

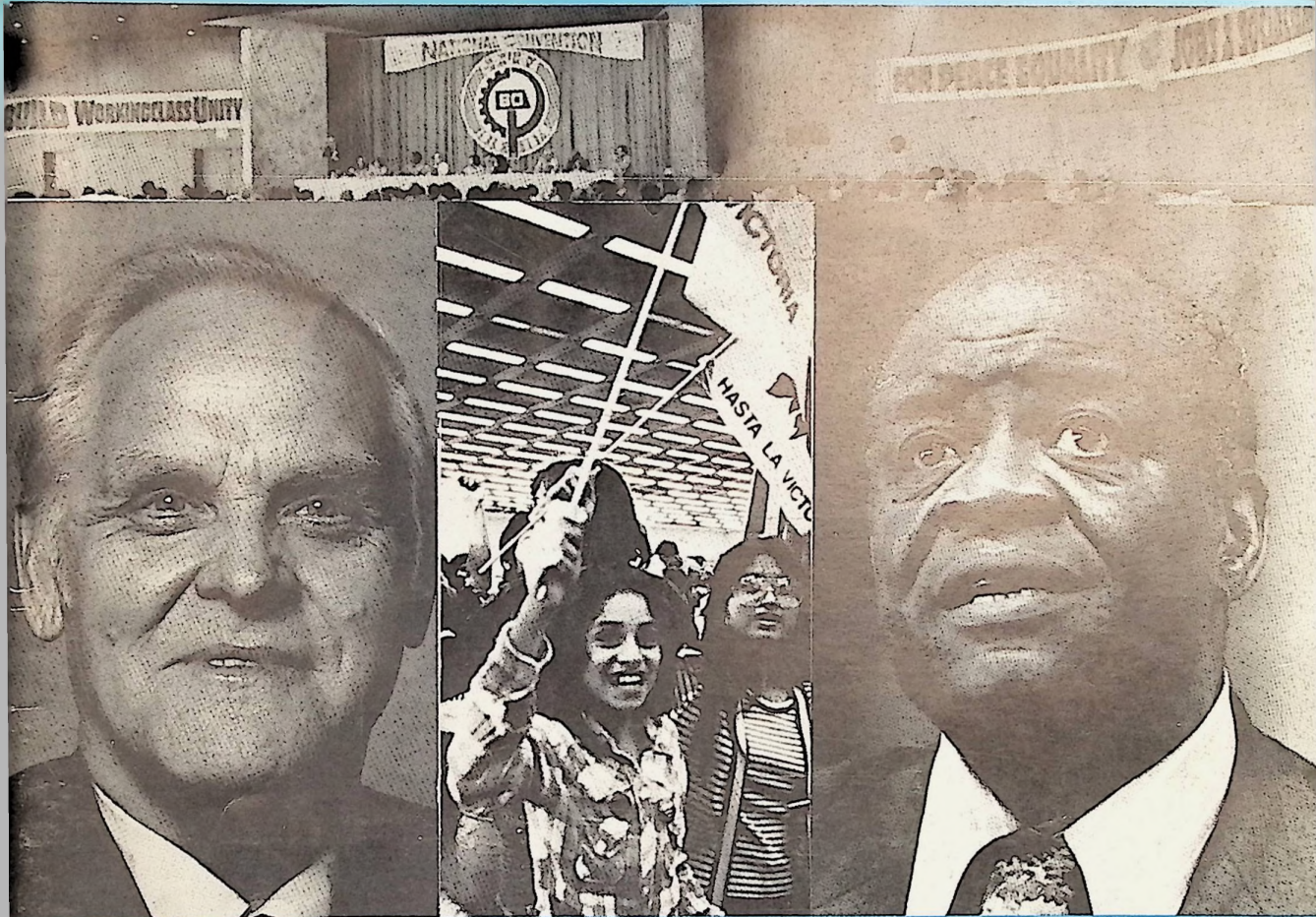
political affairs

22nd Convention CPUSA

Class Struggle is the Pivot
GUS HALL

JOURNAL OF MARXIST THOUGHT

OCTOBER 1979 \$1.00



CANADA AFTER THE
FEDERAL ELECTIONS

William Kashtan

CORPORATE CONTROL OF AGRICULTURAL
COMMODITY PRODUCTION

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LEFT EXPULSIONS FROM THE
CIO—THIRTY YEARS AFTER

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CLASS AND NATION: DEVELOPMENT
OF TWO GERMAN STATES

Margrit Pittman

political affairs

Theoretical Journal of the Communist Party, USA

From the Editors to You . . .

Once again, good news from our circulation department. Despite the fact that the summer months are usually a "slack" period for magazines, our circulation has continued to gain. In the last month we have acquired nearly 200 new subscribers. Our special August-September issue, commemorating 60 years of the Communist Party, USA, has been acclaimed as "one of the best ever." Orders for it are still coming in. Foreseeing a large demand, we printed extra copies of this issue and orders can still be filled. (\$1 per single copy—75¢ per copy on bundles of 5 or more.)

Political Affairs received a very warm welcome at the XXII National Convention of the CPUSA and at the mass fightback rally on August 26 at Cobo Hall in Detroit. At these two events alone, several hundred copies of *PA* were sold, and 40 new, full year subs and an additional 81 trial subs were started. Another "plus" for *PA* is our new card insert which you may have noticed in the August-September issue. Already we have had several returned, both for full and trial subs. This is a most convenient way for you to introduce friends, co-workers and local libraries to *PA*.

We especially want to express our gratitude to our friends who helped us by responding to our emergency fund appeal, the first we've had to issue in five years. This appeal, sent to past contributors, met an exceptionally good response, for a total of \$3128.50. The names of these friends are listed below. However, we must admit that our financial situation is still very critical. We appeal to all our readers to make every effort to help us with a contribution, no matter how small. Additional contributions will be acknowledged in coming issues. Thanks again.

T. Papoulias, \$5; F. Klein, \$10; L. Hrenda, \$20; G. Wuchinich, \$20; J. Speights, \$10; Santora, \$5; H. Danielowitz, \$7; J. Gish, \$10; B. McCoy, \$20; M. Shar-noff, \$25; J. & W. Wittman, \$15; East Side-West Side Friends, \$100; S. & J. Schreiber, \$15; E. Waniolek, \$55; J. Robnett, Jr., \$5; S. Allan, \$5; J. Varga, \$10; V. Tishler, \$25; R. Shillaker, \$20; J. McGowan, \$25; V. Kronquest, \$15; Neuburger, \$25; H. Siegel, \$10; C. Lutz, \$25; D. Browne, \$10; W. & K. Tillow, \$5; J. Hicks, \$25; F. Kinces, \$10; J. Lamb, \$100; S. Viron, \$25; P. Schaeffer, \$50; J. Holz, \$10; E. & I. Crain, \$25; M. Cohen, \$10; A. Pollack, \$5; A. Levin, \$25; R. Brund, \$10; A. & L.

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Class Struggle is the Pivot

GUS HALL

The 22nd Convention of the Communist Party, USA (Aug. 22-26) was a signal event in the life of the Party and an important contribution to the development of working-class and people's politics in our country. From the moment of its opening by National Chairman Henry Winston to the close of the eight thousand-strong fightback rally at Cobo Hall in Detroit it was marked by a militant, enthusiastic, optimistic and profoundly internationalist spirit.

The Party was able, at this convention, to record in tangible form victories which it won in alliance with other democratic forces against the deadening hand of reactionary and pro-war elements, particularly in the presence, for the first time, of delegates from numerous fraternal parties. It projected, soberly but with confidence, a course of mass struggle to win ratification of SALT II and advance detente, a mass movement for jobs and economic advance, the strengthening of affirmative action and the development of independent people's political action in 1980 and beyond.

The comprehensive and inspiring Main Political Report of General Secretary Gus Hall played a key role in the overall success of the convention. We urge all readers to obtain for careful study the full text of the report, to be issued soon by International Publishers. Published below are several important sections of the report. The coming number of Political Affairs will contain additional convention material.

Our 22nd National Convention is taking place at a tremendously important moment. Even if our Party's Constitution did not require that we call a national convention at this time, political and economic developments would have made it necessary.

This is one of those moments when a number of developments and movements are building up a head of steam. What adds a special, critical quality to these developments is the fact that they are taking place simultaneously—converging like whirlwinds moving in the same direction, creating a political force that can grow to hurricane proportions.

When the President takes to the hills to hide, the storm warnings must be taken seriously indeed by all of us.

The State of State Monopoly Capitalism

The economy is in an economic recession that can—and most likely will—develop into a full-blown economic crisis. It will most likely be severe and of long duration.

The new round of layoffs and plant closings has begun. Inflation is completely out of control. Prices, rents and taxes continue on a monthly

upward spiral. When measured by the yardstick of food, clothing, housing, transportation and medical care, the inflation rate is now 18½ per cent.

This is indeed the age of ripoffs. The people are being ripped off on all sides—at every turn. The shortages and runaway prices of gasoline and heating oil are adding a new dimension to the crisis of everyday living. For many in the Northern cities, this winter will be a new "ice age." There is even talk about building refugee camps for the victims of heatless homes.

Government bodies are in a state of paralysis. The two parties of Big Business are in disarray. The dollar continues to flounder on the world money exchanges. The United States trade balance continues heavily on the deficit side.

The economy suffers from a mixture of short-range cyclical and long-range problems. And there is a continuing deterioration in the overall structural framework of United States capitalism. There is instability and a depletion of reserves. The quality of life continues to decline.

The temper of the people has shifted from disappointment to frustration to anger. There is a new

spontaneous explosiveness among the masses that keeps surfacing, even in unexpected sectors, such as the independent truckers and farmers.

There is much confusion and the developments are uneven. But the overwhelming sentiment of the people is anti-corporate and anti-state. They rate the President and the presidency at an all-time low.

This is but a reflection of the fact that the public is giving the lowest possible ratings to corporations, the Congress, federal, state and local governing bodies. Further, they are increasingly giving a low rating to the whole capitalist system.

In a recent Hart Poll, by a majority of 58 to 25 per cent, the people voted that they believe: "The major corporations tend to dominate and determine the actions of the public figures in Washington." By a majority of 57 to 35 per cent, they voted that: "Both the Democratic and Republican Parties are in favor of Big Business." And by a vote of 66 to 20 per cent, they "favored employee ownership and control of the large corporations." Fifty-six per cent said they would "vote for candidates who favored employee ownership."

President Carter is right; there is a sense of malaise in some quarters. Some time ago the *Harvard Business Review* asked its high level corporate readers: "Which of the two ideologies—capitalism or socialism—will prevail in the United States by the mid-1980's?" Seventy-three per cent said they believed capitalism will be largely replaced by some kind of socialist order.

Excluding the corporate executives, of course, there is a shift in a radical direction. It is a growing mood that reflects a declining confidence in the system. There is a growing mood for more than usual run-of-the-mill reforms. It is a shift toward support for more basic radical structural changes. The mood is now overwhelmingly and solidly anti-corporate, anti-monopoly and anti-state.

We are again living at one of those major crossroads. State monopoly capitalism has developed to a level where the usual reform measures have little effect and the anti-monopoly movements have not yet reached a level where they can compel more radical measures.

To this point, the response of state monopoly capitalism—in spite of the crises—is measures that are at the expense of the people, and policies that continue to feed and fatten the corporate golden calf.

Carter, the *New York Times* and the whole monopoly complex keep asking for "a high level of public sacrifice," while the corporations are making windfall profits at every turn of events.

We are in a period when masses have lost confidence in the old ruling structure, including the two old parties, but have not yet placed their trust in new political formations. We are at a moment when the majority are dissatisfied and are not willing to go along with the way things are, but not yet clear how things should be.

We are in a phase where the masses are angry and ready for action, but are not yet quite clear as to how and where to direct their anger.

As usual, this crossroad presents both a great potential for progress. But it also contains the danger of potential setbacks, the danger of misuse and manipulation of the anger and militancy by reactionary Right-wing forces.

It is also one of those moments when because of our Party's social science, because of our understanding of the class struggle, our understanding of the laws of capitalist development, of the role of the masses and movements, we can make the difference. We can be the key factor in deciding what direction our country will take from this crossroad; how and at whose expense the crisis will be solved.

Cut Throat Exploitation

The main cause—the root of all the crises—is embedded in the economic structure, in the inherent laws of capitalist development.

If a warning signal was needed about the new level of brutal, cut-throat exploitation of our working class, the surpassing of the \$100 billion dollar mark, in clear take-home profits by the corporations, should have set off the alarm. These annual, after-taxes profits are now reaching the \$150 billion dollar mark.

Corporate profits have more than tripled in the last 10 years. This has taken place during a period when production has been almost stagnant, and at a moment when United States capitalism is suffering some serious setbacks in many areas of the world.

These record-making profits can not be explained by inflation. They are the result of the sweat, blood and toil of the workers, speedup and cuts in real wages. The huge corporate profits are directly related to the decline in both relative and real wages. The continuing, absolute decline in real wages is a

new phenomenon in our times. The high rate of exploitation of our working class and the resulting surplus value continue to increase at a fast clip. And the high rate of inflation adds but another element to this system of exploitation.

This unprecedented high rate of surplus value is made possible because of the monopoly domination of the entire production and distribution cycle. It is the end product of the operation of the law of maximum profits under conditions of state monopoly capitalism. The fundamental capitalist law of surplus value and the drive for maximum profits have not changed. But the rapid development of state monopoly capitalism and the expanding role of the state have changed the conditions under which these laws operate.

The tripling of corporate profits in a ten year period is a direct result of these changed conditions. It is a direct corporate expropriation from the intensified exploitation of the working class—through speedup, overtime and the neglect and violation of health and safety requirements.

It is possible because of the superexploitation of racially and nationally oppressed peoples—Afro-Americans, Puerto Ricans and Chicanos—some 40 million people altogether. It is the end product of monopoly control of the scientific and technological revolution, which enables the monopolies in the most advanced branches of industry to set prices that are many times the cost of production. It is also possible because of the superprofits from the export of capital (foreign investment) which increases at a faster rate than domestic investment, to areas where the payment of wages is often a fraction of those in the United States.

The tripling of profits is possible because of the role of the state. With the rise of corporate profits there is a related rise in strikebreaking court injunctions and strike-related police brutality.

There are government subsidies to monopolies in various forms: turning over the fruits of government-financed research and development to private corporations; the systematic shifting of the tax burden to reduce the portion taken out of corporate profits and increase the portion taken out of wages; there is the use of state power to enforce "income policies" which limit wages and insure the increase in the rate of surplus value; the use of military and financial power to force open new spheres of foreign investment for monopoly capital; the

awarding of government contracts, especially military contracts, on terms assuring fabulous superprofits; there is the rapid turnover of the national debt at rising interest rates, service on which now amounts to over \$50 billion dollars annually.

These are just some of the areas where the state has a direct hand in providing the basis for the higher rate of exploitation and surplus value.

In spite of all the claims to the contrary, the huge corporate profits come from an increasing rate of productivity, which again means an increasing rate of exploitation of the working class.

Because monopoly capital has slowed down the rate of capital investment on new machinery the rate of productivity increasingly comes from speeding up the processes of production.

Corporate profits soaring as never before. Real wages declining as never before. This is the economic bottom line. This is the objective setting for the class struggle for this period of time.

Because of the high degree of state monopoly control, the economic crisis takes on some new contradictory aspects.

There is the high and rising rate of unemployment, and the rising rate of inflation. Plants are being mothballed, while corporate profits keep breaking records. Housing construction is on the decline, but interest rates keep going up. The taxes the rich and the corporations pay are being cut, but the taxes the workers pay are being increased. There is an economic crisis, but no crisis in the stock market, reflecting the high monopoly prices.

There is much talk about affirmative action to undo the wrongs of the past. But the new layoffs and plant closings are continuing the same racist patterns of last-to-be-hired, first-to-be-fired. As the crisis and unemployment increase, women and young workers are being sent back into the reserve labor pool.

The guns-or-butter dilemma has reached a new crisis point. The military budgets have become a heavy counterweight to all economic processes. They add to inflation and unemployment. They add depth and length to the economic crisis.

The Energy Crisis

The problems arising from the energy crisis are adding a new dimension to the other crisis areas. They are adding a new quality to all contradictions. They are affecting the patterns of economic cycles.

The crisis of energy has elevated the level of anger and frustration of the people to a boiling point. Most people instinctively place the blame where it belongs—on the oil monopolies.

Because they know who the real culprit is, people get even more outraged and disgusted when they read about a top Carter aide advising the President to “*make OPEC the enemy*,” and telling Carter “You must have the *appearance* in the next weeks of doing something about the energy crisis.” Or when Schlesinger testified: We dare not make the oil corporations comply with the laws of the land or the needs of the people because “they may *retaliate*.” “They may keep the oil on the high seas.” That’s the voice of a servant of the oil companies.

It is undeniable: there is concealment; there is subterfuge and there are conspiracies. But there is no big mystery about the crisis of energy. There is a coverup of the same three key words—maximum corporate profits.

The long lines at the gas pumps are a creation of the oil monopolies and Carter’s Department of Energy. They are the inevitable result of a ten-year policy of not increasing refining capacity to meet rising needs.

