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THE COMMUNISTS FIGHT FOR THE TRADITIONS OF JULY FOURTH

By ARNOLD JOHNSON

EVERY AMERICAN would do well to read the Declaration of Independence again this July 4th. Valuable lessons can be drawn from that great revolutionary document, and the historic circumstances which made it necessary, that can stand us in good stead in the fight for freedom against today's Tories and economic royalists.

* * *

The Declaration of Independence gave a new purpose and character to the years of struggle of the people against the English Tories and their colonial lackeys. Many a battle had been waged by the oppressed colonies in an effort to solve their grievances within the bounds of colonial status. With the Declaration of Independence, all such battles acquired new meaning. The Declaration set the colonies on the path of true revolutionary struggle for complete independence. That is why in "A Letter to American Workers," Lenin, founder of the great Soviet State, declared that in the War for Independence, the American people "set the world an example of how to conduct revolutionary war against feudal subjection."

It was the impact of the Declaration of Independence that stirred the masses of artisans and farmers, the common people, and inspired them to struggle and sacrifice. The merchant, commercial and industrial bourgeoisie, who at first resisted, finally took the helm of revolution. The war against England was, after all, *their* fight for the right to independent existence and development as a capitalist class, and at long last they had to abandon the path of vacillation. Further, the merchant class was forced to a firmer stand by the revolutionary fervor and the resoluteness of the farmers, artisans, dock-workers. The masses of people found their best representative, in the revolution, in the persons of George Washington, Benjamin Franklin, Thomas Jefferson, and Samuel Adams. It was the revolutionary zeal and initiative of the common people, their willingness to bear incredible hardships and fight against incredible odds, that made the War of Independence, in the profound words of Lenin, "one of the first and greatest wars in the history of humanity which was really emancipating, and one of the few wars in the history of humanity which was really revolutionary."

* * *

Independence Day is therefore a symbol of the most cherished revolutionary and democratic tradition of the American people; it is a day of celebration to be honored in word and in deed by all Americans to whom democracy is dear.

By our daily activity for a better and happier America today and for the great Socialist future of our country, we, American Communists, honor the struggles of the people who brought the Declaration of Independence into being and who waged war to give it life.

Through study we strive constantly to deepen our understanding of the Declaration's historic meaning. And we strive to bring that understanding to the people, thus helping to rouse them to action, so that today's battle for freedom against the forces of reaction shall triumph over the monopoly enemies of the people —the modern Tories.

That is why we Communist study, along with the writings of Communist leaders, also those of such revolutionary leaders, in a qualitatively different historical epoch, as Thomas Jefferson, the author of the Declaration, and Thomas Paine, the author of *Common Sense*.

The true inheritor of the democratic tradition of '76, in this epoch of imperialism, is the working class and its vanguard, the Communist Party. Big capital in the period of the decline and decay of capitalism, is inherently reactionary. The bourgeoisie is incapable of maintaining bourgeois democracy and advancing the well-being of the nation. Caught in the throes of the world crisis of capitalism, big capital fears the people and hates democracy; it turns to fascism and strives to abolish the democratic principles of the Declaration and tear up the Bill of Rights.

The most consistent continuators, under present conditions, of the revolutionary traditions and democratic struggles of Washington and Jefferson, of Tom Paine and Ben Franklin, are the working class and its vanguard, the Communist Party. And that is why the monopoly profascist forces would outlaw the Communist Party. Those who would suppress the Communist today also dishonor the proudest traditions of America, betray and trample under foot the Declaration of Independence and the Bill of Rights.

* * *

From the struggle against the Stamp Act of 1765 through July 4, 1776, the common people were engaged in numerous skirmishes against the British appeasers and their tory flunkies.

Minute Men and Sons of Liberty were organized by artisans and farmers. Crispus Attucks, a Negro seaman, was one of the first to give his life for freedom in the Boston Massacre of 1770. On April 18, 1775, the battles of Lexington and Concord started a year of ever more decisive battles and struggles for the principles of the Declaration.

Thus, Independence Day is truly a day of *struggle*, a day of conflict

between those who stand with the Declaration—and this today includes Communists side by side with non-Communists—and those who would betray the Declaration—the monopoly capitalists and pro-fascist advocates of American imperialist world domination.

* * *

Those who would suppress the rights of Communists at home are the same forces who advance Wall Street's program of world domination.

The rising capitalist class which led the Revolution of 1776 was historically progressive in that revolution, expressing its own interests and those of the toiling people in the colonies. It could therefore frame a Declaration of Independence, could express the real interests of the nation as a whole, and could inspire other peoples in their striving for democracy and national independence. But since that time, as Lenin stated in 1918:

> Bourgeois civilization has borne all its luxuriant fruits. . . . The American people, who have set the world an example of how to conduct a revolutionary war against feudal subjection, now find themselves in a state of capitalist wage slavery to a handful of billionaires. . . .

For, since 1776, capitalism has developed into monopoly capitalism, imperialism; and the "handful of billionaires," who today dominate the life of our country and would dominate the world, do not and can not represent the real interests of the nation. They are traitors to the very document which, on July 4, they profess to honor. They use the American flag to cover up their betrayal, to cloak their fascist souls.

The forces of American monopoly—counterparts, under conditions of today, of the British Tories and feudal overlords of the eighteenth century—seek to fill the shoes of the Hitlerite German imperialists. They oppress the American people and seek to impose a fascist regime upon them. They use Hitler's methods. They are the ruling class today which seeks to make July 4 into a day of jingoistic nationalism for its own ulterior and aggressive purposes. The monopolies would destroy the independence of other nations, heedless of the fact that in the process they would bring disaster to the American people. Their course leads to war. They strive to clear the path in that fatal direction by attempting to devitalize the labor movement through Taft-Hartley laws and through Mundt bills for outlawing the Communist Party—in a word, to destroy the Bill of Rights, in order to suppress the people's forces for peace.

