was right. The Ford Company supplanted its competitors, making a net profit of 58,000,000 francs in 1941, and Ford congratulated his French chairman on this "remarkable achievement."

Correspondence between the two continued through courier after the United States entered the war. When the R. A. F. bombed the Ford plant, Ford wrote in May 1942, five months after the United States was in the war, "Photographs of the plant on fire were published in American newspapers but fortunately no reference was made to the Ford Motor Company." Dollfus replied with the good news that production had been restored to the previous rate and that the Vichy government had paid French Ford 38,000,000 francs for the damage.

That Ford had plants in France working for Germany was known to the United States State Department from at least July 1942, when it was informed of it by the Consul General in Algeria, where Dollfus had come to establish a new headquarters in North Africa. It did not, however, take any action in the matter. In fact, at least one message from Dollfus to Ford, the one informing

him about the payment for damage by Vichy, was transmitted through the State Department.

This messenger service by the State Department stands in striking contrast to its action in another matter, of which DuBois learned as Chief Counsel of the U. S. Treasury's Foreign Funds Control. The United States Minister to Switzerland had in January 1943 sent to the State Department for transmission to private Jewish agencies and for action by the United States reports of the mass executions of Jews. The State Department in reply cabled him to stop sending reports for transmittal to "private persons," as this circumvented "the censorship of neutral countries." For three months, during which over 200,000 Jewish and other victims were gassed, the cries of the dying were stifled by the curtain of officially imposed silence.

Eventually, after strong pressure from Morgenthau and others and after months of negotiations between the Treasury, the State Department and the British Foreign Office, a plan was worked out by which private individuals could finance the escape of Jews through bribing officials and using sympathizers with the money being blocked in United States banks until after the war so that the dollars would not be sold by the foreign-currency dealers to the Nazis. The British Foreign Office at first opposed the plan because of the "difficulties of disposing of any considerable number of Jews," that is, it was ready to acquiesce in their murder since it didn't know what to do with them after they had been saved. The State Department proceeded with the utmost reluctance. It was a year after the receipt of the information about the slaughter of the Jews that a pitifully small number was saved.

The War-Crime Trial

In view of such official attitudes the outcome of the Farben war-crime trial is not surprising. The British and French surrendered for trial Farben scientists working for them only after resolute opposition. One of the defendants is stated to have said, "They will not dare to go on with this. Our American friends will come." The presiding judge of the trial (and apparently also the other two judges and the alternate judge, although DuBois doesn't say so) was appointed by General Lucius Clay, then military governor of Germany and now head of Continental Can Company and a close friend and advisor of Eisenhower.

Clay was against having any German general put on trial. "If we lose the next war," he told DuBois, "that would be a precedent for trying our American generals." His political advisor, Robert Murphy, refused to provide incriminating evidence in his possession against German diplomats. Clay's economic advisor, General Draper, was a top executive of Dillon Read Company, the same international banking firm which has given John

Foster Dulles to the State Department and which had made large investments in German industry before the war, "Most generals," comments DuBois, "didn't want the generals tried; the diplomats didn't want the diplomats tried; our industrialists didn't want the industrialists tried."

More important than class sympathies for determining the outcome of the trial, however, was its political background. The policy of brutally "pastoralizing" Germany, gutting it of its industry, regardless of the effect on the living conditions of the people, had soon been superseded by the policy of building it up under its big capitalists. DuBois, an adherent of the former plan, gives some useful inside information about the genesis of the "strong Germany" policy:

"As a member of the American delegation to the Potsdam Conference in July 1945, I saw this government formally endorse a program designed to insure that Germany would no longer be the dominant power in Europe. That was the program the world heard. But there was secretly circulated among the top leaders of the British and American delegations a memorandum prepared by certain top officials in the United States government, saying in effect that this whole approach was wrong and that our real interest lay in rebuilding Germany as quickly as possible 'as a bulwark against Communism.' As early as September 1944, while American boys were still being killed by Nazi soldiers, this same group of officials had circulated a similar memorandum within the United States government, contending that as soon as the war was over we should rebuild Germany as quickly as possible."

It was, incidentally, a policy on which Hitler, facing defeat, was correctly speculating at the time. In a speech on November 12, 1944, he said: "Today, too, many foreign statesmen, parliamentarians, and party politicians, as well as economists, have realized the necessity of saving Europe from the Bolshevik monster. Practical results, however, can be achieved only if a strong European power succeeds in organizing this common struggle for life or death, overruling all theoretical hopes, and in waging it to a successful conclusion. This can be done, and will be done, only by Germany."

Class Interest on the Bench

The shadow of the cold war dominated the trial. Judge Morris often complained about the "lengthy documents, the large number of documents" introduced by the prosecution, saying that the trial should be speeded up. He told DuBois at luncheon one day, "We have to worry about the Russians now; it wouldn't surprise me if they overran the courtroom before we get through." When a Polish industrialist

was being questioned about Farben's forcible acquisition of his firm, the court permitted the defense to make the point at length that his estate was subsequently nationalized by the new Polish government, although this was totally irrelevant. In the final defense plea it was stated that Farben had been misled by Hitler's argument that Germany must arm against "danger in the East."

The majority verdict of two of the three judges dismissed the charge of preparing and waging aggressive war. Thirteen out of twenty-three defendants were convicted of employing slave-labor and of plundering and were sentenced to from one and a half to eight years, giving them credit for time spent in jail during the trial and releasing some of those sentenced on the day of judgment. The avowed basis for leniency was that these men were ignorant of the conditions at their slave factories, in one of which alone they had invested a quarter of a billion dollars. It was further held, in extenuation, that these men who had openly flouted government orders, including those signed by Hitler, were under the power of the Nazis and not responsible for their policy. One judge and the alternate judge dissented from this preposterous opinion and read the manuscript of DuBois's book before publication, offering suggestions to him.

"Business As Usual"

Today, DuBois reports, all of the defendants are free, those in jail having been pardoned by 1951. Most of them are in power again, some acting as advisors to the Bonn government:

"In June 1950, it was reported that the control of the 'Western German chemical industry' had been turned back to its old masters. Today, Farben stock is again in demand on the stock markets of several countries. As early as February 1950, the New York Times reported that Allied officials 'deplore the fact that [Farben] subsidiaries, notably in Spain and South America, are operating for the benefit of the old German proprietors.' Farben still has a hold on General Aniline and Film. Though unable so far to get it back, in 1951 powerful interests in this country were able to get a U. S. Senator to put a rider on the bill which was supposed to end the state of war with Germany. This rider was designed as the first step to restore Farben's control over General Aniline. The attempt failed. It will be tried again."

DuBois might also have added that the profits that Ford made in his wartime agreement with Farben have been invested by him in the tax-exempt Ford Foundation, which has given him a reputation as a public benefactor, but whose activity, whatever the worth of many of its projects, is mainly devoted to the prosecution of the cold war.