This policy is geared to keeping supply very close to the level of demand. This makes it easier to manipulate and create crises. Starting some five months ago, the corporations, with the Energy Department’s sanction, decided to cut the supply below demand by simply cutting refining to below 85 per cent of capacity. The predictable result is shortages at the gas pump, which are now used by the oil monopolies to justify the escalating prices and to get the government to lift all price regulations and controls.

It set the stage for Carter to announce in April that starting June 1 the oil corporations could begin the process of raising the price of domestic oil to the level of imported oil. This was the same as saying: “Don’t sell your gas now. Hold on, and after June 1 you can add a windfall profit.”

There is such irony in these developments. One day Carter attacks the OPEC countries, charging them with irresponsibly ripping off the consumers. The next day he issues an executive order giving the U.S. oil corporations the go-ahead to match the OPEC prices on domestic oil. Carter says the OPEC prices are a ripoff, but the same price charged for oil from domestic production is a

“needed incentive.”

There is also a coverup of the fact that much of the OPEC oil comes from wells still partly owned and largely refined and distributed by the same U.S. oil monopolies.

So the shortages at the gas pumps were created by the manipulations of the oil monopolies, with the aid of the government.

The shortages are also used to bamboozle the public into believing that if the monopolies could make more profits they would spend it on increased exploration for oil and gas. If higher profits resulted in more exploration for oil, by now we would be swimming in oil.

The U.S. oil monopolies plead poverty—with assets of \$155 billion dollars, with accumulated earnings of over \$60 billion dollars, and with this year’s profits running at the rate of \$20 billion dollars. And the \$20 billion does not include the \$10 or \$15 billion they will get after the windfall profits tax that Congress and the Carter Administration are handing to them.

There is much talk about gasoline shortages. But when the gas lines in California and New York were the longest these same oil pirates were peddling gas, refined in U.S. plants, on the world market to the highest bidder. And, as was to be expected, now that the price controls have been removed and the gas is over \$1 per gallon, the refineries are operating at 90 per cent of capacity and the lines at the gas pumps have disappeared.

In comparison to the Rockefeller-Schlesinger rip-off, the Brink’s robberies are like dips into the petty-cash fund.

By and large the Carter Administration and the mass media have adopted the “*make OPEC the enemy*” line. It is so convenient to point the finger at a “foreign enemy” while ripping off the people.

Here is how the total dollar we pay at the gas pumps is divided for foreign and domestic oil: The oil monopolies take 40¢; the U.S. government takes 25¢, and the OPEC governments get 13¢. The rest is divided among smaller oil pipeline hangers-on.

The “*make OPEC the enemy*” campaign is more than finding a scapegoat. It is in line with the preparations for military takeover of the “*enemy*.”

Not because of foresight, but because it has been able to get oil at a cheap colonial price, U.S. imperialism has used more and more imported oil, while saving the domestic sources. The United States has

been the most greedy looter of all the imperialist oil-suckers. But this colonial exploitation of the oil reserves of the developing countries could not continue forever.

So capitalism now faces the effects of being cut off from cheap oil. And capitalism was caught unprepared for these changes in the field of energy. A year ago they were still talking about "breaking the OPEC cartel."

That is one side—the immediate side—of the energy crisis. The shortages at the gas pumps are not directly related to a more basic world energy crisis that is now appearing on the horizon.

For the world, the shadows of depletion—of easy-to-get-at cheap sources of energy—are beginning to appear at the end of the tunnel of energy.

For 100 years oil and gas have served as a main source of energy. It is now calculated that the easy-to-get-at sources of oil and gas will enter the age of depletion in our lifetime. And uranium, which feeds the nuclear plants, is joining the parade of early depletion. These three sources are non-renewable and now definitely limited.

At present there are no alternate, easy-to-get-at or cheap renewable sources of energy available. For this reason, each day the world is moving closer to a qualitatively different energy-life relationship. This is a new problem. Increasingly this will become a new factor affecting all economic, political and social developments.

It greatly adds to all contradictions and relationships. It adds a new wrinkle to the class struggle. It adds a new dimension to the anti-imperialist struggle. It adds a new ingredient to the transition to socialism.

The energy crisis brings out the basic thieving, predatory inner-nature of imperialism. There is a growing open advocacy of U.S. military intervention, for military takeover of the oil fields. Such corporate voices as the *New York Times* and *Wall Street Journal* are warning about the inadvisability of such actions now. But editorially they are both keeping the options open. For example, the *New York Times* foresees that "There may be reason someday for the United States to seize a foreign oil field," and Senator Gary Hart echoes these sentiments: "We may be forced to use military forces to preserve the oil flow." And these are the voices of moderation.

And of course there is more than just talk. There

is the continuing buildup of a "U.S. military presence" in the Mideast and the Persian Gulf and Indian Ocean. The Pentagon is in the process of training an intervention task force, specifically trained for action around oil fields. This force is being trained for "desert warfare." The depletion of resources increases the danger of war.

This developing oil crisis is also an additional pressure on the already existing tendencies toward polycentrism in the capitalist sector of the world. Each of the major capitalist countries is working to corner as much as possible of the world's fuel resources.

Up to this point in history revolutionary changes in socio-economic systems have been propelled by changes and advances in technology and the development of ever-cheaper and easier-to-get-at energy sources. Slavery, feudalism and capitalism were all responses to ever-cheaper and available sources of energy. Human societies have never had to face the problem of the depletion of the main source of easy-to-get-at energy before new sources were available.

This presents a particular and difficult challenge to capitalism. The age of depletion forces a consideration of a basic restructuring of the energy complex. Because of long-range planning the Soviet Union and other socialist countries are well into the process of restructuring their energy complex. These changes are relatively easier for the socialist countries because they operate under one guiding principle: what is best for society as a whole is also best for each individual, and vice versa.

The management of shortages and the transition to alternative sources of energy take a concentrated effort; huge amounts of resources and careful long-range planning are necessary. It has to be a top priority for a large section of the scientific community. And these changes will not pay off in dividends for a long time. The long-range interests of society as a whole will have to get top billing.

These pre-conditions all go against the very inner-grain of capitalism. The anarchistic nature of capitalism and the singleminded corporate drive for private profits are a difficult, if not insurmountable, obstacle in the path of achieving the transition to new sources of energy. It is difficult, if not impossible, for private capital to manage the transition from the irrational, wasteful consumption of energy—which has reached its extreme in the

United States—to a planned, unselfish consumption that corresponds to available supply. And this must be done without plunder or ripoff—something that is inherent in capitalism.

The cannonized and idealized concepts ingrained in the capitalist production process, such as “charge whatever the market will bear,” or “above all else drive for maximum profits,” or “what’s good for GM is good for the country” are on a collision course with the problems involved in the energy crisis. The energy crisis adds another element to the general crisis of capitalism.

The energy crisis also brings into new focus some old crimes of capitalism, for example, the General Motors-Standard Oil conspiracy that has not only held back mass transit but has rail by rail destroyed much of the best energy-saving transit systems in many of the urban centers, as well as the railroad passenger system.

The energy crisis will force a restructuring of priorities. For monopoly capitalism this is a most difficult undertaking.

At the present time, the Carter Administration refuses to spend \$70 to improve subway tunnels in the cities, but goes ahead with plans for spending \$70 billion to build hundreds of miles of tunnels for the MX missiles.

There are other sources of energy such as coal, tar sand, shale and solar. And of course, the source of all sources—the process of fusion. Fusion has the potential of being an inexhaustible source.

The Carter Administration and Congress are ready to earmark \$100 billion dollars for the development of some of these sources. But there is a basic flaw in these plans, which will remain an obstacle to the necessary restructuring of the energy complex. The new money will be given to the same old monopolies that created the mess in the first place. It will be another ripoff.

The problems around nuclear power are in the very center of the restructuring of the energy complex. If the Three Mile Island nuclear disaster teaches anything it is that private corporations should never have been permitted anywhere near the nuclear plants. They can not be trusted with anything that presents such a potential danger to health and safety. Three Mile Island is also proof that the government agencies—as they are now constituted—can not be trusted with the health and safety of the people.

Therefore, the question of the peaceful uses of nuclear power under capitalism should go back to square one. It means:

1) Remove the private corporations from the nuclear power field;

2) Close all existing plants. Ground them like the DC-10s because it is now clear there are some defective components and serious flaws in the design in all of them.

3) Set up people’s committees, which would include trade unionists, scientists and consumers. Such committees should have the power to determine all questions of safety, including the very difficult question of the proper disposal of radioactive wastes.

There are a number of necessary and practical steps that can be taken in the field of energy that would guarantee that it is not the people who will pay for the shortages or the transition to new sources. Only under public-government management can the use of the remaining old resources and the development of and transition to new sources be planned and orderly. Therefore, private corporations and private profits should be completely eliminated from the field of energy:

1) The energy complex should be nationalized—owned and operated under a democratically constituted public management;

2) The Pentagon is the biggest single user and waster of fuel. Therefore, cut the military allocations in half and release the three-year hoard now being accumulated by the Pentagon.

3) Close all the nuclear plants run by the Pentagon, which are now operating without any kind of regulations or controls;

4) Distribute \$1,000 worth of fuel stamps per year to all those on social security, welfare and to families whose income is less than \$20,000 per year;

5) Set aside \$10 billion dollars per year for the building of new mass transit systems. A few years ago there were 62,000 railroad passenger cars; now there are 12,000. In the last 5 years only 33 cars have been added;

6) Spend whatever is necessary for research and development of coal, solar, wind—but keep the greedy hands of the private corporations out of the process.

These and similar measures are necessary in the process of restructuring the energy complex.

The energy crisis makes the transition to

socialism even more of a historic necessity. The depletion of some of the non-renewable sources of energy raises urgently the need to scrap a socio-economic system that is also non-renewable and is rapidly being depleted of its internal energy. The crisis of energy argues for socialism. The solutions require placing people's interests above corporate interests.

The problems of the energy crisis and the developing economic crisis have become interlinked. Together they are giving rise to new problems. In the very center of these crises is the old basic question: at whose expense will the solutions be? So far, only the people are being ripped off.

Domestic Politics

Meanwhile, on the homefront the disappointments, frustrations and mass anger are stoking the fires of broad-based fightback movements.

Related but separate coalitions are sprouting like mushrooms after a heavy rain. Just to name a few: the Progressive Alliance, headed by Douglas Fraser, President of the United Auto Workers (UAW); Citizens-Labor Energy Coalition, headed by William Winpisinger, President, International Association of Machinists (IAM); the Coalition Against Inflation in Necessities (COIN); the SOS, a coalition to fight against cuts in social security, with some 175 affiliated organizations; the Committee for Affirmative Action; the Coalition for a New Foreign and Domestic Policy; the Congressional Black and Hispanic Caucus; the various anti-nuclear coalitions; the Coalition of Black Trade Unionists (CBTU); Trade Unionists for Action and Democracy (TUAD); the All Unions Committee for a Shorter Work Week, and the new Citizens Party, led by Barry Commoner.

Some of the older coalitions are gaining new strength and vitality, such as the Southern Christian Leadership Conference (SCLC); the Coalition of Labor Union Women (CLUW); Women for Racial and Economic Equality (WREE); the U.S. Peace Council; PUSH; the National Alliance Against Racist and Political Repression (NAARPR); National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL); Mobilization for Survival and the National Coalition for Economic Justice (NCEJ).

These are but some of the emerging, or existing broad movements and coalitions. And many of

them are duplicated on the state and city levels.

There are also a number of new trends and forces in this upsurge, including sections of the trade union movement who are taking a leading and often initiating role. This is most significant, with many ramifications for the movements. Also, more than in the past, most of these coalitions have a new understanding of the need to unify; to work for unity of labor with Black, Chicano, Puerto Rican and other oppressed peoples, women, youth, seniors, etc.

They reflect a rather high general anti-corporate consensus. While many of these movements focus on one or two issues, there is a much higher level of understanding of the tie-in between the domestic issues and the huge military budgets, between missiles and margarine.

There is a growing realization that we can not have both guns and butter. While there is a wide divergence of views on what to do in the field of electoral politics, there is a new understanding of both the need to enter the political arena and the relationship between the economic and electoral struggles.

In spite of the many weaknesses, there is a greater understanding, at a higher level than in the past, of the need to unify all forces and therefore the need to take a stand in the struggle against racism. There is a growing awareness that without such a struggle unity is not possible.

What is also new is that most of the leading elements in these movements now recognize the need for a grass roots base.

Another positive aspect of this new upsurge is that there is a decrease in expressions of anti-Communism. Communists do not have to fight to participate in these movements. In fact, we not only do not have to fight to participate; in most cases we are asked to join and help out. Therefore, if we are not today active participants in these movements and struggles we have to honestly admit that the problem is of our own making.

It is very important for us to understand that these coalitions are the coming together of the main social and class forces of the rising anti-monopoly movement. They are key forces in the fight for political independence.

As you know, after a rainstorm mushrooms pop out of the soil overnight. But they also have a very short life span, mainly because they do not have a

solid system of roots. That is also the weakness of most of these coalitions.

At this stage they are still mainly coalitions of leading forces. Most of the leading forces in the coalitions now do recognize the mushroom weakness. But some obviously fear mass participation. Because of this most of these movements are not yet mass-action oriented. And others do not know how to proceed. But by and large, no one now places obstacles to such a development.

The mushrooming of these movements presents an unusual opportunity. It is an unusual challenge to the Party. It is a challenge because while the emergence of these mushrooms is a very positive development, they also bring with them the problems and weaknesses that are inherent in all broad mass movements. There are internal and external political and ideological pressures on them. They face difficult tactical questions. For example: How do you bring together those who think Kennedy is the answer with the people who are pushing for a new people's party or some other independent forms? Then there are the poisonous mushrooms, the dozen varieties of Trotskyites, Maoists and Hoxhaites who work to push movements into isolated corners.

To illustrate this overall development and derive some conclusions from it, if we would program our Marxist-Leninist computer with the following: the great potential of these coalitions and movements; the weaknesses in their lack of grassroots formations; the need to find the path that leads to overall unity; the need for a clear political direction; the need to strengthen them in the struggle against racism—with this programming there is no question as to what the computer read-out would be. It would read: What is needed is the participation of the Communist Party on all levels, in all movements and coalitions.

Our contributions in this kind of situation can be unique. It can make the difference between these movements disappearing like mushrooms, or moving on to new heights of struggle. Therefore, we must spend less time assessing the weaknesses of these mass movements and coalitions, and spend more time doing something to overcome them through our participation. Because the problems of the economic crisis—inflation, housing, unemployment, medical care—will not disappear, the spontaneous mushrooming of mass movements will

increase. We can be a political and ideological force only if we are involved, only if we are actively influencing these movements.

The Working Class

As Marxists we know that the class struggle is the primary essence of capitalism. It is the pivot around which everything else revolves. And because it is the primary essence of capitalism it is also the primary point of reference for our Party.

Because the working class is the pivotal force in the struggle for reforms, for social progress and in the struggle for socialism, our Party places its main emphasis and focus on the working class.

We have to keep restating this most basic of all basic concepts. Because while this is generally accepted in our Party, it is not always understood and it is not always the guide to our practice. It is accepted in our resolutions and speeches, but not always as a guide in our day to day activities. Most of us *talk* along class lines. But not all of us always *think* along class lines. The class struggle and the working class are accepted as a guide for teaching a class, but not always as a guide for our priorities, our emphasis and for the allocation of our time or for our resources.

No one in our Party is anti-working class. But anti-working class misconceptions and petty bourgeois prejudices do diminish the sense of class partisanship.

Since our last convention, many changes have taken place in the critical arena of the class struggle.

The class confrontation has greatly sharpened. The economic gap between the two great classes keeps getting wider. The rich are getting relatively and absolutely richer, and the workers are getting relatively and absolutely poorer.

It is estimated that last year a worker in manufacturing produced \$32,000 in goods, and in return received \$13,000, out of which \$4,000 was deducted for taxes. In the first four months of this year workers lost 3½ per cent in real wages.

An interesting reversal of roles has taken place. In attempting to explain why there is an increase in foreign investment capital coming into the United States, *Business Week* said, "By the standards of today, the United States offers *cheap labor* and the all-too-rare plus of political stability."

This was said, of course, before Jimmy Carter ran for the hills, came down and proceeded to fire

everyone in and around the White House who did not come from Georgia. I am sure *Business Week* would not now boast of the "rare plus of political stability."

Besides the decline in real wages, job insecurity has emerged as a most serious problem for all workers. Layoffs resulting from automation, from instant plant closings, have become a nightmare for most workers. To these problems must be added the spreading plague of health and safety hazards. Working in industry in general has become a hazardous occupation.

Some months ago Brother Douglas Fraser, president of the UAW, said, "I believe leaders of the business community, with a few exceptions, have chosen to wage a onesided class war in this country."

The only thing we would change in that statement is that the business community has chosen to wage class war, *with no exceptions*. And if it continues to be a "onesided war" for any length of time workers will go down to defeat. However, the recognition that it is a "class war" is a good starting point from which to make it into a two-sided class war. When the monopolies have "chosen to wage class war" policies of class collaboration are white flags of surrender.

In pursuing the class war, the monopolies are continuing their multi-faceted offensive with the aim of destroying existing unions and of frustrating and blocking union organizing drives.