On this July 4, the American people have the great responsibility to conduct the struggle for peace, against the warmongers who would betray the vital interests of our nation and of world peace by preparing war against the Soviet Union. Those who would fight against the imperialist war program, those who would battle for democratic rights,

those who would honor our revolutionary forefathers, must stand up and be counted. With them will be the great majority of the American people.

* * *

Karl Marx saw the relation of events in America to events in other lands. He declared: "As in the eighteenth century, the American War of Independence sounded the tocsin for the European middle class, so in the nineteenth century, the American Civil War sounded it for the European working class." The winning of national independence made it possible for the United States to influence world politics in a democratic direction. The Declaration of Independence itself, translated into many language, was circulated in Europe, often through underground channels, and, through it, hundreds of thousands of people became familiar with this, the simplest and most popular proclamation of the principles of bourgeois democracy.

What a strange contrast we find in today's scene! American capitalism today is imperialist and decadent. The ruling class, through the Marshall Plan, gives strength to the decadent and reactionary elements everywhere. Its hands drip with the blood of heroic anti-fascists who have been brutally murdered by American bullets fired by Greek government execution squads and Chiang Kai-shek assassins. It brings shame and disgrace to America, and violates our traditions of 1776.

It is in the true spirit of the American tradition of 1776, that Comrade Eugene Dennis a year ago challenged the un-American Rankin-Thomas Committee. When Comrade Benjamin J. Davis vigorously denounced that committee earlier this year in a legislative hearing, he carried forward the traditions of Salem Poor and Deborah Gannett, valiant Negro fighters in the Revolution, and demonstrated in life the struggle against tyranny today. When Comrades William Z. Foster and John Gates stood before the Senate Judiciary Committee in the fight against the unspeakable Mundt Bill, they were denouncing those who would tear up the Declaration of Independence and the Bill of Rights.

As Comrade Foster made clear to the people through the forum of the Senate Committee, a ruling class which outlaws the Communist Party will immediately use that same power to force all others into submission. That is why the trade unions, the mass organizations, the Negro people, and all forces for democracy can be won to defend the rights of Communists, can be made to appreciate *their* vital relation to *our* rights today. The campaign against the Mundt Bill began to develop that understanding and brought results.

Any analysis of the imperialist program of the United States monopolies will show that a primary purpose for legislation to outlaw the Communist Party, through such

measures as registration bills, is to speed up the drive toward war and fascism. It is no accident that a Mundt Bill was on the same Congressional calendar as the draft, Universal Military Training, the all-time-high military budget and armament program. On this basis, the forces for peace will defend the rights of Communists.

To defend the rights of Communists is to defend American democracy. Failure to defend those rights is to aid those who advocate a fascist program. That is why Congressman Vito Marcantonio stands on firm ground in Congress and in the Senate hearings and in public meetings when he declares:

> The defense of the rights of Communists and of the Communist Party is the first line of defense of democracy for all Americans.

It is significant that nobody has succeeded in refuting this argument by the Congressman. His forthright declaration has also exposed the fact that those who advocate any step to outlaw the Communist Party always use every form of deceit or slander. And those anti-fascists who refuse to take a clear-cut and definite stand against outlawing the Communist Party soon slide into the camp of reaction.

* * *

Throughout the Revolutionary War, the Tory agents of the British tried to split the colonists by repressing democratic rights. They continued their ruthless struggle after the defeat of the British against the people. It required an intensive mass struggle to include the Bill of Rights in the Constitution. Those who sought to rob the people of the victory by foisting a monarchy upon them fought the Bill of Rights as an un-American (French) importation and slandered Jefferson as a foreign agent.

Thus, the false charge of "foreign agent" is an old one in American life. It was the basis for the hateful Alien and Sedition Laws of 1798. Those laws are comparable to the Mundt Bill today. They created terror and havoc in the country. They destroyed freedom of the press. Editors who supported or who merely publicized the program of Jefferson were harassed and jailed. Two outstanding editors, Thomas Adams of the *Independent Chronicle* of Boston and Benjamin Bache of the *Aurora* of Philadelphia, died while under indictment for sedition. Matthew Lyon, Congressman and publisher, gained ever-greater support from the Vermont farmers as he served time in jail because of his published views in opposition to the Adams Administration. This struggle against Hamilton and the Tories hardened the democratic forces and helped Jefferson win in 1800.

* * *

These living facts from our history reveal the rich traditions of struggle associated with our Independence Day. That is why the spokesmen of American imperialism try to falsify this whole period of history.

It would be a good custom on July 4 to honor, not only the name of Jefferson, but also the names of Abraham Lincoln and Frederick Douglass, whose contributions to American democracy and freedom are well known but badly heeded by the ruling class today. On this July 4, it would be well for all Americans to consider also the words of Lincoln:

> All that serves labor, serves the nation. All that harms labor is treason to America. No line can be drawn between the two. If any man tells you he loves America yet hates labor, he is a liar. If any man tells you he trusts America yet fears labor, he is a fool. There is no America without labor.

On the basis of this profoundly American declaration, the Thomas-Rankin un-American Committee, Attorney-General Clark, the Mundts, and the Taft-Hartleys are the real subversives today. On the other hand, the real patriots, serving labor and the nation, are people such as Leon Josephson—the now imprisoned Communist underground fighter against Hitler in Germany—and Dr. Edward Barsky, Howard Fast, Professor Lyman Bradley, James Lustig, Dr. Jacob Auslander, Dr. Louis Miller, Marjorie Chodorov, Ruth Leider, Harry M. Justiz, Charlotte Stern, and Manuel Magana of the Joint Anti-Fascist Committee, who now face jail following the cowardly shirking of responsibility of the Supreme Court. Together with them are Eugene Dennis, who first led the fight against the un-American Committee, Gerhart Eisler, and, likewise, the Hollywood Ten, George Marshall, and Richard Morford, all of whom have defended the Bill of Rights against the Rankin-Thomas inquisition.