The Right-wing corporate slogan for "a union-free environment" is more than a slogan. It is a lodestar that guides the monopolies in their determination to deny workers their basic right of voluntary association in unions of their choice. We have not seen such open, brutal strikebreaking activities since the 1930s as we are experiencing today.

In most cases the government on all levels takes an open, anti-union, strikebreaking position. Anti-strike court injunctions have become almost automatic.

The corporations have become emboldened and encouraged because in a number of areas they have been able to break strikes and destroy the unions. An example is the success of J.P. Stevens, with the aid of the courts, in thwarting the efforts of the textile workers to organize for a whole generation. Another setback is the efforts of the United Steel-

workers of America to organize Tenneco Corporation at Newport News, Virginia. The Newport struggle is not just another setback. It puts the spotlight on the failure of the trade union movement to mobilize all its resources to insure victory in a battle on labor's most important front.

George Meany's boast that "I have never walked on a picketline" has become the official policy of the AFL-CIO executive board.

Solidarity does not mean sitting it out while thousands of workers are engaged in a titanic struggle with an intransigent transnational conglomerate.

The sorry truth is that we have a militant rank and file, but with a leaderless trade union movement, up against the most organized, coldblooded, inhuman, relentless ruling class in the world. The fact is no one speaks for the trade union movement. And neither George Meany nor Lane Kirkland speak for the whole Executive Council.

The fact is that the unions are now losing 52 per cent of all elections held under the National Labor Relations Board (NLRB) regulations. And while the mass media make a lot of noise about how the new labor-management contracts are a repudiation of Carter's 7 per cent wage guidelines, the unfortunate truth is that with minor variations these contracts have not strayed very far from the old COLA formula. They are well within—or at very best only slightly nudge—the outer perimeters of the wage control guidelines. They may soften the blow, but without exception they fail to halt the precipitous decline in the take-home pay of the workers.

The monopolies, on the other hand, use the hyped-up press reports to justify another round of price hikes. When he was head of the steel workers union, Phillip Murray said: "So what if steel prices rise—steelworkers don't eat steel." Because of that short-sighted and class collaborationist line some steelworkers don't eat much of anything, because as the steel corporations raised their prices they priced themselves out of both domestic and foreign markets.

The gist of the COLA formula is an annual productivity wage increase, plus periodic adjustments for inflation. In practice, COLA can not redeem what it seems to promise—income stability. The purpose of the COLA formula is to remove wages as the central issue in collective bar-

gaining and to substitute other issues such as pensions and supplemental unemployment benefits (SUB) that would have been better handled through legislation for all the workers.

We are not at this time opening a full discussion on the pros and cons of the COLA formula as implemented in various contracts. We are expressing a growing concern over their long-range impact on workers' take-home pay. In fact, the real wages of workers are the same in 1979 as they were 15 years ago.

We suggest the following for consideration and discussions: The COLA formula does not offset the full effects of inflation and taxes. In fact, it insures the relative impoverishment of workers. As these quantitative, relative declines accumulate they result in a quantitative change to absolute impoverishment.

The new problems creating a new crisis for workers are the simultaneous occurrence of high unemployment and inflation. And inflation cuts the living standards of every worker.

For some time economists and spokesmen for monopoly capital have given up even talking about cures for both. They now talk about a trade-off, insisting that the workers must accept one or the other. Barry Bosworth, formerly Carter's Director of Wage and Price Stability, says it clearly: "Inflation can be brought to a halt if economic policies turned extremely restrictive. For every percentage point shaved from the inflation rate through such policies an additional one million people would have to be tossed out of work for two years."

What is new is that the trade-off options are becoming less available. It is not possible to have guns and butter. More guns mean less butter. Without some powerful, effective anti-monopoly measures it is not possible to have low unemployment and low inflation.

The only trade-off that is realistic is to trade off some of the corporate profits for higher wages or the Transfer Amendment; to trade off money from the military budget to job-creating meaningful projects.

One of the most serious problems facing the trade union movement is the fact that only a minority of workers are members of trade unions. And the percentage is declining. The trade union movement can not continue to have clout if it is a diminishing minority of the labor force.

When asked if he would prefer to have a large percentage of the work force unionized, George Meany responded: "Not necessarily. We have done quite well without it." George Meany has reached the point where it seems he wants to take the trade union movement into the cemetery with him.

The impending retirement of George Meany ought to be turned into a rousing celebration, a paid, national holiday of "thanksgiving."

But it should also be much more. Along with Meany, the trade union movement should retire the whole policy and practice of class collaboration, sever relations with the CIA, stop pimping for corporate executives and start fighting for workers' interests, stop begging at the doors of Democratic and Republican politicians and set up a fighting, independent, electoral structure. The trade union movement should stop looking for allies among the wealthy and start building a fighting people's front of labor, of the racially and nationally oppressed peoples, the poor on the land, the women, senior citizens and youth.

The impending retirement of Meany opens up a historic opportunity to raise in a new way the question of a united trade union movement, a trade union movement that takes a definite position in the class struggle, that breaks up demeaning, defeating class partnership. It is an opportune time for the Left and Center forces to unite and put the U.S. trade union movement back on the working-class track.

It is one thing for the organized sector to be a minority in a period of union growth and increasing popular acceptance. It is quite another to be a diminishing minority when unions are losing ground, both relatively and absolutely.

As the unions lose ground, even relatively, their strength is sapped at the bargaining table and in the legislative chambers. The challenge of organizing the great majority who are unorganized is a critical question for organized as well as unorganized workers. It is a critical question for all the forces of progress.

With all its shortcomings, the Supreme Court victory in the Weber case can become an important instrument in the struggle against racism, especially in the industries. It provides a legal basis, a legal argument, for all kinds of affirmative action agreements. However, as is the case with any tool, if it remains on paper or in the tool chest it is of little

practical value. Utilizing the Weber case victory within the context of future struggles for affirmative action programs in industry can become a basis for a qualitative leap in the struggle against racism. It can help remove a formidable obstacle. It can make a qualitative difference in the unification of the working class and trade union movement. There should be no labor contract negotiated, no grievance setup in trade union locals, that does not include a concrete affirmative action agreement. This should become standard trade union procedure.

The Left-Center Force

Since our last convention many changes have taken place on all levels of the trade union movement.

There is movement even in the ranks of the AFL-CIO Executive Council. Many have become dissidents from class collaboration. Many have moved to a more militant Center position. Only the old reactionary pigheaded die-hard core of the Meany-Kirkland gang remain stuck in the corporate pigsty, maintain their good standing in the Trilateral Commission, with the nuclear maniacs in the Committee on the Present Danger, and advocates of the policy of confrontation within the Atlantic Council. However, they are more and more isolated. They speak for less and less of the trade union movement.

However, the problem is they continue to speak in the name of the AFL-CIO. Reflecting the change in the ranks of the Executive Council of the AFL-CIO and the mood of the grass roots, increasingly there are new voices in the leadership of many of the national trade unions. This adds a new layer in the shift towards the Center. This is a most important development. Its significance is even greater because it is taking place simultaneously with the process of radicalization that continues in the grass roots.

On a different level and related to a different set of problems the same two kinds of processes in the 1930's made a qualitative change in the class struggle. In this period the shift towards the Center and the process of radicalization can bring about even greater changes.

Our present trade union policy has a history of some 12 years, and was basically outlined in the pamphlet, *Labor—Key Force*. It has gone through a process of clarification, development and some adjustments to reflect the changing scene.

Let me quote from an early document: "In our trade union work our aim is to replace the policies of class collaboration with policies of class struggle. The central point of our emphasis and therefore our fundamental point of departure is to help build rank-and-file formations in every department, shop, industry, local union and central labor body."

When we formulated this policy it was not an abstraction or just a good idea. Its aim was to give direction to mass trends that were already in motion. Life has proven the correctness of this policy.

In today's world, to reflect today's realities the policy means building coalitions of the Left and Center forces within the labor movement, coalitions that are capable of moving the whole labor movement away from the Right wing policies of class collaboration. Further, it means the need to develop the tactics and organizational forms that can capture the mood of the times, the power that is inherent in the spontaneous mass reactions to the corporate offensive.

Lenin described such spontaneous mass currents as the "embryonic level of class consciousness." That updates our policy.

Again, it is not a good idea per se, or an abstraction. It is consistent with the new level of mass currents. It is a policy that reflects the fact that the "embryonic" consciousness has developed further, to a higher level.

The question is: Are the currents strong enough—is the potential powerful enough, capable of moving the whole labor movement away from policies of class collaboration? We believe this is in the cards.

For some time, during the McCarthy period of repression, the Center forces were either nonexistent or cowed into silence. In either case, they were not a force with much influence or power. They were dominated by the Right wing.

In the last years, the Center forces have re-emerged as a power, initially on the grass roots level, and subsequently on leadership levels. It is to the credit of our Party that we foresaw this development when it was but a ripple on the scene.

Generally, what we call the Center is a force that is breaking with and moving away from the worst features of class collaboration. In life, nothing moves in a vacuum. This is true of the movement of the Center forces. Therefore, it is clear that while

they are stimulated by objective factors, while they are reacting to issues, how fast they will move, on what issues they will move and what forms the movement will take depends largely on their relationship with Left forces. This is the basis for the concept and the need to work for unity of the Left and Center forces.

In working for Left and Center unity we are again working with and giving direction to trends that are already in motion. We are not inventing these trends.

It is also obvious that Left and Center unity can not be established on the basis of a Left program. If the Center forces were ready for such a program they would be Left forces. Therefore, it follows that Left and Center unity can be established only upon the most advanced position that the Center forces are ready to take.

In other words, this process of unification must start on the level of the most advanced position of the Center forces. The Left forces can not say: "Come, we welcome you." Instead, the attitude must be: "Let us reason together. Let's see what we can agree on."

This process can be started on such issues as the Transfer Amendment, ratification of SALT II, working for a shorter work week through such forms as the All Unions Committee for a Shorter Work Week. It can be established on the basis of shop issues, hours, wages, speedup and trade union democracy.

Those who reject the Left and Center concept, or keep saying they are "confused," are doing so because they do not believe there is a process of radicalization taking place in the ranks of workers. Or they do not accept that the Center forces are in the initial stages of that process.

Not to accept or understand the significance of this radicalization of the working class is to miss or reject the main element—the cardinal essence of today's reality.

There are some areas where the Center forces are weak, and some areas where they do not yet take a Center position. These weaknesses should not be ignored. But they should not be made into roadblocks to Left and Center unity.

In the field of independent political action many of the Center forces remain advocates of the theory of the lesser evil. This holds them back within the orbit of the Democratic Party.

Many of those who have broken with the policies of George Meany do not yet follow a consistent class struggle policy. They have not yet accepted the idea that if you follow class struggle policies you have to involve the rank and file.

Many of them still follow the opportunistic, class collaborationist policies of not taking on the fight against racism, although many did take a good stand on the Weber case.

These weaknesses do *not* argue for less work in the trade union field. On the contrary, they argue for *more* support for Left and Center and Left unity. They argue for *more* support to building rank-and-file groups. This means more support for such organizations as TUAD and other industry-wide rank-and-file formations.

As long as we have capitalism the struggle against discrimination based on racism will never be totally won. It is a continuous, ongoing struggle. How this is dealt with by the Center, by the Left and Center and by Left formations is a most important question.

There are cases where the struggle against racism has been opportunistically compromised in the "interest of Left and Center unity." I think it is undeniable that a rank-and-file formation that does not take a position on the struggle against racism is going nowhere. An organization that does not take a position on the issues that divide it is going to remain divided.

There is a lesson in the unprecedented trade union support in the Weber case. More than usual, the issue was linked to the class self-interests of all workers.

There is racism. But there are also some wrong assumptions that either become the excuse or a coverup for not fighting racism. It is the assumption that racism is so deeply ingrained among white workers, so powerful a prejudice, that it is impossible to change the white workers or to in any way involved them in the struggle against racism.

The experiences of struggles do not sustain such assumptions. Such assumptions also assume that because of racism white workers will not respond to appeals for class unity, for class self-interests and will not develop a class consciousness.

We have to do more in mastering the art of fighting racism in concrete situations where the self-interests of the class and the struggle against racism are complementary and inter-related.

It is necessary to reject racism and racist expres-

sions. But that is not enough. What is called for is leadership that can win over white workers, clear up their confusion and replace racist prejudices with class consciousness and concepts of class unity.

In most departments or shops there are always one or two who are loudmouth racists, or racist provocateurs. They take advantage of the fact that white workers are either silent or laugh at racist jokes. How to take such a situation and turn it around is the challenge for all Communists and other progressive trade unionists.

The key concept here is that the racism and the loudmouths are instruments of the boss who work against the interests of all workers.

But you will be able to take on the loudmouths only if you are convinced, first, that silence does not necessarily mean support to a racist and, secondly, if you are convinced that class self-interests, that class consciousness, is a more viable current. If one is able to relate the struggle against racism to some concrete class issues in the department or shop the argument is always more effective. These are crucial tactical questions in the building of Left-Center unity.

It is easier to determine the line of demarcation between the Right and Center forces because the Right's position is more clearly definable. It is more difficult to define the line between the Center and the Left because they are both forces in the process of change, of movement. Also, while the concept of the Center forces is correct, this does not mean that the Center forces, under all circumstances, will be the same. Some Center forces tend to waver under pressure.

For example, the Center forces in leadership positions and the Center forces on the grassroots level will not necessarily have the same reactions. The Center forces on the grassroots level tend to take a more militant stand, especially on shop issues. The Center forces in the ranks of the racially and nationally oppressed workers tend to be even more militant.

It is also true that it is not always possible to have both Left-Center, and separate Left forms in every instance, in every situation, or even in every campaign or struggle. However, this should not become the excuse for giving up or not taking the initiative to establish such formations on both levels.

Since our convention in Chicago, possibly the most important development on the working-class

grassroots level is the significant growth of a good healthy Left sector. In many of the plants in basic industry the Left is not now a small, isolated grouping. In many cases they are now the most active union force. They are Left but they are not narrow or sectarian. It seems obvious we need to give much greater attention to their development.

These Left forces tend to gravitate and move toward associations with those who are ready to take more advanced class positions, those who are more militant and advanced, including in the struggle against racism. They tend to move toward those who take more advanced positions on political independence and who are ready to work with Communists, even if still being influenced by anti-Communism.

The concepts of Left-Center unity and Left unity are concepts of struggle. They have meaning only within the context of struggles and specific forces. They have meaning only within the context of moving workers, leading workers in struggle.

Within these formations there are some specific problems on which we in the Party have to focus.

A large component of the Left sector is composed precisely of those who see the need for militant activity. Often these groups are new in industry, and some still have many petty-bourgeois influences from their previous life. In many cases they are workers with little or no accumulated seniority rights. They are very often starting at the bottom. And often they are young. They include a large number of racially and nationally oppressed workers who daily must contend with humiliating attacks. These workers often proceed first from the viewpoint of moral indignation, that is, "It's not right. How can they do this to us?"

Having reached the point where they have decided to act they often want to act NOW. They have no time to wait. This is, of course, a source of great strength for the movement, when it is directed into class channels, into tactics of mass struggle. At the same time, it has at times led to problems, since they can not understand or refuse to accept the concept and the necessity for unity. These workers have difficulty with the concept of unity because it is often necessary—in order to establish Left and Center unity—to compromise, to adjust, especially tactically, with less militant workers. The result is that often there is a revolving door of these militant elements within the rank-and-file movements. And,

to some extent, even in the Party.

Some of these workers fall for the demagoguery of phony Left sects because they sound militant and radical. After being drawn into playing irresponsible games with militancy most of them become disillusioned not only with the Left sects, but also with the working-class movement and the workers they work with.

As if following a master plan, with the full sanction by the corporations, small sects move from one industry to another. When their irresponsibility is exposed at one plant, they move to new ones. The corporations could not buy better union-busting forces. Some of these groups behave like union-busting provocateurs, including using lead pipes against trade unionists.

We have made headway, but we must work continuously to show the workers that these phony sects are not Communists, that our Party rejects and condemns their anti-working class activities.

There are times when for demagogic reasons they make reasonable proposals. We must become more adept at taking these proposals and turning them into mass struggles which will help to expose the sects' real purpose.

It is precisely this problem that further argues for the need for special Left forms. Without Left forms there is a vacuum. It also points to the fact that Left forms should be more than committees on economic questions. In some cases it is necessary to consider whether the Left forms should be more than loose caucuses, whether they should combine the struggles around shop and union problems with forms of educational and social activities.

In other words, whether the Left forms should include organized discussions about political and ideological questions, including why Left-Center forms are necessary. Left forms should reflect their higher level of class consciousness. Left forms should be centers of a variety of Left activities. And it seems to me consideration should be given to specific Left actions on some issues that the Center is not ready for.

Experience shows that there is also an absolute need for industry-wide rank-and-file forms. I may be wrong, but under the present circumstance they would be Left forms. We should put an end to all speculation about this matter. Wherever such movements have been given leadership they have made important contributions. Without them the

rank-and-file groups tend to float in air. There is a need for some organized body for them to relate to. Even if this is done only through a regularly-issued bulletin or newsletter, these industry-wide forms are necessary for industry-wide initiatives and coordination.