* * *

The Communists are the most steadfast fighters for democracy because the Communist Party is the vanguard of the working class. The very historical development which brought the United States to the imperialist, declining stage of capitalism also matures and prepares the American working class for its historic role. Notwithstanding present ideological confusion and organizational division, the working class remains the only class that has no stake in the system of exploitation, the only class that has nothing to lose but its chains, the only class that must emancipate society as a whole in order to liberate itself. Consequently, it is this class which today can most consistently defend our country's democratic heritage and perform the role of reliable leader of the gathering people's coalition against the enemies of peace, progress, and economic security. And the very same historical process of the class struggle that created the working class inexorably brought into being, from the native soil of our country, the political leader of that class, the Communist Party, the party of Socialism. It is because ours is the party of Socialism that our attitude toward the defense and ad-

vance of democracy is always positive and unshakeable. Being the party of the working class, nothing that oppresses and degrades the working class and the people can be outside of its concern. Constituting flesh of the flesh of all who toil, the Communist Party is by its very nature dedicated in theory and practice to resist every encroachment on the rights and social gains of the working class and all oppressed, and to struggle for the extension of these rights and gains. In the struggles of the present, basing itself on the science of Marxism, the Party promotes the glorious Socialist future for the working class and the entire American people.

This is why we Communists, in principle and practice, are working in the basic interests of our country and nation.

When the bourgeoisie does not slander us as "crass materialists," it scoffs at us as vain visionaries. We Communists *are* idealists and dreamers, if by that is meant that we have a vision, a dream, for a stronger, a more humane, a happier United States; but our dream is in accord with the historical process and the fundamental aspirations of the people. We, who have demonstrated our readiness to fight for and die, if need be, in the true interest of our country, cannot accept as permanent a social system in which people suffer want in the midst of plenty, where freedom is denied to citizens because of race, creed, color, religion, or political opinion. We are convinced that the inevitable struggles of the people for their basic needs will inevitably lead the American working class to the realization of socialism.

But we are *not* dreamers in the vulgar sense of being unconcerned with reality in the practical struggle of the people today; and we are not sectarians, who negate the day-to-day practical problems and tasks, thus reducing the ultimate objective to a lifeless phrase. Marxist science teaches us that the Socialist objective will be attained when all the conditions for its realization have ripened. And the realization of the dream will be hastened to the extent that we take our place as practical leaders of the concrete daily struggles of the people.

* * *

Unswerving allegiance to America's revolutionary and democratic traditions is a theme which runs through all the work of the Communists; it is emphasized in the content of the Draft Resolution which is now being discussed in preparation for our 1948 National Convention and which presents a program in the interests of the American people for today and for tomorrow. Those who live up to the democratic traditions are those who fight for the interests of the mass of the people against the monopolists, the warmakers. These traditions fortify us and all Americans in the tough battles ahead.

PRE-CONVENTION DISCUSSION

A NEW STAGE IN THE STRUGGLE FOR PEACE

By JOSEPH STAROBIN

A NEW STAGE in the struggle for peace was ushered in when the Soviet Foreign Office made public the May 4 note from Ambassador Walter Bedell Smith, together with its own positive reply, and then followed up with Premier Joseph Stalin's answer to Henry Wallace's letter.

New strength and new hopes have been given to peoples the world over. This is particularly true of our own country, where the issue of peace policy versus war policy lies at the core of the current election campaign and will determine the whole future development of the nation.

Since the Draft Resolution for our Party's 1948 Convention appears to have been formulated prior to the Smith-Molotov and Wallace-Stalin exchanges, it will be useful, in discussing the Resolution, to examine the meaning of these events, and the new problems and possibilities which they raise. This is especially necessary since the Resolution ought to help our convention give correct bearings to the working class and the nation, not so much for the immediate moment, as for the entire coming period.

BEHIND THE AMERICAN NOTE

What was the significance of Ambassador Smith's note of May 4 and what did it tell us about the current phase of imperialist policy? Despite the heated denials from the State Department, the note did contain a feeler for American-Soviet negotiations. But it did not, I believe, represent any basic strategic change in American policy, that is, any readiness for a real settlement. If nothing else were needed, the continual emphasis by State Department and White House spokesmen that the "open door" is really shut tight and no policy change was implied, indicates that no basic new orientation is involved. Whether the imperialist policy-makers can hold on to their "veto" over world peace in face of the new forces released by the Soviet peace policy remains to be seen.

Two major objectives were involved in the presentation of the Smith memorandum, one external, the other related to domestic calculations.

First, there was the attempt to carry forward what Churchill had proposed earlier in the year, namely "bringing matters to a head" with the Soviet Union. After the apparent

setback to the French working class last winter, the outcome of the Italian elections on April 18, the crystallization of the Brussels alliance based on the de facto partition of Germany, plus the passage of the Marshall Plan in Congress, the State Department reckoned that the time was now ripe to consolidate the imperialist camp. And it wished to sound out the possibilities of major concessions from the Soviet Union in the face of this consolidation. At the same time, as Walter Kerr says in the New York *Herald-Tribune* from Paris on May 16:

> American officials here say that it was a diplomatic warning to the Soviet government that expansion beyond its present sphere of influence could be undertaken only at a grave risk. Specifically, they say, the case of Iran was in the minds of the State Department and the White House. . . .

The Smith memorandum, therefore, had the aspect of an ultimatum to the Soviet Union not to do anything that might upset the consolidation which the imperialists are seeking, and at the same time it was a feeler for negotiations which would take place—as Washington saw it—on terms set by the United States.

The other major reason for Ambasador Smith's note flows from the difficult position in which the Truman Administration finds itself, as it enters the electoral campaign and faces the tremendous demand for peace, expressed in the spectacular advance of the New Party. Our people deeply fear the continuation of the "cold war." They desire nothing so much as the easing of tensions and a break-up of the current deadlock. To play upon a phrase from Marx, this fear, having gripped the masses, has itself become a force in American life. What the White House wanted was to place its formal offer of negotiations into the record, and perhaps even begin such negotiations in secret although they were not necessarily to get anywhere. It would then have been a capital stroke for President Truman to reveal this record at some future stage of the election campaign, and thus perhaps snatch victory out of the jaws of defeat.