Multinational, Multiracial Working Class

The statement in the Draft Main Political Resolution that "Our working class has always been multi-racial and multi-national. But the process has now reached a new level. . . . What is new is the new level of the process of unification. . . ." has been the cause of some confusion in the pre-convention discussion period.

What is not clearly understood is that this description is meant to emphasize the new level of unity, of oneness of the class. These are the objective processes that are creating the basis for our working class to think and act in class terms. The emphasis is not on one or another part of the class, but the class itself. Life, class exploitation, is the molder.

Throughout our history there have been a number of factors that have held back the development of class unity and class consciousness; factors that have kept our working class divided ideologically, politically and even physically. In past periods, the easy access to land, the Civil War and the remnants of feudalism in the South have all acted as roadblocks to working-class unity.

What the Draft places in a new way is that there are a number of more recent, newer factors that have either disappeared or do not now have the same effect. The result is a more cohesive, united, single class. And these changes facilitate and speed up the process of class consciousness.

The struggles and the process of breaking down the doors of industry in the interest of racially and nationally oppressed peoples has reached a new level. While this has not put an end to policies of discrimination, it has brought great numbers of oppressed peoples into the production process and into the ranks of the working class.

It is in this context that the Supreme Court decision in the Weber case can produce important results in furthering this process, especially in upgrading and promotion of those who have been held back because of race or nationality. This is a most important change affecting the working class.

It is not too many years ago that women also were generally barred from industry. Now some 45 per cent of the work force are women. This again has its impact on the working class as a whole. This also has its effects on the women's movement generally, but here we are speaking about its relevance to the working class. Here again, the new development does not eliminate the policies of discrimination, but does change the framework of that struggle.

In the not too distant past industrial development in the United States had a regional character. Now industries have filled in the empty spaces. This has also eliminated the division of the working class into regions. The GM plant in Oklahoma City employing some 3,000 workers who just voted for the UAW as their bargaining agent is a case in point. As a result of this development, Oklahoma will never be the same again. And the U.S. working class will never be the same.

And there are other changes: because of the unusual resources that U.S. capitalism has been able to draw on, it has with relative ease been able to divide the ranks of the working class by pitting one section against another.

In the past, its ability to create a small but influential "aristocracy of labor" was one of the methods used to divide. Very often U.S. capitalism has also been able to use the workers of one craft in one industry against another, or one region against another.

However, we are now in a different situation. U.S. monopoly capital no longer has the same resources to draw on domestically or on the world scene. It is no longer able to do some of the things it has done in the past. For example, the critical problems produced by the new economic crisis affect all sections of the working class.

Take the construction field: The construction industry, which has traditionally served as one of the bases for the creation of some "labor aristocrats," is now in a crisis and the workers have been forced to take wage cuts or are unemployed. That has served to cut the source for the fattening of "labor aristocrats."

When all of this is added up it signifies that our working class has reached a new level of oneness, a multiracial, multinational, male-female working class, national in scope. These developments have prepared the working class for organizing the unorganized, for a new level of affirmative action programs, a new level of class consciousness, for class political independence and for a new working-class offensive.

In a sense, these objective developments were prerequisites to enable the working class to take its place at the head of the legions fighting for social progress. These are all very positive developments.

It is possible that our concept of rank-and-file forms is too narrow. In most cases they are not "the meeting is called to order" kind. They are more on the order of: "Well, what do you think we ought to do?" kind. Some are Left, some are Left-Center, some are Black and white, some are Black, some are only the young and some only women.

Take the 30,000 affirmative action cases that have been filed. Most, if not all, were initiated by some rank-and-file group. It also seems obvious that the most successful rank and file groups are the ones in the shop or on the department floor, especially to back up the griever. As to the level of rank and file groups, the need for action, for struggle, is what propels rank-and-file action. So they may be on many levels, Left and Left-Center, and in the process of struggle this may shift very fast from Left to Center and, for some, into the Communist Party.

It is clear that because of the fast shifts, the processes of radicalization, it is necessary for us to be ready to reflect the changes and when necessary to change tactics, while always keeping our feet on the solid earth.

The positive developments in some sections of the trade union leadership are very important. We must continue to work with them. But we must make it absolutely clear that this does not in any way replace our emphasis on the grass roots and the need for rank-and-file forms. In fact, the other way around is true. There is a need for greater emphasis on normal rank and file forms.

Canada After the Federal Elections

WILLIAM KASHTAN

For some time now monopoly capital in Canada has been seeking a way out of the crisis by pushing politics to the Right. By playing upon the uncertainties of the situation and the dissatisfaction by the working people with the economic and social policies of governments, it has been successful in bringing about the defeat of New Democratic Party governments in Manitoba and British Columbia and the election of Conservative (Tory) governments in most of the provinces, including Social Credit in British Columbia.

Why a Government Turnover?

This drive to the Right found further expression in the recently held federal election. In this instance monopoly was able to play upon the inability of the Trudeau Liberal government to cope with unemployment, inflation and the separatist threat in Quebec to bring about its electoral defeat and the election of a Tory minority government.

What were the factors which brought about the election turnover? One was the desire for change after 16 years of Liberal rule and 11 years of Trudeaumania, a desire twisted by the Conservatives into Right-wing channels. The Tories demagogically played upon the desire for change while in fact advancing policies calculated to strengthen monopoly power and place additional burdens on the backs of the working people. The Tory victory was made possible once monopoly interests in Canada, and particularly the financial interests in Ontario and Western Canada, in a far from stable alliance, decided to make the conservative Party their "preferred party." The overwhelming majority of the media they control in English-speaking Canada switched from support of the Trudeau Government to all-out support for the Tories. This played a decisive role in ensuring victory for the Joe Clark Conservative candidacy. However, the monopoly and financial interests did not accomplish all they set out to do—elect a Tory majority

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government with a majority vote. In point of fact the Liberals received more votes than the Tories, but it was concentrated in large measure, although not only, in Quebec.

The overall federal vote showed that the process of polarization is continuing. The Conservatives elected only two members in Quebec while the Liberals elected only three members in all of Western Canada. One of the by-products of this election is that none of the three political parties, Liberals, Tories and New Democratic (NDP) is truly Canada-wide in the parliamentary sense. This raises anew a proposal advanced by the Communist Party many years ago, about the necessity of undertaking democratic reform of the voting system through proportional representation. It is worth noting here that this proposal has since been taken up by other forces who, for their own reasons, likewise see the necessity of some form of proportional representation to get out of the impasse of minority governments.

The election vote has also revealed a basic fact, that the parties of monopoly still receive the overwhelming majority of votes. While the breakaway from the old-line parties is continuing, it is not yet taking place in a massive scale. Previously about 80 per cent of the working people voted for the old-line parties with about 20 per cent voting NDP. This time about 76 per cent of the vote of working people went to Liberals and Tories combined with the NDP increasing its vote by 2 per cent. The political conclusion from this is obvious—the working class in the main has not yet broken away from capitalist parties, a task made more difficult to achieve because of reformist leadership which continues to dominate the trade union movement. The working class is still politically immature in that it is not yet conscious of the need to challenge the parties of monopoly. It is clear that to change this situation will call for great effort and patient, consistent work by the Communist Party and by all those forces who see the need for independent political action.

Another basic factor in the election turnover was a chauvinist anti-French backlash in English-speaking Canada which the Tories used to come to power. Prime Minister Clark's opposition to the right to self-determination of the French Canadian people, which he categorically advanced in the course of the election, stimulated this backlash and at the same time signalled the fact that powerful monopoly interests in Canada were determined to "put Quebec in its place."

Notwithstanding monopoly's efforts at preventing a mass breakaway from the two party system, it was unable to completely achieve this objective. Aided by the efforts of the trade union movement, inadequate as they were, the NDP increased its votes and seats and became a potential lever in Parliament to advance legislation in the people's interests. The NDP now has 26 seats as against 15 before. Its vote increased from one and a half million in 1974 to over two million in this election. The NDP made some gains in the Maritime provinces and in Manitoba and regained some lost seats in Saskatchewan and British Columbia.

Role of the New Democratic Party

However, the failure of the NDP to advance a consistent antimonopoly position, including public ownership, and a tendency to veer to the Right in its effort to appease so-called "free enterprise," undermined the potential which was there to increase NDP seats, particularly in the industrial centers of Ontario, the main manufacturing center in Canada. In Ontario, in fact, it lost some ground. This is attributable also to the lukewarm support given the INCO strike by the NDP, and its refusal to give support to the postal workers. This led to a weakening of support for the NDP from blue and white collar workers. What further affected the NDP vote was its failure to come to grips with the national question. This made it more difficult to combat chauvinism in the working class, particularly in English-speaking Canada, and left the field open to the Tories.

Nevertheless the basic fact remains that the increased votes and seats for the NDP make it possible to say that the overall results of the election saw shifts to both the Right and to the Left. This will leave an imprint on the coming struggles, in-

cluding the struggle in the parliamentary arena, particularly if there is a correct combination of the parliamentary with non-parliamentary mass political action. The Right wing of the NDP is trying to avoid appearing to be on the Left and indeed is moving to the center of the political spectrum. This conscious position taken by the NDP is based on the view that there is no room for a three or more party system, that a two party system is what they should strive for, with the NDP replacing one of the old-line parties. The weakening position, before the federal election, of the Liberal Party and Trudeau Government suggested to the leaders of the NDP that it could replace the Liberal Party if it pursued a centrist position and avoided any pretence of appearing to the Left. In line with this, NDP electoral programs have been watered down so as not to frighten off potential voters in the middle class. The Liberals and the Tories moved to the Right and so did the NDP.

The NDP position fitted in with that of the Canadian Labor Congress leadership. The CLC too made the Liberal government the main target to be attacked and defeated. Indeed, following upon the elections of May 22nd, Mr. Dennis McDermott, CLC president, declared that the CLC had accomplished what it set out to do in the elections: defeat the Liberal government and strengthen the positions of the NDP in Parliament. Making the Trudeau Government the main target instead of attacking state monopoly capitalism and its political parties objectively helped the Tories. At the same time it did not eliminate the Liberals as a political force to be contended with. As already stated, they received the greatest number of votes. It is fairly obvious that the Liberals are far from a spent force either in Quebec or in other parts of the country and to close one's eyes to this fact is to whistle in the dark.

In making this point it must also be said that while there is much to be desired in the way the CLC campaigned for the NDP and about the content of this campaign, the positive side which must be noted is that the trade union movement in a more organized way began to move in the direction of political action, and away from the old line parties.

The strategy of the Right wing of the NDP is coming into some difficulties inside the NDP. *New*

Commonwealth, the official organ of the NDP in Saskatchewan, in an editorial on the election results, said: "The result for the NDP on election night was something less than a victory and something more than a defeat. Yet while it is not what the Party hoped for it may well be what it needs. The Party wanted a resounding victory. Something that may prove a move towards the political center was the correct strategy for the party, a strategy that will in two or three elections move the NDP on to power." The editorial then goes on to say: "It is not a secret that many party members are disenchanted with the Party's deliberate drift towards the center of the political spectrum of ideas. Many quietly accepted this as a strategy that would lead to power. That strategy must now be questioned in light of the May 22nd returns. A move back to firm socialist ground now by Ed Broadbent [leader of the NDP] and the 25 member NDP caucus could well end such disenchantment."

This suggests there is growing criticism of Right-wing policy inside the NDP and that conditions may be more favorable now for a dialogue by the Left on the road ahead.

The Communists' Election Aims

When the election took place the Communist Party was faced with the reality of the two parties of monopoly having shifted to the Right and that due to the vacillating and compromising position of the NDP there did not yet exist an alternative force powerful enough to challenge the parties of monopoly. Despite this, the Communist Party advanced the slogan of electing a progressive majority, including Communists, in Parliament. It saw in this slogan an umbrella, so to speak, around which it could advance the fight for a different direction to Canadian politics, on economic and social policy, relationships with the USA, the national question, questions of foreign policy. The Communist Party considered these to be the central questions of the elections. The old-line parties had shown an inability to cope with, let alone solve, these questions, while the NDP, under Right-wing leadership, shied away from them.

Bearing the above in mind, the Communist Party set itself three main objectives in this election. First, strive to prevent a shift to the political Right.

Secondly, help strengthen the positions of the working-class and democratic forces in Parliament. Thirdly, strive to strengthen the position and influence of the Communist Party, and if possible increase the percentage of votes for its candidates. The first and second objectives were partially achieved. As already pointed out, while there was a shift to the Right a turn to the Left was also indicated, seen in the increased votes and additional seats won by the NDP. The last objective, that of increasing the percentage of votes for the candidates of the Communist Party, was not realized. The vote for Communist candidates continues to remain low despite the changing attitude of working people to our Party. While the cold war and attitudes of the past are tending to recede, prejudice, anti-Communism, anti-Sovietism all continue to play their negative role.

Moreover in this election the working people were faced with concrete choices: to vote for Trudeau because they did not want Clark. To vote for Clark because they were fed up with Trudeau. To vote for the NDP because they were opposed to Trudeau and Clark. In this kind of polarization smaller parties are negatively affected, and this was in fact the case in this election also. Furthermore, despite some minor improvements in media coverage of our Party and its electoral program, it still had to contend with a country-wide blackout. Despite these difficulties the Party conducted a hard-hitting campaign. The 71 candidates of our Party and Party members worked around the clock to bring our position to as many people as possible. One and a half million copies of our platform in both English and French were distributed throughout the country.

In estimating the results of the election campaign and the vote for the candidates, the Central Committee of the Communist Party stated it would be very shortsighted to judge the strength and influence, both present and potential, of our Party only by the vote received and not by the correctness of its program. The vote should be seen in perspective. The political campaigning undertaken will "pay off" over the next period of time in new recruits, new readers for the press and increasing influence for the Party. Indeed a relatively new feature of this election campaign was the involvement of non-

Party people in the campaigns of many Communist candidates.

Following the elections a number of questions arose, among them questions such as: should we have run candidates, or wouldn't it have been better to sit it out? Some ideas have come forward which veer towards anarcho-syndicalism, that is, avoid politics, concentrate on the economic struggle only. Or, proposals are advanced which suggest we should tail behind the NDP. As against these so-called easy roads the Communist Party recognizes it is still faced with a difficult, hard and uphill struggle around the battle for new policies and a new direction to Canada, and that to win such new policies calls for an ever stronger involvement of the Communist Party in the politics of the country.

Thus, rather than drawing the conclusion that we should not have run or that we should support another political party, the Party is digging into what measures are called for which could strengthen the position and influence of the Communist Party among the working people. It is not inevitable that the Party has to live with a small vote for all time. The fact is that the vote for Communists in the municipal field is growing, not diminishing, while in the provincial and federal fields it remains more or less static. To overcome this contradiction and change the situation calls in particular for concentrated attention on two areas of work.

The first and most important is that of improving the relationship of the Communist Party and of Communists inside the trade union movement. To achieve this obviously calls for systematic effort, patient and hard work in union after union, the building of alliances, the achievement of Left-Center unity and above all, the building of the Left in the trade union movement. This in turn calls for building the Communist Party in industry and winning support for its policies.

The second important change called for is that of strengthening the base of the Communist Party in the municipalities. Past experience has shown us that as the Party breaks through on the municipal field through its public spokesmen and spokeswomen, so conditions are created to break through also in the provincial and federal fields.

How can these two important objectives be realized? By the ability of our Party and its mem-

bers to take up and defend the vital interests of the working people, no matter how small these questions may appear to be. This is decisive.

This of course does not exhaust the subject. The battle to be "seen, heard and read," to project the image of the Party and its policies, to expose the Right-wing policies of class collaboration while advancing the struggle for unity day in and day out, these are all part of the process of winning political support for our Party and its candidates.

Prospect: Contradictions and Instability

We are now entering a new stage of the struggle. Canadian politics are in a state of flux. The prospects are of increasing political instability.

The demagogy and promises of the Conservative Party combined with its isolation from French Canada will aggravate existing contradictions and create new ones.

This government has no economic program to really put Canada back to work. It intends, through its program directed to "combat" inflation, to curtail government expenditure to zero growth, achieve a "balanced" budget by firing 60,000 civil servants, privatize the economy by handing over government-owned corporations like Petrocan to the multinationals, and undertake home mortgage interest deductibility for income tax purposes—a proposal which will largely benefit the bankers, land developers, the credit companies and the rich. The banks are already raising mortgage interest rates to take advantage of Prime Minister Clark's proposals.

The "fundamental change in the very direction of the country towards free enterprise" promised by the Conservative government is a policy of stepped up give-aways to the corporations at the expense of the well-being of the people. It is part of the policy of loading the crisis on the backs of the people while strengthening the positions of monopoly and the multinationals in the economy.

Underneath this "fundamental change" is the inference that excessive government intervention is responsible for the crisis and inflation and a return to a "market economy" will overcome the crisis. This of course is so much nonsense. What exists in Canada today is a market economy with some form of state regulation. State monopoly capitalism could not exist today without the intervention of the

state in the economy. What is involved here is not more or less state intervention in the economy, but in whose interests it should be applied. Monopoly and the multinationals are not averse to state intervention when it comes to regulating wages or using the police to break strikes. What they oppose is state intervention which hinders to some extent their ability to extract maximum profits out of the stepped-up exploitation of the working people.

All the signs point to an effort by monopoly to press the Conservative government to pursue an even harsher policy than that of the previous Liberal government against the working people. These attacks may include further measures to depress living standards, undermine universality in social security, attack trade union rights. These policies will do nothing to curb inflation or unemployment.

All of this will sharpen the conflict between monopoly and the people.

Added to this are the growing pressures of U.S. imperialism in Canada in its drive for energy and resources. This takes on the character of proposals for a policy of continentalism, a sharing of markets, further measures of integration, proposals for free trade. These ideas, which before were anathema to important sections on monopoly, are now being actively discussed. The new Minister of Finance, Mr. Crosbie, stated during the Tokyo Summit that if "we are in danger of domination by another power, I would prefer it to be the USA." This suggests that the Conservative Party, which previously had been the protectionist party in Canada, is divesting itself of this garb in face of a deepening crisis of the imperialist system, and the virtual collapse of the Trudeau Government's "third option," that is, trade with the socialist countries, Western Europe and the Pacific Rim countries as a counterweight to one-sided trade with the USA.

Monopoly in Canada discarded the "third option" and its author, the Trudeau government, in its effort to seek an umbrella to protect itself from a deepening crisis. This umbrella is U.S. imperialism. Thus from two sides, the side of U.S. imperialism and the side of monopoly in Canada, there are efforts afoot to find some accommodation, a deal leading to a policy of continentalism with all its dangers to the political independence of Canada. There is the real danger in face of a U.S. recession,

which may be deeper than most economists expect, of Canada becoming a victim of de-industrialization, of being turned into a warehouse economy rather than a branch plant economy with all its negative consequences for the working people in terms of jobs and living standards.

Will the Conservative government pursue a different policy than that of the former Liberal government? Will they renege on continental free trade arrangements undertaken by the erstwhile Liberal government? Not likely. Everything done by the Tories prior to, during and since the federal election is directed to assure U.S. imperialism that it can be relied upon to pursue a continentalist policy. However this position of the Tories may sharpen contradictions between small and big business in Canada and between Canadian and foreign capital on who is to benefit from resources development.

Thus another focal point of contradictions is likely to shape up and lead to a growing movement for genuine Canadian independence taking shape again in this country.

The French-Canadian Question

These contradictions confronting the Tory minority government are added to by its almost complete isolation from Quebec. Despite its efforts to overcome this isolation by promising Senate seats to prominent French Canadians, not one has so far taken the bribe. Responsibility for this and for the virtual isolation of the Conservative Party from Quebec arises from its hardnosed denial of the right to self-determination of the French Canadian nation in Quebec and the age-old Anglo-Canadian chauvinist attitude to the national aspirations of the French-Canadian people. The consequences of the vote on May 22nd have led to the danger of a sharpening of English-French relations with all its grave consequences for the future of Canada.

What is increasingly evident is that none of the "panaceas" of the old-line parties or of the NDP and of Social Credit as well as the Parti Quebecois have led or can lead to a solution of the crisis of confederation. This is so because all of them deny both the reality of two nations in Canada and the need to resolve the crisis within a united Canada on the basis of the right to self-determination and full equality. Only the Communist Party has consistent-

ly advanced such a democratic solution to the constitutional crisis, grounded on the foundation of national equality of the two nations in one federal state. The Communist Party has emphasized that only through such a democratic solution will it be possible to unite the English-speaking and French-Canadian people for independence of the whole of Canada from domination by U.S. imperialism. As our Party stated, the national question can not be fully resolved unless its social and economic roots are tackled and become part of the struggle against monopoly domination and for Canadian independence free from U.S. imperialism. It is around these objectives that the unity of the English-speaking and French-Canadian working class can be realized and its leading role in the struggle achieved. The Communist Party continues to center on the overriding necessity of unity of the working class of the two nations against the common enemy—monopoly and the multinationals—as the nucleus around which the national and democratic forces in English-speaking and French Canada must unite in the demand for a new made-in-Canada Constitution based on an equal voluntary partnership in a bi-national state and for basic structural reforms.

Since the election of the Clark Tory Government the situation has “hotted up.” Preparations are presently underway for a referendum in Quebec around what may be the option advanced by the Parti Quebecois government—“sovereignty-association.” While sovereignty-association has been given many meanings its essence is in fact political independence and separation from the rest of the country. The Levesque (Parti Quebecois) government is advancing this proposal in two stages. The first stage will be a referendum to negotiate association in the form of a treaty with the federal government. If this is not achieved the second stage will be undertaken, either another referendum or a provincial election, or perhaps both, centered supposedly on the issue of sovereignty. This step-by-step approach the Parti Quebecois hopes will bring it the desired results.

While these maneuvers are taking place the working class in Quebec, particularly the trade union movement, is expressing itself more and more against the options of separation, renewed federalism or the status quo. More voices are now heard

supporting the option of the right to self-determination and full equality.

Needless to say the referendum in Quebec will be of the utmost importance.

Some sections of monopoly and elements of the Tory party are trying to counterpose a country-wide referendum to a referendum in Quebec itself. Were this to carry the day it would deny the right of the French Canadian people to self-determination, that is, their right to make a choice. Other sections of monopoly and elements of the Tory party do not discount the use of force to settle this question. However the vast majority of opinion in Canada at this time opposes such a “solution” whose end result in the present situation could be the break-up of Canada.

The Conservative government is striving to tackle the problem through a policy of decentralization, that is, give more power to all the provinces at the expense of the power of the federal government and thereby avoid coming to grips with the reality of another nation in Quebec. This approach is favored by some sections of monopoly because it enables them to further strengthen their control over the Canadian economy, particularly in the resources and energy fields under cover of provincial rights. However the end result of a policy of decentralization is the weakening of the country without having satisfied the national aspirations of the French Canadian people.

The outcome of the Quebec referendum will be determined in large measure, although not only, by the attitude taken in English-speaking Canada. If the working class, democratic and patriotic forces in English-speaking Canada come out in support of the right to self-determination, and for equality based on necessary structural reforms, this will strengthen the forces in Quebec in support of such a truly united Canada. With this in mind the Communist Party has undertaken to distribute on a widespread scale “An Appeal to Reason,” adopted by its recently held Central Committee, which incorporates these basic ideas.

Stormy Days Ahead

All these and other contradictions are sharpening and are not likely to make life easy for the Conservative government. Not to be excluded is the possi-

bility that the government may decide to go, or be forced to go, to the polls again within the next two years. Rumors are already afloat suggesting that the Tories are looking for the right moment and for the right issue around which to take the plunge, the aim being of course the election of a majority Tory government. The government is presently limited in its maneuverability by virtue of its minority position.

The NDP group in Parliament has already declared it will not enter into an alliance with either of the old-line parties and will focus instead on issues and legislation. It has further indicated its intention to oppose any efforts by the Tory government to privatize Petrocan (the state-owned oil company) and hand it over to the multinational corporations. It has also declared it would decide its attitude to the government on the basis of the government's position towards Medicare, where universality is threatened, a Price Review Board and Canadian control over natural resources.

The Liberal group has so far remained silent. However it has 114 members in Parliament, and as already indicated, is far from a spent force.

The days ahead are therefore likely to be stormy. Already the government has been compelled to retreat from its position of support for Jerusalem as the capital of Israel. It is now being pressed by wide

circles of public opinion, including some monopoly interests, not to eliminate Petrocan. Now voices are being raised in business circles that the government delay implementation of the mortgage deductibility scheme due to the costs involved. Government spokesmen have already declared "there is no money in the till" as a pretext for renegeing on those election promises which might in part be helpful to the working people, except apparently for the arms program which goes up annually and for goodies to the corporations. In these circumstances it may not take too long for the working people to realize that the "time for a change" the Tories campaigned around has in fact turned into a change for the worse. The illusions in some quarters that the way to overcome the crisis was through the replacement of the Liberal government by a Tory government may not take long in being overcome, particularly as a growing body of working people begin to realize that the causes of the crisis are rooted in the capitalist system and that it is this which has to be changed.

The coming period is therefore bound to be a lively one. The 24th Convention of our Party, which will be held this November, will undoubtedly have much to say on this matter.

Left Expulsions From the CIO —30 Years After

GEORGE MORRIS

Significant changes have occurred since the October 1949 convention of the Congress of Industrial Organizations, which marked the end of the decade-long Left-Center coalition in labor by the expulsion of eleven progressive-led unions.* That action reversed the trend of historic upsurge of labor progress and initiated a period of prolonged trade union stagnation and retreat that is still felt in some sectors of the labor movement, most of all in the controlling leadership of the AFL-CIO.

There is, however, increasing pressure in labor's ranks for recovery and a renewed march for major objectives that have long been on labor's agenda, but for which decisive struggles have not been waged. Nevertheless, the costly lessons of this period must not be regarded as a nightmare conveniently forgotten, or simply charged to persons who died or retired long ago. The capitalist rulers and their advisers don't forget the tactics that brought them profitable success. The labor movement can not overlook this sad experience if it is to present an effective fighting front on the issues it faces today. Also, the harmful consequences in three decades has influenced a more sober look at those lessons among many, including leaders of unions and of allied minority peoples' and professionals' organizations. It need hardly be added, the current rank-and-file spirit and militancy, spurred by new social-economic developments within the country and by a very much changed world, is forcing a changing outlook in many labor quarters.

In reality, the virtual breakup of the Left-Center coalition in the CIO was indicated some three years before the 1949 expulsions. The CIO's Right-wing, exploiting the intense, splitting, anti-Communist

*The expelled unions included the United Electrical, Radio and Machine Workers, 450,000; Farm Equipment Workers, 40,000; Mine, Mill and Smelter Workers, 60,000; Communication Workers, 15,000; Fur and Leather Workers, 100,000; International Longshoremen and Warehousemen's Union, 85,000; Marine Cooks and Stewards, 6,000; Fishermen and Allied Workers, 20,000. The membership of the expelled unions constituted about one fifth of the CIO's total membership. —Ed.

hysteria that was building up in the country, auguring the open McCarthyism to come, won their first major victory at the 1946 convention. That convention passed a resolution stating the delegates "resent and reject the efforts of the Communist Party and other political parties and their adherents to interfere in the affairs of the CIO." The fire was then directed against the progressive-led unions in the CIO mainly with the false claim that the Communist Party "interfered" in their affairs. Many in progressive ranks were then still under the illusion, or sought "convenience" in the claim of the CIO's top leaders, that the resolution was only a formal declaration of labor's independence from *all* parties. But soon after the convention, the real meaning of the resolution became clear as *step after step followed against just one party, the Communist Party*, and against Communists in the trade unions or many progressive non-Communists whom Right-wing propaganda labeled Communist. Far from practicing the declared independence, the CIO leadership swung more than ever under the heel and whiplash of the Democratic Party and the presidency of Harry Truman.

Cold War Hobbles on Labor

The new situation was signalled when Winston Churchill, jointly with Truman at a rally in Fulton, Mo., on March 5, 1946, called for a new war—the cold war. Soon after came the Marshall Plan, to arm militarily and economically 16 Western European countries with U.S. billions in postwar "recovery aid." In the guise of such "aid" the U.S. established bases in many non-socialist lands. Congress created the Central Intelligence Agency in 1947, armed with funds and equipment enough to overthrow and set up governments and to serve as the U.S. intelligence octopus in the world. Executive orders came in quick succession for screening workers in all "sensitive" industries and occupations, followed by wholesale dismissal of workers

holding even moderately progressive views. A list of organizations declared "Communist influenced" was issued as guidelines for the witchhunters in Congressional hearings and to occupational screeners.

As the momentum of the anti-Communist drive rose, the anti-union forces felt the situation was ripe for enactment of the long-sought legislation to nullify or to at least seriously cripple the Wagner Labor Relations Law. The Taft-Hartley Act was enacted by the 80th Congress in 1947. It provided a bookful of restrictions on unions, on collective bargaining rights and practices, on organizing the unorganized and a provision opening the door to enactment of the even more restrictive "right-to-work" laws now in effect in 20 states. But at the very heart of the Taft-Hartley Act was the provision barring the right to a National Labor Relations Board ballot on union choice to any union that has in its leadership persons not registered under the act as non-Communists or non-followers of Communists.

The law provided heavy prison sentences and fines for anyone registering "falsely" as a non-Communist. That, in effect, provided the weapon to employers and for the Right in the CIO and AFL to declare open season against progressive-led unions—especially after their expulsion—to challenge them, break their strikes and prevent them from winning new organizing elections. It was a weapon to split labor's ranks with anti-Communism, the main tactic, even before the 1949 convention and the expulsions. The essential aim of the ruling class was *to eliminate or isolate the most dynamic and active forces in the labor movement, those who played the key role in the CIO's first decade.*

There was strong resistance to enactment of the Taft-Hartley Law. The leaders of both labor federations saw in it a serious roadblock to further labor progress. Truman, who was campaigning for election and counting on the trade unions for votes, spoke against the Taft-Hartley Law publicly. Under union pressure he vetoed the law. But he hardly showed a strong effort to mobilize Democratic votes against its enactment.

When he vetoed the law to please labor he was aware that there were not enough votes in the Senate or House to sustain his veto. For some time after enactment of Taft-Hartley, Philip Murray, head of

the CIO, and some other labor leaders vowed not to sign the Taft-Hartley non-Communist affidavit and thereby boycott use of the law. But as the anti-Communist hysteria grew more intense one union after another caved in and conformed to Taft-Hartley Act requirements.

The cold war drive was designed to prepare the home front for the "world leadership" perspective of U.S. imperialism—to replace the fast-declining British empire on which, in its heyday, the sun never set. *But the perspective was very closely related—in fact was the weapon for the anti-labor program which the U.S. monopolists had sought since certain reforms were enacted during the Roosevelt Administration.*

Big Business had tried without success since 1935 to kill the Wagner Act through legislative and judicial means. The monopolists did not forget how the CIO-led upsurge swept through the auto, steel, maritime, electrical, machinery and other basic industries that hadn't even been touched by the old craftist AFL. The employers were also aware how through the war, union conventions had adopted programs declaring acceptance of wartime sacrifices and the wage freeze only in the interest of defeating fascism, and that those losses would be made up and new progress, postponed by the war, would be resumed on an even higher scale than in the thirties.

For some months after the surrender of the Nazis and Japan, the fears of the monopolies appeared to be justified. The three key unions of the CIO—steel, auto and the progressive-led United Electrical, Radio and Machine Workers—agreed on jointly fighting for a base wage pattern consisting of a raise of 25 cents an hour, to meet the rising inflation and to make up for some wartime losses. The demand may appear small today, but with an average wage of \$1.07 an hour in manufacturing in 1946, 25 cents was termed substantial.

The biggest strike wave in U.S. history, in early 1946, was followed by a general hard-fought 35-day strike in steel, the 113-day strike in General Motors and the 114-day strike of electrical workers, setting the pattern at an 18.5 cent raise. The 4,985 strikes involved 4,600,000 workers that year, totaling 116 million idle man days. *Those militant strikes were just a indication to the employers of what was likely to develop if the Left-Center unity of the CIO's first*

decade continued.

The employers saw the likelihood of another sweep such as followed on the heels of the GM sitdown in 1937 and the organizing drive by the CIO in the latter half of the thirties. They also feared the CIO's planned organizing drive in the South. By 1947, however, the Left-Center cooperation that dramatized success in the first months of 1946 was beginning to taper off. Van Bittner, whom Murray named to head the Southern drive, announced that it would be conducted in "accordance with the traditions of the South." The conduct of the drive, such of it as there was, reflected racist influences and only certain unions that conducted their work independently scored some success.

The notable success was the United Cannery, Agricultural and Packing Workers that won large numbers of Black and Puerto Rican workers and unionized the largest Southern plant until that time, 9,000 Black and white workers at Reynolds Tobacco Plant in Winston Salem, N.C. By the 1949 convention, however, the CIO leadership mobilized a raid on the Reynolds plant union, with the ultimate effect of the company becoming non-union, as it remains to this day. Anti-Communism and racism were the weapons used.

From Unity to Splitting

By the end of 1949, when Joseph McCarthy emerged to drive the hysteria to new levels, the atmosphere was already well prepared. This was a sharp turnaround of the relations which had prevailed in the CIO only a few years before. As Arthur Goldberg, chief legal light in the plan to put the unions under the cold war heel, says in his book *AFL-CIO Labor United*, the Left "could not be eliminated simply by moral support for the democratic (sic) forces in each union." It took about three years of pressure to stage-manage victory for what Goldberg calls the "democratic" forces. Expulsion was too risky in 1946. Only months prior to Churchill's October 1946 visit, CIO representatives were in London for the founding congress of the World Federation of Trade Unions (WFTU), formed on the joint initiative of the CIO, the Soviet and British unions. In a foreword to a pamphlet of the CIO (Publication 139) Philip Murray, then president of the CIO, stressed the significance of the

formation of the WFTU.

The CIO was quick to realize that unity of the peoples developed during the war must be carried over into the peace. For that reason the CIO was among the first to press for formation of an international organization of workers. The World Federation of Trade Unions, created in the autumn of 1945, is no small measure the work of the CIO, and we look forward to participating actively in its future development.