THE SOVIET ANSWER

What was the significance of the Soviet reply? It was first of all an estimate that the "cold war" had not really been called off, and that the imperialists were merely making a tactical maneuver without any basic strategic change.

By taking the unusual step of publishing the Smith memorandum and its own reply, the Soviet Union set in motion several objectives at once:

First, it checked the momentum of the "cold war," even though the underlying tensions still remain. The warmongers were placed on the defensive, and the initiative taken out of their hands. The defensive can be seen from the continuous stream of State Department documents attempting to explain the record to

the American people, and the elaborate pains which Secretary Marshall and President Truman have taken in recent weeks to justify their position.

Secondly, the Soviet action came at a moment when the imperialist effort to consolidate its position in western Europe was beginning to reveal very sharply all its inner contradictions. The rivalries within the Western Bloc were becoming more acute; the enormous gap between the promise and performance of the "third force" governments in Italy and France were beginning to impress themselves on larger masses; the inadequacy and high cost of the Marshall Plan were disillusioning the peoples of western Europe and causing hesitations even in governmental circles. Thus, the revelation that the United States might be considering a settlement, or even discussions toward a settlement, came as an upsetting factor in the entire imperialist camp. Those politicians who had sold their national independence for a mess of pottage complained openly—from London, England, to Santiago, Chile—that they felt themselves in danger of being doublecrossed, an illuminating shaft of light on the inner morality of the much vaunted alliance in defense of morality, decency, et cetera. Not only was public opinion among the peoples of the capitalist world greatly encouraged, but governmental circles were disoriented. This was bound to affect subsequent efforts to consolidate the imperialist camp.

Thirdly, the Soviet action had magnificently dramatized the Soviet Union's own readiness for peace, and smashed the whole propaganda intended to convince the masses that the U.S.S.R. stood in the way of negotiations. At the same time, responsibility for refusing to negotiate was placed squarely on American imperialist circles, and their pretensions about peace were unmasked before the world. A platform for the next phase of the struggle for peace was given and brought at one stroke before the widest possible public, particularly after Stalin's prompt reply to Henry Wallace's practical proposals. On the other hand, if the American policy-makers wished to consider a modus vivendi at some future point, the initiative for it had already been taken, and a certain basis for it established.

One might put the Soviet action this way: it demonstrated how the foreign policy of the world's first socialist state operated in the interest of humanity's deepest aim: peace.

AFTERMATH AND PROSPECTS

There is no doubt that following upon the "peace offensive," the warmakers have been placed in a more difficult position. It is no longer possible for the imperialist policy-makers to sustain their "veto" over every phase of relations with the Soviet Union and the democratic camp. On the other hand, the easing

of the tension not only affords the movement for peace new possibilities but also enables the Soviet Union and the democratic camp to press forward for specific settlements on some of the secondary problems of the deadlock. In discussing the attempt of the House Republicans to reduce E.R.P. appropriations, Walter Lippman admits in his column of June 14 that all the major "cold war" measures were pushed through by generating fear of the Soviet Union and fright over the alleged menace of Communism. "But fear will not sustain a continuing effort," Lippman warns. "It will work for a few emergencies but not for four years. It is good for a sprint but not for a long run." And the London *Times* on June 15 speaks of what it calls "the real danger" that the easing of tensions "may cause mystifications and divided counsels in the West."

There is some evidence that on a whole series of problams, the previous momentum of the "cold war" cannot be maintained. The virtual economic blockade of the Soviet Union and the eastern European democracies, which featured American economic policy and which American influence also attempted to impose on relations between the Marshall Plan countries and eastern Europe, has begun to dissolve. There are similar signs like the conference for a new agreement on Danubian waterways, and even in Korea, Greece and perhaps Austria.

The Draft Resolution for our convention must take this new stage in the international situation into account, and make very plain that the imminence of world war does not exist, thanks to the tremendous strength of the peace forces, in which the American movement for peace has played no small role. If we fail to signalize this fact, and fail to give full credit to the world-wide battle for peace which has effectively outplayed and perplexed the warmongers and warmakers, we shall in fact disorient this movement and weaken it for the next stage of the struggle.

Can we speak then of a stabilization—a relative and temporary stabilization in relations between the democratic and reactionary forces on a world scale? Any such suggestion would be equally dangerous and misleading. If the terms "relative temporary stabilization" are used in the sense that they were used in the 'twenties, it should be remembered that the stabilization of that period was based on two factors. There was a series of sharp defeats for the revolutionary movement outside of Russia, in Europe and Asia, stretching from the 1923 events in Germany to the betrayal of the Chinese Revolution three years later. Secondly, there was the partial success of the United States, Britain and France in bringing about a substantial recovery of workable capitalist conditions, particularly in Europe and Germany. On the other hand, the Soviet Union was barely

regaining its strength and only beginning its preparations for the First Five-Year Plan.

The situation today is entirely different. The Draft Resolution emphasizes that "the general crisis of capitalism has reached a new and more advanced stage." The democratic revolutionary wave has met setbacks in western Europe, but, as the decisions of the Nine Party conference indicated, and as the concrete situation in Italy and France and Germany shows, the working class has retained its strength and combative power, and led by dauntless Communist parties is preparing for new advances. Certainly, the crest of the democratic revolutionary advance moves continuously forward in Asia, as can be seen from the majestic struggle of the Chinese people under Communist leadership. On the other hand, in face of rapid and planned recovery by the Soviet Union and the eastern European states, the capitalist world confronts almost insuperable obstacles in recovering any kind of economic balance. At the very infancy of the Marshall Plan, whose purpose is ostensibly to bring about recovery of a sector of the capitalist world, there are forecasts of gloom, admissions of inadequacy and predictions of failure on all sides. Thus, while an American-Soviet settlement on specific issues is altogether possible, and can still take place on the basis of the Teheran, Yalta and Potsdam war-time agreements, there is no over-all stabilization in sight for the capitalist world.