On October 11, 1945, the CIO's 11-man delegation, officially invited by the Soviet trade unions, arrived in Moscow. Though most turned anti-Soviet as the cold war unfolded, the report of the delegation, headed by James Carey, and widely distributed by the CIO (Publication 128), said in part of the Soviet trade unions:

We have been impressed by their promoting of the interests of the workers, as well as by their magnificent and wholehearted participation in winning the war and the tasks of reconstruction. We have also noted with pleasure their many activities of a social welfare and cultural character and the comprehensive nature of the social security system which they operate. Our observations have increased our pride in being associated with such a great trade union movement through the World Federation of Trade Unions.

And the report said further:

While there are many obvious differences in the systems and government of the United States and the Soviet Union, we found parallels in the functioning of labor unions in both countries, as indeed throughout the world.

Philip Murray, in a foreword to the published report of the delegation, wrote:

I consider this document of first rate importance, not only for American labor but for all who are interested in knowing the truth about the Soviet trade union movement and in promoting friendship and understanding between the peoples of our two countries. Unfortunately, there are those who prefer to sow seeds of distrust and suspicion, who magnify the social and cultural differences into unbridgeable gulfs, and who seek to divide

rather than to unite the world. It is my hope that this report will help to prevent the division of the world into hostile blocs and to eliminate hostility against the great people whose cooperation was so essential to the United Nations' victory and whose continued friendship and cooperation is equally essential for a lasting peace and world prosperity.

Those words, written a few months after the end of the war, read eloquently like a statement of peace advocates today. Murray did not hold to them very long however. By the 1948 convention in Portland, Ore., the language was already directly opposite. From Murray, Carey and most of the other leaders who had had such lavish praise of the WFTU, the USSR's unions and for unity for a better world. The turnaround was so complete and brazen that by January 1950 Carey, then secretary-treasury of the CIO, addressing a conference of ultra-Rightists in New York, said:

In the last war we joined the Communists to fight the fascists: in another war we will join the fascists to defeat the Communists. (*New York Herald Tribune*, Jan. 20, 1950.)

The fast 180 degree turn can only be explained by the fact that the CIO after the war was not independent, that it was indeed a tail to the Democratic Party. The 1946 convention resolution "resenting and rejecting" the falsely claimed interference of the Communist Party "and other political parties" was plain humbug. The CIO leaders responded to the demands and pressures of Truman's party like robots. It was my lot as *Daily Worker* labor editor to cover CIO conventions during that period. I saw them making the abrupt turn, not even bothering to give the followers a plausible reason for doing so. *But there was a reason.*

The leadership of the CIO became as fearful as the ruling capitalist class of the trend away from class collaboration indicated in the struggles and outlook in the early months after the end of the war. Although in the role of a "Center" for a number of years, welcoming the Left's cooperation for some advances, and breaking with the craftism and stagnation under the AFL bureaucracy, the leaders of the CIO were only for some reforms within the

framework of class collaboration.

They were for unionization of industries long neglected by the craftists; for a more "liberal" attitude towards Black and other minority peoples; a more effective type of political action, but still within the two party system; for more democracy and against racketeering in unions; and other progressive steps that came in the CIO's first decade. *But their basic adherence to the capitalist system and class collaboration did not change. In a sense, because of some of the reforms won under capitalism, notably under Democratic administrations and majorities in Congress, they argued for even stronger attachment to and dependence upon the Democratic Party.* They argued that the objectives of the labor movement outlined in post-war plans could only be reached by such attachment to the Democrats. The cardinal sin at that stage was to advocate a new people's party.

Writing in the June 1948 issue of *American Magazine*, Murray wrote:

We have no classes in this country. . . We are all workers here. . . Even the division of industrial workers into "management" and "labor" turns out to be somewhat artificial.

In the 1948 election campaign lines were sharply drawn within the CIO—between most of the progressive leaders backing Henry Wallace and his pro-peace position, and the leadership of the CIO backing Truman's cold war position and his red-baiting strategy. The progressive-led unions were charged with violating "CIO policy" by failing to support Truman and the Marshall Plan.

Preparation for that approach had begun immediately after the 1946 convention with adoption of a series of rules governing the state, city and county councils of the CIO, barring them from taking positions or engaging in any activity not in accord with national CIO policy. That, in effect, was a restriction on much of the CIO's progressive activity. Many of the major CIO state and city bodies were led by progressives. Before long this denial of autonomous rights was extended to all CIO international and national organizations.

One of the early struggles within the Executive Council of the CIO, as the presidential campaign

and the Marshall Plan became issues, was over the proposal by Harry Bridges, on behalf of the International Longshoremen's and Warehousemen's Union, that each international affiliate have the autonomous right to take its own position on those issues, and that it should in no way affect the CIO's unity for organization of the unorganized, for defeat of Taft-Hartley, in the Southern drive and in other activities. But that was rejected by the Murray leadership.

A Place in the American Century

The Right-wing Social Democrats, holding leading positions and presidencies of a number of unions, with Walter Reuther, newly-elected president of the UAW their spokesman, became an important influence for the CIO's new orientation. When Left-Center cooperation was still in force their effort to disrupt unity often brought them into conflict with the CIO leaders. But the cold war brought them into close unity with the Murray forces. They became the ideological advisers against the Communists and for the expulsion policy. Their legal adviser was Arthur Goldberg who, for his services, was named for periods as secretary of labor, Supreme Court justice, UN ambassador and more recently to the Belgrade conference for review of the Helsinki treaty. He also mediated the 1955 merger of the CIO and AFL that submerged the CIO into the Meany-led organization.

Expulsions were a forgone conclusion by the time of the 1948 convention in Portland, although another year was to pass to the 1949 convention in Cleveland that took the formal action. The 1948 gathering was both a rip-roaring celebration of Truman's re-election and a hysterical gang-up against Communism and the entire Left. The low vote for Wallace was termed a vindication of the CIO's position, although Truman's unexpected victory over Thomas Dewey came mostly because he demagogically took over much of the program that gave Wallace a very high rating in early polls of the 1948 campaign. Also overlooked was the influence of the Smith Act indictment of the 11 members of the National Committee of the Communist Party on July 20, 1948, deliberately timed to undermine the newly-formed Progressive Party.

Most significant in the Portland Nov. 24-26, 1948, convention was the more open declaration of the new post-war perspective that directly contradicted the future conceived in union statements during the war and for which there was a fighting start in the first months of peace. Until that convention, the CIO leaders had found it necessary to conceal their true aims or cover it with vague language and high-sounding demagoguery. It was Supreme Court Justice William O. Douglas who was chosen to keynote the convention with a speech he called "neither to right nor to left." (CIO publication 165.)

In his speech, Douglas characterized the "Right" as the fascists and the "Left" as the Communists. His "middle way" included all capitalism from Wall Street down, the labor movement and all layers of liberalism. He pictured a new Europe emerging out of the war in which parties led by Social Democrats would have a strong influence among the people.

Those people fear "American imperialism may be extending its power into Europe through cartels, banks and other powerful instruments of industry and finance" said Douglas, clearly referring to widespread opposition to the Marshall Plan and the then much popularized concept of "American World Leadership" in place of the fading British Empire. Douglas continued:

When they hear an American spokesman interpret the American way of life as some form of unbridled, unregulated, dog-eat-dog capitalism they want none of him . . . Out of this arises the importance of the fact that American labor carries good credentials to western Europe. Doors tightly closed to all others may open at its knock. Words from American labor promise to find quick acceptance. . . . It is in this precise respect that American labor can render a unique service, whether it represents the government in particular missions, or sits as an observer of the European scene.

In developing the theme—the service the U.S. labor movement could render in making Wall Street leadership acceptable in Western Europe—the heart of Douglas' speech was the "classless society" in the U.S., as opposed to Europe's historic develop-

ment along class lines. U.S. labor, therefore, is "equipped to interpret correctly" the kind of approach "American leadership" must take to succeed in West Europe. He credited Social Democracy within trade union ranks as particularly well "equipped" for that role.

That characterization was, of course, very pleasing to Walter Reuther and his associates, who at that time had most direct relations with Right-wing Social Democracy in Europe. Notwithstanding his liberal position on some issues that came before the Supreme Court in later years, Douglas was, in fact, outlining to U.S. labor leaders a perspective of collaboration for the new opportunities that were opening for U.S. imperialism, with the thesis that progress for labor lay in that direction. It was much like the concept that attracted some of Britain's union leadership during the days when the empire controlled a fourth of the world.

Covering that convention, I was struck with the interest most labor leaders showed in Douglas' speech. They had visions of cabinet posts, ambassadorial and other diplomatic missions and an era of higher prestige for labor leaders generally. Little did they know how little of that promise would come true. In only one case was a retired labor officer made ambassador, for a short time to Jamaica (in days long before the present progressive-influenced government there). And only this year was an important diplomatic post given a retired labor leader—to Leonard Woodcock, long a Social Democrat, for the dirty role in the Peoples Republic of China. Otherwise, only labor attaches (mostly not of unions) have been usually attached to embassies.

By the time Douglas addressed the CIO, the newly established Central Intelligence Agency had already established its labor operations abroad, with Jay Lovestone, chief "Labor" operator, as described by Thomas W. Braden, who was the CIA's director of that department, in his article in *Saturday Evening Post* of May 20, 1967. Exposures since 1966 have disclosed how a number of AFL-CIO unions and the International Affairs Department of the AFL-CIO itself have been involved with CIA operations (see *CIA and American Labor*, 1967; *Rebellion in the Unions*, 1971; and *Social Democrats—USA*, 1976, all by this author, for

details).

A Harsh Reckoning

Labor's role, outlined by Douglas, turned out an empty vision. U.S. capitalism, always conscious of its class interest, gives men from labor only the dirtiest part of the dirty role. They are reluctant to give representatives of unions a "prestigious" public role lest it lend more prestige to unions.

Looking back through the thirty years since the expulsions one may be impressed that they total up to an indictment of the program American capitalism had and the corresponding "labor" program of the controlling labor leaders of the cold war period. The "American Century" is a myth. The socialist sector grew to 40 per cent of the world's industrial production, with a growing number of socialist countries, now on all continents. The cold warriors are a declining minority, with the world's main trend towards peace and limitation of arms.

U.S. "world leadership" suffered a crushing defeat and loss of prestige everywhere with the war in Vietnam. The Soviet and the other socialist unions whom the Meany leadership sought to isolate today have official fraternal relations with almost all unions in the world and are participants in the International Conference of European Trade Unions, while it is the AFL-CIO that is isolated even from the International Confederation of Free Trade Unions, which U.S. unions had a major role in founding.

Nevertheless, the very harmful effect to the working class of the course upon which the controlling leaders of the CIO embarked thirty years ago should not be minimized. The effect was to split labor's ranks. Soon after the split an all-out drive was launched to smash the expelled unions, even break their strikes, and split away parts from them in cannibalistic raids. In time the practice expanded to similar mutual raids between the AFL and CIO, taking a heavy toll of union membership and financial resources, until the merger of December 1955.

Trade union legislative influence fell, as shown by the thirty year failure to get even modest reforms to mitigate the anti-union provisions of Taft-Hartley. In addition, more anti-labor legislation has been passed—the Landrum-Griffin Law of

1959, right-to-work laws in 20 states, and numerous other state restrictions on union political action and organization. There is still no national health bill which unions have been demanding since the New Deal days.

The level of unionization, 34.5 per cent of the non-agricultural workforce in 1946, is down to less than 27 per cent. Of the total workforce only a fifth are in unions, according to the Department of Labor. Mass unemployment, now seldom below 6 per cent, is a permanent feature of the U.S. economy, as is inflation. The government has no outlook for meaningful relief from either. So have welfare rolls of 14 to 15 million become a permanent feature of U.S. capitalism, indicating only one measure of poverty in the country. *And the Pentagon budget has climbed uninterruptedly to far above military expenditures at the height of World War II. It is at least eight times the military budget of 1950.*

In one respect "labor's" program has been a grand success through the thirty years. The Meany group and those in the CIO who became associated with it since the forties have always called for more military expenditures, both on the basis of their cold war position and the false view that money for arms makes more jobs.

As one views the record, the inescapable conclusion is the failure and harmfulness of the course imposed on the labor movement. It certainly didn't take 30 years to show that. Unfortunately, masses of workers do not move on the basis of just the historic record. They move when conditions hit hard, as they certainly have in the recent period. Rank-and-file pressure to get out of stagnation and routine has been rising in many unions. Local and regional coalitions of unions, organizations of Black and other minority peoples, church, senior, civil rights and many other groups have become active in combatting the curses that today affect every urban area. *And the inevitable course of such struggles leads to recognition that the social-economic blight of America spreads as the Pentagon budget rises.*

New Winds in Labor

Many unions that have long approved, or consented by their silence, the AFL-CIO leader-

ship's pro-Pentagon line, are now supporting the Transfer Amendment, for a shift of funds from the military to the urgent needs of the people. That includes the Industrial Union Department, the AFL-CIO's largest, including some of its major unions, among them all the former CIO affiliates. The International Association of Machinists now actively campaigns for the Transfer Amendment, as do the UAW and other unions, defying the Meany forces who at the last AFL-CIO convention prevented the IUD and IAM resolutions from coming on the floor.

The conference in Detroit in Oct. 1978, called by Douglas Fraser, the UAW's president, with more than 100 union and other organizations attending, set up a progressive coalition for more effective political action on the urgent issues of the day. There were differences in the conference on approach, but there was a consensus that the movement must be independent of the Democratic Party. Some of the leading union forces that sponsored the coalition also had an important part in the earlier conference in Detroit that set up a movement in support of a shorter work week. Another broad coalition movement was in support of the steel union on the Weber case, a case pressed by racists in a still further step under the fake "discrimination in reverse" slogan. The coalition approach was also the means for the jobs for youth march in Washington.

At the base for such national coalitions are the conferences, demonstrations, popular pressure moves on legislators and various local and regional coalitions involving unions, minority and all sorts of community organizations that have sprung up or become activated across the country. They are expressions of anger and protest against the Carter Administration over inflation, unemployment, poverty conditions, racist-motivated cuts in community services and over the decay in the U.S. urban centers while the corporations, notably in oil, are profiting as never before. Parallel with this rising popular protest is an escalating strike wave against the wage freeze Carter conceived as the remedy to inflation. Never before has a Democratic Administration been so sharply attacked by labor and other sectors of the population that usually vote for Democrats.

John F. Henning, head of the California Federation of Labor, summed up the view of many labor leaders who traditionally backed the Democrats, when he said in an address, published in the *California AFL-CIO News* of Aug. 12, 1977:

We have seen the futility of giving unqualified faith to the Democratic Party as an instrument of social change and social progress. . . . Corporate America today has more influence on the Democratic Party than the trade union body, than the Blacks, the Browns, the consumers, environmentalists and all the social orientated bodies of America. They run the party.

This general tone of anger against the Carter Administration and big business merges with fire against the Pentagon and the endless rise of military expenditures. The current trend is a further development of the breakthrough that occurred in the unions for an end of the war in Vietnam. **The hard fact can no longer be ignored or minimized that peace and a cut in armament expenditures has a direct relationship to struggles for progress of labor and the people generally.**

No less significant in the pressure for progressive changes have been rank-and-file movements for revitalization, democracy and equal rights in the unions. Manifestations like the near victory for Sadlowski in the steel union, the toppling of a long entrenched bureaucracy in the United Mine Workers, the rank-and-file vigor in the auto union and the activity of organized caucuses of workers of Blacks and Latin-American origin in the unions, have been an influence in upper quarters of many unions. One notable change is the International Association of Machinists, which long associated its

job interest with higher military expenditures. IAM President William Winpissinger stated in part in a recently published statement:

After more than 30 years and \$1.8 trillion, the Pentagon has enough hydrogen bombs to blow up the world several times over. But each year the brass has come up with a new list of ever more sophisticated, complicated and expensive weapons it must have. . . . The American economy has become hooked on defense as a junkie on drugs. In response to anxieties of members employed in defense related industries, unions have usually been in the vanguard of support, beating the drums and leading the cheers for the military's annual raids on the U.S. treasury. The time has come to inform union members of the facts, and show them where their real economic and social interests lie.

Military spending generates more unemployment than jobs. . . . The Pentagon is a perpetual inflation machine. It drives up prices by pumping dollars, but not goods and services, into the economy, by siphoning scarce resources and raw materials into non-productive purposes. . . . Military spending retards technological progress and economic growth in civilian industries. . . . The military drag on civilian economy has accelerated a flight of American capital, technology and jobs to other lands. . . . An alternative must be found to the death and destruction business which is impoverishing America. The dilemma for unions is the Pentagon holds jobs of millions of workers hostage.

Winpissinger's alternative is for a "Planned Economic Conversion" that would shift "resources and facilities now being devoted to war for production for peace."

Corporate Control of Agricultural Commodity Production

PHILLIP ALTHOFF

The American Agriculture Movement's tractor-cades to Washington have convinced most of us that all is not well down on the farm. Specifically, they have convinced most of us that U.S. farmers, especially the small and middle farmers, are angry because they are caught in a cost/price squeeze marked by costs of production which exceed the prices received for products. However, the extent of state monopoly capitalism's assault on the nation's farm sector is not well known. Engels noted in 1894 that "the development of the capitalist form of production has cut the life-strings of small production in agriculture; small production is . . . going to rack and ruin" ("The Peasant Question in France and Germany," *Selected Works*, Vol. 3, p. 458). Here we shall examine briefly some of the chief ways in which the corporations and the banks, as well as their hirelings in the federal government, have "cut the life-strings of small production in agriculture. . . ."