It could be said that a certain consolidation has set in, but even this, upon examination, shows that the consolidation is largely one-sided. The democratic and socialist forces are consolidating their positions in eastern Europe, particularly after the victories of the Czechoslovak democracy. But the consolidation of a Western Bloc is largely illusory, and efforts in this direction reveal their inner instability as soon as they are undertaken. On June 8, Walter Lippman had forebodings of a "crisis of enormous depth and scope," and then continued:

> It is not possible to discern and define clearly the shape of these developments. But it is evident that the financial position of Britain, even with full ERP aid, is precarious, and that events like those which have happened in South Africa, the failure of the Arab League policy and the vulnerability of the sterling area, will call for acts of statesmanship in London and Washington for which neither is at the moment prepared. Moreover, the German policy to which Great Britain and this country have committed themselves, though designed to solve the German problem, is almost certain to make it more difficult to solve, and to undermine rather than to consolidate the favorable developments of the past few months in western Europe.

THE PEOPLE'S RESPONSIBILITY

Thus the coming months, especially after the American election cam-

paign, will confront the rulers of American life with another year of failure, what the Draft Resolution calls the "increasingly visible failures" of American imperialist policy. It will be at that point that crucial decisions will have to be made by the ruling groups of American finance capital. And it is in the light of those decisions that the new stage of the struggle for peace, inaugurated by the events of this spring, acquires its crucial meaning. It was undoubtedly with respect to this next coming period that the premier of Bulgaria, George Dimitroff commented during his visit to Warsaw recently, on the major responsibility which lay on American public opinion.

For it is possible to bring about a situation in which Wall Street, ready to embark on a further acceleration of war preparations, will be confronted by the overwhelming impact of the popular demand for peace, simultaneously with new evidence that the entire "cold war" policy is ending in failure and creates absolutely unmanageable problems for American imperialism. Given a surprising vote for the New Party this November, plus a mass campaign centered on the single and simple slogan: "Let us negotiate with the Soviet Union," it is possible to force American imperialist policy to hesitate, even to halt, and to begin the process of a settlement. This would be a world-historic victory against reaction and war.

What the present *detente* offers, therefore, is a wider and broader scope for a peace movement in which new millions can be rallied as a result of the new peace initiative of the Soviet Union.

This is the challenge of the new stage in the struggle for peace To meet this challenge is the responsibility of the American working class and its vanguard, the American Communist Party.

"Only the proletariat—by virtue of the economic role it plays in large-scale production—is capable of acting as the leader of *all* the toiling and exploited masses, whom the bourgeoisie exploits, oppresses and crushes not less, and often more, than it does the proletarians, but who are incapable of waging an *independent* struggle for their emancipation."

V. I. Lenin, *State and Revolution*, p. 30.

TURN THE FACE OF THE PARTY TOWARD THE WORKERS! TOWARD THE BIG SHOPS!

By EMANUEL BLUM

I wish to express my full agreement with the main line of the draft resolution. At the same time I wish to state that it has one major decisive weakness. Unless this is overcome, the correct main line cannot be carried out in life. I know that is especially true in our district and I am sure it is true generally.

The resolution deals in a number of sections with the tasks of Party concentration among the basic industrial workers, of expanding its ties with the masses and developing the tactic of the United Front, primarily from below.

Nevertheless, it fails to call upon the whole party to turn its face *decisively* toward the working class and particularly toward the big factories. It fails to place this as a *central* question on which, in the last analysis, depends the fate of all other questions.

The reactionary forces of Big Business are out to weaken, strangle and smash the organized labor movement. If they succeed in this, the victory of fascism is inevitable. The Wallace movement and the new Party will be unable to stem the tide of reaction if the labor movement is smashed. Therefore, now as always, winning the working class must be the first concern of the whole Party from top to bottom!

This means that we must issue a stirring call to every Party branch and to every Party member to turn their attention first of all to the problems of gaining influence among the organized workers.

What is the situation with regard to the working class today in America? It faces great dangers. The packinghouse strike was defeated. The railroad workers were forced to remain on the job, virtually at the bayonet point. Their leaders lacked the guts to stand up and we lacked the influence to change the situation. The steel workers were unable to break the barrier of Murray's class collaboration position. Our position, expressed by Migas, corresponds to the interests of the workers, but it did not receive effective mass support due to our weakness. In the shoe and textile unions, in New England, the leadership today is capitulating without making any demands and we were not prepared to alter this situation. In maritime, 2¢ an hour and a fiasco on the injunction!

But there is a mood of resistance among the workers. In Chrysler and U.E., victories were won. A. F. of L. workers, teamsters, fur workers, building trades workers, displayed a militant spirit in many struggles, won victories even where there were no Communists.

We are in a period of government strikebreaking, injunctions, and heavy

court penalties inflicted on unions. Many unions are capitulating. Many leaders are selling out and running for cover. New anti-labor laws are being prepared. Yet, in this dangerous situation for all, the unions go it alone and are knocked over one by one.

What will the Wallace movement be worth if the unions are weakened, their members demoralized, and finally their power is completely withered away?

Some comrades will say: "But we stressed industrial concentration ever since the last Convention."

True. But what results can we point to? *In our district very little.* And the present situation in the labor movement reveals clearly our weaknesses nationally. So we must not say that "We *DID* stress industrial concentration, "but rather, "How is it that we have so little to show, so little to work with, to meet the offensive of Big Business?" And the answer lies in the fact that we have not turned the whole Party toward the working class, especially the big factories, with a real *national plan* to guarantee results, supplemented by district plans.

This shortcoming certainly stands out in our own district. In sharply self-critical manner we must all raise this decisive question today from the top to the bottom in the Party.

Our District Committee has raised this question and called upon all clubs to evaluate critically and to make proposals to improve the work first of all of the district in this respect, and then of the sections and of the clubs.

The main point I wish to make is that we must shock ourselves out of any tendency to discuss our work in a routine way. Already, in our district, people in different fields of work discuss only the section of the resolution which they feel covers their "field"—youth, New Party, etc. Every question must be related to the role of the working class, and our connections with it.

* * *

I would like now to discuss more concretely some aspects of this question, of turning the whole Party toward the working class and the big factories. All eyes must be focussed on the question. First, this means that the Party, as a whole, must pay major attention to each major economic struggle of the workers. Now the tendency is to leave the struggle pretty much to the workers directly involved. This is one reason why the struggles are "isolated" and often lead to defeat. Only at the last moment did we in our district make an effort to throw every Party member and every branch into the fight to help the packing-house workers win—by mass door-to-door canvassing for relief and mass protests against injunctions. Along the same lines, there has been no mass campaign on the part of the whole Party against injunctions which have been the key to government strikebreaking in one situation after another. Had we made this our concentration, it would have inevi-

tably influenced the New Party forces, all unions and progressive organizations, and there would have been a mass struggle everywhere against these vicious acts which break strike after strike.

This did not develop because the *whole* Party was not focussed on labor's life-and-death struggles. The miners received the biggest and most brazen fines in history; yet not a word to stop this vicious precedent—that is, in the form of mass organized resistance. In the case of the maritime workers, certainly a shameful episode occurred with the confused position of those who were "caught in Curran's trap," on the question of the injunction. But such an error was possible only because the whole Party, including our press, was not fully turning its face toward this most important struggle. In my opinion, the Party press should have prepared the whole Party, every branch and every member, for this struggle, that is, prepared them to resist the inevitable injunction and to launch an organized campaign against it, directed to Truman, long before the June 15 deadline. Then the Lefts and many progressives would have already been in a movement against the injunction and Curran would have had a different kind of problem facing him.

What was also necessary was a mass campaign for repeal of the Taft-Hartley Law and against new anti-labor laws, connected with the election campaign; a repeal campaign brought right into the homes of millions of workers through neighborhood Communist groups and through the New Party and mass organizations. Only such a campaign can hold out hope that the Taft-Hartley Law will be repealed. In fact that is the difference between the kind of campaign conducted on the Mundt Bill and the kind conducted against the Taft-Hartley Bill.

Secondly, "turning toward the working class" will demand much more attention to the economic problems facing the workers on the part of the whole Party. While it is true that economism is a problem with respect to many who are active in the unions, there is another kind of problem for the bulk of the Party membership, including many who are in industry but not active in unions. The problem is that they are concerned with the peace question, civil liberties, and many other *important* questions, but these comrades have no connection whatsoever with the economic struggles of the workers. This is particularly true of many who are active in the current election campaign and has led to charges that they neglect the economic interests of the workers for general political agitation. The workers in France, also, are conducting the fight against imperialism and enslavement—but the front which involves millions in the sharpest and most direct struggle against imperialism is the wage front, the front of strikes struggle. It is here especially that millions learn best about Wall Street domination, about the role of the Schumans and Social-

Democrats and about the war danger. This front is the major concentration of the Communist Party of France. I think that if the resolution makes a clear call for a complete turn toward the working class and its problems, toward the big factories, we too will be *better able* to teach the workers the key political lessons in the struggle which they are already engaged in, the lessons of imperialism and of the Mundt Bill.

Speaking of the *Daily Worker,* I think that if we are to turn the Party fully toward the working class, particularly toward the big shops, our press has to play a much more active role in becoming an organizer of shop activities and struggles. It should carry stories, not only of resolutions and general trade union news, but especially of shop struggles, job actions and observations on strikes, their tactics, and strategy (in time to effect them in a positive way). *The* Daily Worker *should be the link between the Party organization and the workers in the shops.* It should be full of material dealing with the big shops, special material for steel, auto, textile workers, etc. Then the *Daily Worker* will begin to get letters from shop workers on speed-up, "efficiency" engineers, handling grievances; how Communists taught workers class lessons in the shops; the Wallace movement in the shops; building peace movements in the shops; and the reflection of the moods of the workers; etc. At present, we are overweighted with general political letters and, occasionally, big controversies like L'Affaire Tinsley. It would be better to have letters about conditions of working women in the shops. Such changes in our press are needed to help turn the attention of the whole Party toward the shops.

Thirdly, "turning the Party toward the workers: requires making the best use of our forces in the street branches to carry through a concentration policy. It means a systematic campaign to get many comrades to go into key industries. Students and veterans who are floundering, uncertain what to do in life, will be imbued with enthusiasm if the Party places such perspective before them. Others will change their jobs. But this can only happen if the meaning of this problem, in all its theoretical significance, is placed squarely and convincingly before the whole Party. It means using forces in our street branches for every kind of concentration work, with a clear plan laid out, and using comrades from larger cities for shops in smaller concentration districts. It means discussing with housewives every connection they have with workers whom they meet or who serve them, the milkman and the store clerk, and making use of these connections. This can only happen, if the whole Party, including every housewife, is educated by the Party in the real role of Communists in relation to the working class. It means paying attention to members now in unions but not active in their shops. It means that the street branches of the Party must

become conscious of the type of industrial workers in their communities. In some communities like South and East Boston, thousands signed petitions to put Wallace on the ballot. But this especially is where there are longshoremen, teamsters, and electrical workers. We have yet to develop an organized campaign to win these workers to the Party.

Fourthly, "turning toward the workers" means our educational work must make the question of the role of the working class a central question, and do it in such a live way as to make the whole Party most sharply conscious of its tasks in this connection. Our educational work should revive the history of the Party in giving leadership to the workers. It should study and bring to the Party the story of our past successes in concentration work. It should emphasize the history of the militant struggles of the American workers and, at the same time, show how the Party brought political lessons and greater class consciousness to the workers in the course of these struggles, and how, often, it failed to perform this basic task of Communists. It should revive the traditions of our Party in developing the united front from below.