Corporate Control of Production and Distribution

Lenin observed in his 1915 study of farming in the U.S. ("New Data on the Laws Governing the Development of Capitalism in Agriculture: Part One, Capitalism and Agriculture in the United States of America," *Collected Works*, Vol. 22) that "the displacement of small-scale by large-scale production in agriculture is going forward" (p. 101), that "the expropriation of small-scale agriculture is advancing" (p. 102).

This "displacement," this "expropriation" is indicated best today by state monopoly capitalism's march into the nation's farm sector through corporate control of agricultural commodity production. Corporations control the production of agricultural commodities in two ways—directly by owning the land and the means of production and indirectly by contracting with farmers who work the land with their means of production.

Direct corporate control of agricultural commodity production is through farm corpora-

tions. These range from family corporations to transnationals involved in agribusiness. An example of the latter is Tenneco which, according to Jim Hightower, Director of the Agribusiness Accountability Project, "plants seed on its own land, hires its own labor, applies its own chemicals, operates its own tractors on its own gasoline, processes its own crops in its own plants, packages its produce in its own containers, markets its own brand through its own marketing subsidiary and retails that brand in its own grocery stores." (Robert Phillipoff, "Agribusiness Rips Off Farmer and Consumer," *Daily World*, February 27, 1979.) Corporate agribusiness operations like Tenneco are still an exception, but farm corporations are playing an expanding role in the production of agricultural commodities.

Often emphasized is that only 1.7 per cent of U.S. farms are corporations. (Most statistics in this paper are either taken or derived from the General Accounting Office's *Changing Character and Structure of American Agriculture: An Overview*, CED-78-178, September 26, 1978, cited hereafter as *Changing Character*, and a few are taken from Alice Shabecoff, "Middlemen on Top," *The Progressive*, July 1976, pp. 20-23.) This figure is misleading. Of large farms, i.e., those with annual sales of at least \$100,000—6.6 per cent of all farms with 26.9 per cent of all farmland, 53.8 per cent of all farm sales, average annual farm sales of \$360,852, and average annual farm income of \$83,743—25.8 per cent are corporations. In contrast, only 1.1 per cent of small farms, i.e., those with annual sales of between \$1,000 and \$40,000, and only 1.7 per cent of middle farms (those with annual sales of between \$40,000 and \$100,000) are corporations. Because over one-quarter of the farms with over one-half of all farm sales are corporations, farm corporations constitute a significant component of the farm sector.

Indirect corporate control of agricultural commodity production is through "advanced sales con-

tracts.” How these usually work is that a farmer and a corporation enter into a contract whereby the farmer provides the capital and the labor—and not incidentally, takes the risks—and the corporation sells the input and buys the output, both at contracted prices. An example of this is an Iowa farm with an “advanced sales contract” for hybrid seed corn whose owner/operator explained that “the company sells me the seed, the fertilizer, etc. And they keep an eye on me every step of the way, telling me where to plant, how to plant, etc. They buy the corn—if it meets their standards. All I have to do is provide the land and the machinery. And I do all the work. I don’t like it, but it sure beats taking your chances at the elevator.”

Precise statistics for “advanced sales contract” farming are not available, but the General Accounting Office (GAO) estimates in *Changing Character* that “by 1970, 17 per cent of the American food supply was controlled by agribusiness corporations through advanced sales contracts with farmers” (p. 112). This percentage is undoubtedly higher today. “Advanced sales contracts” exist generally in commodity areas where corporations already account for some proportion of the total production of the commodity. These include, among others, broilers, eggs, hogs, beef, processed vegetables, potatoes, and citrus fruits. Because of its extent and concentration, “advanced sales contract” farming also constitutes a significant component of the farm sector.

How extensive then is direct and indirect corporate control of agricultural commodity production? Between 1960 and 1970 “the proportion of total farm output controlled by corporations through outright ownership of the land or forward contracts with producers rose from 19 to 22 per cent...” (*Changing Character*, p. 112), and few would doubt that this is well over 25 per cent today. Commodity areas highly controlled by corporations include, for example, sugar beets (100 per cent), broilers (97 per cent), processed vegetables (95 per cent), citrus fruits (85 per cent), potatoes (70 per cent), and dates (70 per cent controlled by one corporation). Clearly, state monopoly capitalism’s march into the nation’s farm sector through corporate control of agricultural commodity production is changing the face of farming in the U.S.

It should be noted that the production of certain major agricultural commodities—for example,

grains, including wheat, corn, and soybeans, cotton, beef, and milk—has not proven attractive to corporations. Family operated farms using little or no hired labor still produce the bulk of these basic commodities. Even though these operations entail increasingly expanding acreages and use tractors, combines, and other implements costing \$50,000 and more, they are the victims of the agricultural equipment and food processing monopolies. They are ripped off when they buy an input, and they are ripped off when they market a crop. This explains the dramatic 1978 and 1979 tractor-cades to Washington to protest the rip offs, and this confirms Lenin’s observation that exploited farmers are natural allies of the working class.

Monopoly Sellers and Buyers

U.S. farmers experience state monopoly capitalism day in and day out as much through the role played by an ever decreasing circle of price fixing monopolies in selling to and buying from them as through corporate control of agricultural commodity production. Almost all of what farmers buy and sell is processed by these monopolies.

A Corporate Data Exchange, Inc. study (*Daily World*, April 18, 1979, p. 2) reports that only 15 corporations control fully 60 per cent of all farm inputs. An example of monopoly sellers to farmers is one with which most of us can identify easily—namely, the energy monopolies. Three per cent of the energy consumed in the U.S.—or about one-half the amount families use in food preparation—is used for the direct production of agricultural commodities. (It should be noted that this is a small part of the 22 per cent consumed in the food supply from production through preparation.) This 3 per cent includes all the energy products used on the farm, but does not include the considerable amount of energy incorporated through manufacture into farm inputs, e.g., fertilizer, machinery, etc.

According to *Changing Character*, “in 1974 the cost of farm energy totaled over \$4.2 billion, accounting for nearly 6 percent of total farm production costs” (p. 27). There is little doubt that these figures have at least doubled since 1974. As a matter of fact, “direct... energy costs between 1973 and 1977 (not including energy used in the production of fertilizer, chemicals, and machinery or energy used in farm family living) rose as follows: electricity, 59 percent; gasoline, 69 percent; diesel fuel, 99

percent; fuel oil, 109 percent; LP gas, 130 percent; and natural gas, 220 percent” (*Changing Character*, p. 33). Farmers are at the mercy of the energy monopolies, and find it beyond their means to escape from state monopoly capitalism’s “profits only” system of energy provision.

The same Corporate Data Exchange, Inc. study reports that 49 corporations control 68 per cent of all food processing. An example of monopoly buyers from farmers is the “yellow sheet” method of setting beef prices. In 1968 some ranchers, members of the Independent Stockgrowers of America, took A&P, Kroger, and Safeway to court to prove that not supply and demand (as claimed), but these monopolies set beef prices all along the chain from cow to consumer, so to speak, through a daily bulletin known as the “yellow sheet.”

It took six years, but the ranchers won the case, proving that the monopolies violated the Sherman Anti-trust Act and defrauded the ranchers of roughly \$200 a head on the beef they bought. Clarence Sharp demonstrated (*Daily World*, May 18, 1979, p. 8) that the result of the “yellow sheet” method of setting beef prices was that over \$2 billion was “the amount ripped off from the cattlemen for the year 1975” alone and, not insignificantly, that in the same year \$3.2 billion was ripped off from the consumers of beef. This example, far from atypical, shows plainly that the purpose of state monopoly capitalism in the nation’s farm sector is not simply the ruination of small and middle farmers, but the imposition of “food bondage” on consumers.

Banks and Farm Debts

Lenin pointed out in the study cited above that “the growth in the number of mortgaged farms [including “. . . a considerable number of farms. . . steeped in private debt. . .”] . . . means that the actual control over them is transferred to the capitalists” (p. 92). Debts mark the beginning of the end for farmers; if they can not repay them, they fail, thus paving the way for direct corporate takeover.

Today’s farmers are in debt over eight times more than were farmers in the 1950s. More large farmers (58.2 per cent) are in debt than small or middle farmers (34.3 per cent and 51.4 per cent, respectively). This is in part because large farmers have more ability to borrow, but it should be noted that more small and middle than large farmers are in debt up

to their credit limit and thus rest at the edge of failure.

While some farm debt is held by federal government institutions, e.g., the Federal Land Bank and the Farmers Home Administration, most of it is held by private banks. These are, by and large, rural banks. However, the GAO’s *Changing Character* states that “tightening liquidity pressures are apparently causing rural banks to use correspondent bankers. . . . Almost one-fifth of the rural banks reported using correspondent banks at a higher than normal rate.” (p. 17). What this means is that regional, national, and certainly even transnational banks directly or indirectly hold a significant percentage of farm debt. These banks, unlike some rural banks, can not be expected to be sympathetic to the problems of small and middle farmers. With the prices of most agricultural commodities continuing to fall below parity, debt servicing capacity continues to decrease. Thus far, the income derived from off-farm employment has helped many small and middle farmers meet their payments, but most have reached, or are rapidly reaching, the limit of their ability to pay. For these, the auction block beckons.

The Role of the State

Gus Hall wrote in *How to Stop the Monopolies* that “on a rising curve the state apparatus has become an aggressive enforcer for the policies of monopoly capitalism. . . . It is because U.S. state-monopoly capitalism has difficulties finding solutions to a whole number of problems that it is upgrading the role of the state. That is the heart of the matter” (emphasis in original, p. 13). And in relation to the nation’s farm sector, state monopoly capitalism has indeed upgraded the role of the state.

Richard Nixon’s “milk scandal” involving the Associated Milk Producers, Inc. and his secret—to all but a few transnational grain marketing corporations—“wheat deal” were “drops in the bucket” compared to the federal government’s systematic “welfare program” for large farmers and corporate agribusiness.

This “welfare program” for the rich is centered, naturally enough, in the United States Department of Agriculture (USDA). Since “the budget is the policy,” it is important to note how the USDA dispenses its appropriations. Frank M. LeRoux showed in *The Myth of U.S. Agricultural Pros-*

perity that in 1977 only 16 per cent of the USDA's budget was for "direct agricultural uses"—9.6 per cent for "ag research and services" and 6.4 per cent for "farm income stabilization"—and 84 per cent was not "directed toward agricultural ends" (p. 10).

While a certain amount of that "not directed toward agricultural ends" was devoted to the peoples' needs, e.g., through the food stamp program, a lot of it was devoted to aiding large farmers and corporate agribusinesses. Much of the 9.3 per cent devoted to "international affairs" was undoubtedly spent on hawking U.S. agricultural commodities abroad, an activity of direct benefit to transnational agricultural commodity marketing corporations. The point, however, is that of the USDA's 1977 budget of over \$10.7 billion, only a little over \$1.7 billion was for "direct agricultural uses."

It is also important to note who benefited from this \$1.7 billion. "Ag research and services" means land grant university research, USDA statistical services, etc., all of which benefit primarily large farmers and corporate agribusinesses because only they have the capital necessary to take full advantage of them (for more on this, see Jim Hightower's *Hard Tomatoes, Hard Times, The Failure of the Land Grant College Complex*, 1977, Schenkman).

"Farm income stabilization" means government payments. According to the *Changing Character*, "since early in this century, the Federal Government has attempted to help farmers deal with fluctuations in costs and demand through direct payments. . . . However, since the programs have been tied to specific commodities and to volume and acreage, they have tended to benefit larger crop-specific and region-specific farms" (p. 117). As a result, only 10 per cent of all farmers receive government payments, and only one per cent, i.e., 19,493 farmers, all among the largest, receive 28.5 per cent of all these payments. *Changing Character* says that "the Government programs were keyed to production; therefore the bulk of the benefits have accrued to those responsible for most of the production" (p. 119).

There are other aspects of this "welfare program" for the rich, such as the federal tax structure where laws supposedly "devised to help small family farmers, today. . . provide an excellent tax shelter for outside investors." (*Changing Charac-*

ter, p. 131.) The upshot is that such federal government platitudes as the 1977 Food and Agriculture Act's "Congress firmly believes that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation" and that "it is the policy and express intent of Congress that no. . . program be administered in a manner that will place the family farm operation at an unfair economic disadvantage" are not only platitudes, but worse, outright lies. As far as federal government farm policy is concerned, surely "the state apparatus has become an aggressive enforcer for the policies of monopoly capitalism."

Implications

The above statistics and examples illustrate only the "tip of the iceberg" of state monopoly capitalism's assault on the nation's farm sector. The working class and other working people, and the oppressed minorities in the first place, are increasingly the victims of this assault. The best method of limiting the growth of this "iceberg" at present is parity prices for agricultural commodities—probably in terms of a floor for certain key commodities, e.g., grains, below which their prices can not fall—together with strict limitations, preferably through nationalization with democratic control, of corporate agribusinesses, including those involved in processing only. While some claim that parity prices would result in higher food and fiber prices, strict limitations on corporate agribusiness would likely mean lower prices; and in any case, altered and expanded assistance programs should be developed for those in need. The alternative is further corporate and bank control of agricultural and commodity production with the prices of these commodities set more and more by *diktat*. As long as capitalism exists in the U.S., the crass punch line of a recent commercial for automotive parts applies in relation to what we pay for food and fiber—namely, "You can pay me now, or you can pay me later." Not only the nation's farmers, but we, the nation's workers, will be squeezed until, as Lem Harris emphasized, ". . . a national revolt of outraged consumers, farmers and labor will reach the point where the power of the monopolies can be broken." ("Farmers' Role in an Antimonopoly Coalition," *Political Affairs*, December, 1978, p. 32.)

Class and Nation: Development of Two German States

MARGRIT PITTMAN

In mid-1979 the people of the two German states were confronted with very different perspectives. According to respective government publications, for the first six months of that year the population of the Federal Republic of Germany (FRG) faced increasing insecurity and deterioration of their living standards. Unemployment hovered around the one million mark—about 5 per cent of the work force—as it had since 1975, and the cost-of-living index was on an inexorable upgrade.

Winners in the economy were, not surprisingly, big business enterprises. According to financial reports for the first quarter of 1979, Hoechst AG showed an increase in earnings before taxes of 23 per cent compared with the same period in 1978, BASF 49 per cent and Volkswagen 7 per cent. Overall net business and financial incomes rose nearly 20 per cent. In contrast, the German Institute for Economics (DIW) reported that average wages in the first quarter had risen about 4 per cent, an increase virtually wiped out by inflation.

In the German Democratic Republic (GDR) full employment prevailed. The average income of workers and employees rose 3.7 per cent in the first six months of the year while the cost of basic consumer goods and services remained stable. This was achieved by a 6.9 billion mark state subsidy for public transport and consumer prices, a 7.5 per cent increase over the same period in 1978 and a 3.9 billion mark rent support, representing a 12.3 per cent increase over the previous year. In other words, instead of passing increased costs on to the consumer the state picked up the tab.

In this connection it is significant that while the FRG derives half of its state budget from payroll taxes, these amount to only 5 per cent of the revenue in the GDR. There the bulk of the state funds come from the income of state-owned enterprises.

According to plan, 74,121 housing units were

built or reconstructed in the first six months of 1979, improving housing conditions for 230,000 people. State investments for this building program amounted to 18.4 billion marks.

Beginning January 1, 1979, paid vacations for 7.6 million working people were increased by at least three days to a minimum paid vacation of 18 working days.

One more statistic. In the FRG military expenditures amount to 27.2 per cent of the budget, making it the highest per capita military burden in Western Europe. The GDR, on the other hand, spends 6.2 per cent of its budget for military purposes, which, the Central Statistical Administration says, "assures the country's defense needs."

This comparison, which spells security and a steadily rising quality of life for the 17 million people in the GDR, while signifying a deterioration of living standards and an uncertain future for the FRG's 60 million, could be expanded almost indefinitely. But these few facts should suffice to indicate the basically different direction of development of the two states which this year observe the 30th anniversary of their existence.

The significance of this comparison becomes more apparent as we turn to consideration of the political and social features of the two states.

Marxist View of Nation

The dissimilar development of the two states brings into focus differences in the lives of the peoples and their development as distinct nations. It confirms the Marxist-Leninist view that class relations are the decisive element in the development of the nation.

The historic impulse for the rise of nations is discussed by GDR philosopher Alfred Kosing:

The creation of a *national market* and joint interests of the bourgeoisie based on the development of the productive forces is the most important social factor in the formation of the nation. Economic relations and interests are the

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main motor force of national integration and of all political activities aimed at formation of the nation. This means that the national relations, national bonds and nations are not a simple continuation of tribal, kin or ethnic ties, but in their social quality are exclusively determined by capitalist production relations.

Kosing goes on to explain that social and cultural factors are important and "can play a significant integrating role in the development of national relations," but can not "be a determining factor and decisive impetus for the formative process of a nation." (Alfred Kosing, "Nation in Geschichte und Gegenwart" (Nation in history and the present), Dietz Verlag, Berlin, 1976, p. 59.)