In our district we must get away from the purely academic type of teaching that deals largely with definitions and little with preparing the comrades in a live way for the tasks facing us among the workers. This does not mean that we should neglect theory; but the theory must really be "a guide to action." That requires teachers who understand the needs of the workers in the struggle, and not the purely academic type.

Fifthly, turning the Party fully toward the workers demands that the National Office of the Party work out a plan for helping the districts to carry through decisions on concentration. It should not be taken off this path itself nor permit the districts to get off this path. It means that the leading comrades in the center should all be involved in some or another phase of work connected with industry and the big plants, in spite of any specialization that they are concerned with.

All leading comrades in the center who go into the field should be concerned first of all with the shop concentration work of the districts. They should meet with, and give guidance and assistance to, the comrades in the big shops. There are many comrades in the national office of the Party who are not using the rich store of shop work experience which they accumulated in the thirties. They must place this valuable experience at the disposal of the younger comrades in the big shops, who would profit greatly by it.

In our district we go into the field a great deal. But not for consistent attention to the big shops. There is still too much attention given to top union strategy and to tactics before and during union conventions, and much, much too little, to the tactics and mobilization of the workers in the big shops on a year-round and day-to-day basis.

This should be the first concern of all leading comrades. The conventions, are more or less, a culminating point of the other questions—the work in the shops. The authority and the experience of the National Committee applied consistently in the field, will do much to keep the face of the Party turned toward the main job, the work in the big factories. This would inevitably be supplemented by articles in *Political Affairs* reflecting their experiences, instead of articles dealing *only* with general political questions.

Sixthly, "turning the Party fully toward the workers" means a real study of methods for developing the united front from below. This demands a real study of each industry and a program in the interests of the workers, developed, first of all, on the initiative of the vanguard, the Communists. We are particularly weak in this respect. In New England, for example, we have failed to make a real study of what is happening in the textile industry—the effects of rationalization, the competitive factor at home and abroad, a study of the market—and from this deduce the plans of the employers and a program for the workers. Really turning toward the workers, means sweating out these questions—without which you are always limited to conducting rearguard struggles *after* things happen, instead of anticipating events, predicting the bosses' plans, and giving a vanguard program and leadership. Years ago, our Party produced books and pamphlets that were good studies of the textile, shoe, mining, marine, steel, coal, and auto industries. We have not done this for a long time. We must get back to it.

In the same way we must analyze the situation in specific shops and lay out our program. Now, too often, we tend to tail events in the shops. When things do break, like a program of rate-cutting or speed-up, we develop a rearguard action or, too often, permit the workers to be stymied by the legal shares of a complicated grievance procedure, under which major grievances fester for a year or two without the necessary militant resistance of the workers. This has happened in shops whose unions are led by Left-Progressives.

In the textile industry, in New Bedford, as is known, progressive workers, including Communists, led many successful struggles as on the question of the affidavits, against work load "suddenly" imposed on the workers, and against the wage proposals of the Rieves. But all these were "defensive" struggles. In none of them were we carrying through a rounded-out program which we had developed on the basis of an over-all study of the industry or of the particular shops involved. I think the Party Resolution, in calling for a real turn toward the working class, should help the Party correct this method of living from hand to mouth and call for the development of a real, rounded out, over-all study of a program for each industry and each shop.

* * *

Finally, not just Communist trade

unionists, but the whole Party must discuss and be concerned about the question of labor unity.

In all countries where fascism triumphed, this happened first of all due to the division in the labor movement. It happened because the Social-Democrats and the reactionary trade union bureaucracy held the workers back from struggle, while they surrendered step by step to the advance of fascist forms in the state apparatus. In our country, the same process is taking place. The Murrays, the Rieves, and others are urging class peace and capitulation to the demands of the employers. They make their offensive against those who call for struggle in the interests of the workers.

It is on this basis that labor unity is developing. In our state the C.I.O., A. F. of L. and A.D.A. signed a pact against Wallace as well as against the Communists.

Will we be able to unite the workers, in spite of these reactionary leaders, for struggle—or will they paralyze the working class and thus repeat the role of similar leaders in Germany? What must we do concretely to unite labor? How concretely can we loosen the stranglehold of certain leaders on the labor movement?

As our Draft Resolution states, we must develop the united front from below—we must develop unity of the rank and file, on a program in the interests of the workers. But it is necessary to draw the organizational, as well as the political, conclusions from this fact.

For example, at the steel workers convention in Boston, Nick Migas opposed the No Wage Increase, no-fight-on-grievances-policy of Murray, with a program mimeographed and distributed at the convention. This program responded to the needs of the steel workers. It received no support in the hysterical atmosphere of this convention, although Migas' own local stood by him. This episode shows that it is necessary to prepare rank and file movements around such programs, as is now being done in the steel industry. The same is true with respect to the struggle against the injunction in the case of the maritime workers. Thus, the united front from below must take *organized* form, mobilizing the Left and progressives independently from below, *in good time,* for coming struggles. The letter of Blackie Meyers calling for action against the injunction on June 24 and for collection of money for the struggle to be made "available to the union" if Curran, Stone, and Lawrenson refuse to make the union's money available is an example of the fact that the Left must now proceed to concrete forms of organizing rank and file movements from below. This is especially true, since the reformist leaders and Social-Democrats inevitably will move in the direction of the expulsion of the militant workers from the unions.