The role of the state apparatus as the means of maintaining power over the nation was amplified by Hermann Axen, member of the Political Bureau of the Socialist Unity Party of Germany (SED), in a speech on June 7, 1973, about the development of a socialist nation in the GDR:

The class struggle between the bourgeoisie and the proletariat always included the struggle for leadership of the nation in the history of our nation as well as in that of any other nation. For this reason, we distinguish two class lines with regard to the national question. On the one hand, there were the big bourgeoisie and the big landowners, who exercised their brutal dictatorship under the camouflage of bringing about national unity, while at the same time seeking to expand their sphere of control by means of acts of aggression and wars against other nations. On the other hand, there were the workers and working people whose interests called for the liquidation of the exploiting classes, so that the social antagonisms within the nation could be overcome and its peaceful coexistence with other nations assured.

This point had been made in 1848 by Marx and Engels, writing in the *Communist Manifesto*: "Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is, so far, itself national, though not in the bourgeois sense of the word."

Class Struggle for Germany's Future

The struggle between the bourgeoisie and the

working class and its allies for control of the state apparatus and thus for the destiny of the nation is easily documented for post-World War II Germany.

The Potsdam agreement of the four wartime allies—United States, Soviet Union, Britain and France—decreed that Germany was to be demilitarized, de-Nazified and democratized, that the arms industry was to be liquidated and big business enterprises decartellized. It stipulated that the German people must rebuild their lives on a democratic and peaceful basis.

This agreement, though signed by the governments of the four powers, was contrary to capitalist class interests. Even before it was concluded in August 1945 it had encountered wide-spread opposition among the ruling class of the three Western signatories.

Thus two weeks after the unconditional surrender of the German fascists, British Prime Minister Winston Churchill attempted to form a provisional government of fascist German generals, a move which was stopped only by strong Soviet protests. ("Deutsche Geschichte in Daten," Berlin: Deutscher Verlag der Wissenschaften, 1967, p. 821.)

A little later Dr. Konrad Adenauer, who was to become the leader of the Christian Democratic Party and the FRG's first chancellor, proposed the immediate formation of a federal state from the three Western occupation zones. His fellow Christian Democrat Erich Koehler, who later became the first president of the FRG parliament, the Bundestag, was even more forthcoming about his class interests when he announced in 1946 "We reject the unity of Germany if it enables the socialist forces in Germany to rule the entire country as a result."

An important section of the U.S. ruling class worked along similar lines even before the victory of Hitler. In April 1945 a secret meeting was called at the State Department. It was attended by John Foster Dulles, who became Secretary of State in 1953, General William H. Draper, John McCloy and representatives of important industrial and banking interests, especially those with investments in Germany like General Motors.

News of this meeting was leaked to the *Congressional Record* and showed that the subject under discussion had been establishment of a lenient peace

with Germany in order to make that country a bulwark against the Soviet Union. (IPW Berichte, Berlin, May 1979, p. 20.)

In its July 24, 1947, issue *Newsweek* wrote that Washington officialdom felt that a continuation of Four Power rule in Germany would result in a Communist take-over of the country and that it would therefore be preferable "to save part of Germany for the Western powers." The *New York Herald Tribune* of December 20, 1947, expressed the hope that "the division of Germany will give us a free hand in integrating West Germany in a system of the Western states."

The following facts—well known but largely disregarded by Western historians—illustrate the ruthlessness with which international imperialism went about the division of Germany to realize their class interests.

- In September 1946 the British and U.S. military governments formed an economic unit of their occupation zones in violation of the Potsdam agreement.

- In September 1947 the Marshall Plan conference—attended by 16 states—adopted a decision to incorporate the Western occupation zones into their planning.

- In spring 1948 the Western occupation powers held a conference in London to discuss a joint policy toward Germany from which the Soviet Union was excluded but to which the Benelux countries were invited. At that conference a recommendation was made that the Minister President of the German states in the Western zones appoint an assembly to draft a constitution and to coordinate the economies of the three Western zones.

- In June 1948 the Western occupation powers instituted a separate currency reform which they extended to their sectors of Berlin, 110 miles inside the Soviet occupation zone.

Hand in hand with these maneuvers went a vigorous campaign to suppress all popular movements for an anti-fascist, democratic state. Unification of the Communist and Social Democratic parties, for which there was broad support among the working class, was forbidden. Communists and other anti-fascists were forced out of administrative posts. West Berlin sociology professor Theo Pirker was quoted by the FRG newsweekly *Der Spiegel* (March 1979) as saying that the post-war hope that "victims

of the Nazi regime and resistance fighters would become a representative force in the economic and cultural reconstruction has not been fulfilled." When splitting activities entered a decisive phase in 1948 all Communist newspapers were banned for six months.

Popular resistance to the splitting tactics resulted in the German People's Congress movement for Unity and a Just Peace. Its first national assembly convened in December 1947 in Berlin. Delegates, one third of them from the Western zones, represented five political parties, including the West German Social Democratic Party and six mass organizations. It was the first all-German, non-partisan representative assembly in post-war Germany. The gathering unanimously elected a 17-member delegation to submit proposals for creation of a united Germany to the foreign ministers conference in London. They were denied British visas.

On May 23, 1949, the Federal Republic of Germany was founded to make two-thirds of Germany safe for capitalism. The cynicism of this action is expressed in the constitution's preamble, which states it "desires to preserve the national and state unity" of the German people and calls upon "the entire German people to complete the unity and freedom of Germany."

With passage of this constitution the bourgeoisie in the Western occupation zones not only safeguarded their class interests but served notice of their intention to subordinate the remaining third of the German nation to their purposes.

Even after the two German states had emerged, the FRG ruling class and their imperialist backers were unwilling to accept this state of affairs. For two decades they applied enormous economic and diplomatic pressure on the GDR. In violation of all rules of international law and diplomacy, for example, the FRG brazenly threatened to break off diplomatic relations with any state entertaining such relations with the GDR. However this "sole representation claim" became more and more unacceptable to other countries as the strength of the socialist community grew and the GDR's economic strength increased. By the early 70s, the FRG was forced to conclude international agreements with the GDR and in 1974 permanent diplomatic representations were exchanged between the two countries, though still short of full diplomatic recognition.

Emergence of a Socialist German Nation

Meanwhile the administrative organs in the Soviet zone, with full support of the occupation forces, set about to transform the state power to serve the interests of the working class and its allies. To accomplish the directives of the Potsdam agreement, denazification, demilitarization and decartellization were undertaken. This anti-fascist, democratic transformation was only possible by dismantling the fascist state apparatus and replacing it with a power structure committed to anti-fascist, democratic goals. Among the steps taken was the purging of the state apparatus, the judiciary, the educational system and cultural establishment of all fascists and war criminals.

The first step to change the production relations in favor of the working class was the land reform in 1945, in which the large holdings of Junkers and fascists were distributed to poor peasants and agricultural workers. Next came the 1946 referendum in Saxony on the nationalization of enterprises owned by Nazis and war criminals, which carried with an overwhelming majority.

Similar steps proposed by the population in the Western zones were frustrated by the occupation authorities. One was a law passed by the state legislature in Rhineland-Westphalia for nationalization of the Ruhr coal mines, another was Article 41 of the Hessian state constitution (adopted by a 71.9 per cent majority of the voters) calling for socialization of key industries and banks. ("30 Jahre Bundesrepublik" (30 Years Federal Republic) in *Rote Blaetter*, Bonn, May 1979, p. 34.)

In the Soviet zone, on initiative of the Communists, a broad coalition of anti-fascist, democratic political parties and mass organizations was created and step-by-step involved in the decision making process. As a consequence of these efforts to translate the battlefield victory over German imperialism into a permanent victory of the people over their exploiters, the German Democratic Republic was founded on October 7, 1949.

In his June 1973 speech, Axen explained the significance of these struggles. He characterized the efforts of the democratic forces in the Soviet zone as "a struggle for the interests of the nation in the best sense of the word. For a long time our party clung to its aim of bringing about a democratic and progressive development in the whole of Germany and in this way frustrating the imperialist policy of

dividing Germany, and it was absolutely justified to do so as long as there was the faintest chance of success. In this connection there was no doubt from the very outset about the class character of the policy pursued by the imperialist occupation powers and about their working hand in glove with German monopoly capital. . . . Together with all other anti-fascist, democratic forces the Socialist Unity Party of Germany waged a consistent struggle against the foundation of a separate West German state, for a united, anti-fascist, democratic republic."

The Process of National Development

The following definition of the nation is offered in the book *Leninism and the National Question*: "The nation is a lasting historical community of people constituting a form of social development based on the community of *economic life* in combination with the community of language, territory, culture, consciousness and psychology." (P.N. Fedoseyev, editor, *Leninism and the National Question*, Progress Publishers, Moscow, 1977, p. 27. Emphasis added.)

Bourgeois propaganda, in its drive to "safeguard the unity of the German nation," denies that with the divergence of economic conditions all social, cultural, consciousness and psychological factors undergo a profound change, so that in three decades of existence the GDR developed national characteristics quite different from those in the capitalist FRG.

The most significant change that takes place in the superstructure is the consciousness of the population. When the means of production are socialized, the workers cease to be the object of exploitation and become the owners of the means of production. The first congress of the SED in 1946 put it like this: "Our people in the people's owned enterprises must learn that it is theirs and the people's property which they administer, and that the results of their labor benefit the entire people."

Meanwhile it has taken hold in the consciousness of the vast majority of GDR citizens that improvements in their living standard are directly related to material production and the motto that "we can only consume what we produce" has stimulated broad participation among the population to increase the common wealth and enhance the common welfare.

Two examples illustrate this point. One is the

movement of innovators who develop methods for improving production, either as individuals or as groups and collectives, often composed of workers and technicians. These innovators do receive a material reward for their effort, depending on the nature of the invention, but the reward is usually small and generally not the main impulse for the effort. In 1965 this movement involved 13.4 per cent of the work force and brought an increase in the national income for that year of 1,242 million marks. By 1977 it involved 32.1 per cent of the work force and produced a gain of 4,125 million marks.

Another expression of socialist consciousness is citizens' initiatives. These are volunteer efforts to improve community facilities organized by the National Front, a coalition of political and public organizations. The purpose of their effort is to build community facilities which are not provided for in the state plan, and they work closely with local plants which provide materials and facilities. In 1975 these activities netted 2,002 playgrounds, 1,790 sports facilities, free decoration of 60,000 apartments of senior citizens, repairs and maintenance jobs on apartment houses worth 1.5 billion marks, building or renovating over 31,000 places for child care facilities and other similar projects.

In the FRG consciousness is reflected by two class points of view. That of the ruling class can be summed up by a quote from the *Frankfurter Allgemeine* of October 6, 1978, which complains that the primary cause of economic difficulties is the fact that "too little is done to improve the growth conditions of our economy and too much for various 'social concerns.' "

Working-class consciousness, on the other hand, is reflected in the 1979 Action Program of the German Trade Union Federation (DGB) under social democratic leadership. It calls for creation of full employment through a policy which would assure an adequate number of jobs and on-the-job training facilities as well as improvement in working conditions. It demands that rationalization and automation should serve to improve work and living conditions and the guarantees that such improvements in production would not have adverse effects for the workers.

It also demands protection against firing, a special program of protection for older workers in connection with technological changes and other,

similar demands which are an expression of struggle against the exploiting class.

In the GDR all these demands have been achieved and are codified in the law. They are also taken for granted—a historic achievement in the consciousness of the people.

The overriding cultural difference lies in the two nations' relation to their fascist past. This inglorious chapter of history has been so vigorously suppressed in the FRG that it came as a surprise to millions of viewers when the TV series "Holo-caust" was screened in 1978. Hundreds of thousands said that they had not known about the genocide against the Jews.

This ignorance about the fascist past was borne out by a survey among school children in 1976-77 conducted by Dieter Bossmann and published as a book titled "What I have heard about Adolf Hitler..." (Dieter Bossmann: *Was ich uber Adolph Hitler gehoert habe...*, Fischer Taschenbuch Verlag, Frankfurt/Main, 1977.) In it, excerpts of over 3,000 student compositions from different types of schools and from all over the FRG show the ignorance of 10-23-year-olds in the FRG about the subject. A few random selections illustrate it. "If Hitler were alive today there would be fewer crimes." (age 15); "His aim was the equality of human beings. Perhaps his intentions were not so bad." (age 15); "Adolf Hitler was a social and national politician." (14); "One thing I can't understand, why we are not permitted to wear a swastika." (13); "I know that he was a member of the Communist Party." (13); "He was born in 1800." (14); "His first war was against the Russians. Hitler chased them like hares." (13).

Since then the FRG scene has been flooded with Nazi-nostalgia books, film and records lauding the exploits of Hitler, his aides and generals. Among them are such "documentary" apologies as Joachim Fest's book and widely shown movie, titled "Hitler—a Career."

By contrast GDR youth are well acquainted with fascist crimes and their class causes. All ninth grade history classes deal with this question. Before reaching the age of 14—when they are accepted into the adult community—all school children are taken to former concentration camps, told about their history and have discussions with anti-fascist resistance fighters or heroes of the working-class movement.

There are countless books, plays, films and exhibits dealing with the struggle against fascism and the humanist and working-class traditions in literature and art. It was no accident that, when the first theater reopened in the Soviet sector of Berlin after the victory over fascism, it staged "Nathan the Sage" by Gotthold Ephraim Lessing (1729-81) which is a plea for tolerance and human brotherhood and in which the protagonist is a Jew.

Authorities in the Soviet zone and later in the GDR took great pains to root out fascist, racist, revanchist and war-mongering ideas among the population. Not only were all fascist teachers removed and fascist books banned but this determination to rout fascist ideas found its expression in the constitution. Article 6, Section 5 directs that: "Militarist and revanchist propaganda in all forms, war-mongering and the manifestations of hatred against creeds, races and nations are punished as crimes."

The dominant reactionary culture in the FRG does not negate the progressive minority who struggle against the neo-fascist flood or the contribution made by humanist and progressive artists and intellectuals. It just serves to underscore the fact that two class cultures exist side by side in a capitalist nation. Since socialism does away with class antagonism it also sets the stage for a single national culture based on the needs of the working class.

"Step by step the socialist German national culture emerged," the *Summary History of the SED* writes. "In the course of the socialist revolution in the realm of ideology and culture, through the purposeful work of the party, the ideology of the working class gradually became the dominant ideology of the entire public life in the GDR." (*Geschichte der Sozialistischen Einheitspartei Deutschlands*, Dietz Verlag, Berlin, 1978, p. 565.)

This is basically the point about so-called dissident culture. Though the confines of this article do not permit an analysis, such works can usually easily be proven to represent the interests of the capitalist class in overt or covert ways.

In addition to the eradication of reactionary cultural patterns, a new set of values had to be created to govern relations among people. In his above quoted speech Axen discusses this process. "The liquidation of capitalism and the victory of the

socialist production relations have not only abolished the causes of the oppression of the people of a given country, but the causes of oppression of other peoples as well," he says. "Socialist patriotism and proletarian internationalism stem from the same source—the class interests and aims of the working class. . . The essence of socialist patriotism is organically linked to proletarian internationalism."

Proletarian internationalism is practiced by the GDR government in relation to other countries. It has, for example, recognized liberation movements, such as the PLO, SWAPO and the African National Congress and offers them all possible support.

It has also involved the entire population in support of international solidarity. All public and political organizations participate in this effort, but the greatest support comes from the 8.6 million Free German Trade Union Federation. In 1978 over 200 million marks were raised among the population by voluntary contributions. Of this, 80 million were used to help rebuild Vietnam and 100 million to support the liberation struggles of Africa and the Middle East.

An important aspect in the development of the socialist German nation is its friendship with other members of the socialist community. Because class relations in socialist countries are alike, their national and cultural development is based on similar premises, given different historical and ethnic backgrounds. Yet, this relationship is much closer than that of two nations with similar historical and ethnic backgrounds but different class relations, such as the FRG.

This is summed up in the Program of the Socialist Unity Party as adopted at its Ninth Congress in 1976. "A socialist way of life is becoming more pronounced, with changes taking place in beliefs and attitudes, customs and habits," it states. "A socialist consciousness is emerging which organically combines socialist patriotism and proletarian internationalism." It goes on to point out that the SED "in a planned way. . . directs the process of developing the socialist nation in the GDR more fully, maximizing its advantages on the basis of the social foundations of socialism and bringing it closer to the other socialist nations."

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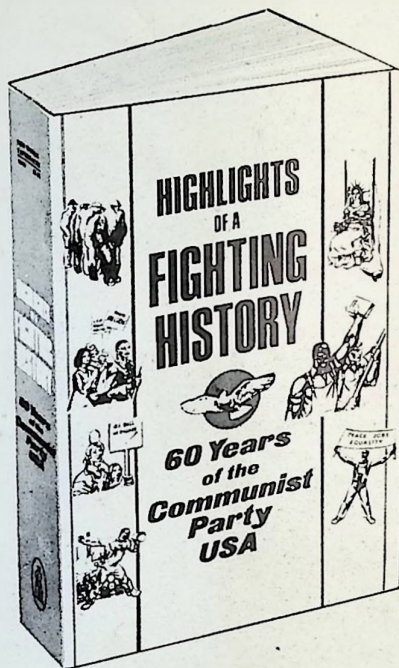
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