We now place emphasis "particularly on the united front from below." Does this mean that we are through with all attempts at united front "from above?" In my opinion,

it should not mean that. The united front from below should be used to force unity on specific actions with other leaders of the labor movement, reformists, and Social-Democrats, on questions affecting the existence of the trade unions. For example, the Left must still publicly urge and demand united action against injunctions, as in the case of railroad, maritime, etc. It should demand united action against state anti-labor bills, for the repeal of the Taft-Hartley Law, and against a new Mundt Bill. The fur workers convention recently made such a general appeal for unity of labor. This should be concretized in appeals for unity on specific questions. But all such appeals for unity must be so directed that the workers in the unions with Right-Wing leadership see clearly who wants to unite labor to save the unions and who doesn't. In this way the Social-Democrats and bourgeois-reformists will either be forced to involve their unions in the struggle or face exposure before their own workers.

Many comrades in Left-led unions do not agree with this outlook. They wish to work only from below and to make no effort to force the Right-wingers, who influence large sections of the workers, into united *actions*.

In Germany, failure to do this successfully was a contributing factor to the victory of fascism. In France, the Communist Party forced Leon Blum and the Socialist Party to participate in the Popular Front. In *Left-Wing Communism*, Lenin made a special point of this. What should be our approach? Many mistakes have been made on this question and they have been costly. We must be careful not to swing from one extreme to the other when correcting our approach.

* * *

I hope that any shortcomings in the proposals I have made for turning the Party toward the workers will be seized upon and improved. I hope there will be more and better proposals for developing mass community movements in support of labor's battles and against injunctions. I hope there will be many proposals brought forward for developing concentration work and for involving the whole leadership of the Party and the whole Party in this work. I hope there will be better proposals for developing forms of the united front from below and a program in the industries and shops. I hope there will be better proposals as to the role our Press can play in this regard.

Because if there are, then the main point that I am driving at will be achieved, namely, turning the face of the Party, in this pre-convention discussion, fully toward the working class and especially toward the big factories.

Our Party can perform miracles of organization when it sets its mind to any question. That is as true of our campaign on the Mundt Bill as it is of our efforts in a financial drive. This same energy, devotion, and organizing ability must now be applied to turning the whole Party toward winning influence among decisive sections of the working class.

THE NEW PEOPLE'S PARTY AND THE NEGRO PEOPLE

By THEODORE R. BASSETT

THE DRAFT RESOLUTION states that "The role of the Negro people in the struggle for peace and democracy is growing in importance in the North as well as the South." It points out that "In the struggle for equal rights and national liberation, the Negro people are learning in ever larger numbers that Wall Street imperialism is the main enemy and that the fight for peace is also a fight against Jim Crow and for equal rights." It points out that the new people's party "has wide support among sections of the Negro people." It stresses the need "to combat more effectively the Social-Democratic and other reformist agents of imperialism who are seeking to confuse and mislead the Negro masses."

It is in the light of these passages of the Draft Resolution that I should like to discuss three new developments that have taken place in the Negro liberation movement as a result of the rise of the new party.

GROWING MASS SUPPORT FOR THE NEW PARTY

First, growing mass support for Wallace and the new party is developing among the Negro people, more so than in any other section of the population. Cutting deeply into Republican and Democratic ranks, this support also includes broad sections of independent voters, as well as the bulk of the million new Negro voters in the South, who are rallying to the new party around the issues of equal rights and peace. This growing support for Wallace and the new party among the 14,000,000 Negro people is shown in many ways.

The Southern Youth Negro Congress poll of 4,000 Negro college students showed 58 per cent for Wallace, 16 per cent for Dewey, 13 per cent for Truman, 9 per cent for Eisenhower and 3 per cent and 1 per cent respectively for Stassen and Taft.

The Research Associates poll of the Negro vote for the Chicago *Sun-Times* before and after the Wallace Chicago Stadium Rally in early April, showed 14 per cent for Wallace before and 22 per cent after. A city-wide vote in a similar poll gave the vote for Wallace as 7 per cent before and 11 per cent after. These polls indicate the greater responsiveness of the Negro people to the Wallace campaign, as compared with that of the people generally.

Particularly noteworthy are the developments within the 600,000-strong N.A.A.C.P., in which there is much pro-Wallace activity among local leaders and the rank and file in all sections of the country.

Supporting Wallace are the Oklahoma *Black Dispatch,* the *Macon World,* the *California Eagle,* the *Des Moines Observer,* and the *Connecti-*

cut Chronicle. Favorable editorials have appeared in the *Boston Chronicle.*

The growing Negro support for Wallace can be seen in letters to the press, in attendance at Wallace meetings, in day-to-day activity in building the new party, and in the fight for the right to vote in the South.

Likewise supporting the Wallace peace movement and the new party is a growing circle of Negro leaders among whom are such nationally known figures as E. Franklin Frazier of Howard University, outstanding sociologist; Paul Robeson; Frank Marshal Davis, executive editor, Associated Negro Press; Magistrate Joseph H. Rainey of Philadelphia; Oscar Dunjee, editor and publisher of the Oklahoma *Black Dispatch* and member of the National Board of the N.A.A.C.P.; and others equally prominent.

This is some of the evidence which demonstrates the support being developed among the Negro people for the new party.

THE CHANGE INSIDE THE NEGRO LIBERATION MOVEMENT

Secondly, a sharp cleavage is taking place within the Negro liberation movement. This is shown, on the one hand, by the new and growing unity of the Negro masses around the new party and the coming to the fore of the outstanding personalities mentioned above; and, on the other hand, by the desertion of the F.D.R. program, and the coalition built around it, by a significant group of Negro leaders.

The new unity being developed among the Negro people is a higher development of their liberation struggle during the New Deal period. It is a higher development for the following reasons. First, it is taking shape as part of the developing broad democratic people's coalition, which, in contrast with the labor-democratic coalition of the New Deal period, is more consciously anti-imperialist, anti-fascist, and anti-monopoly. Secondly, the alliance of labor and the Negro people, to be discussed more fully below, is already striking new and deeper roots. Thirdly, growing out of their rich political experiences of the past two decades, the burning needs of the moment, and the general world democratic upsurge, the struggles of the Negro people are assuming a new militancy, and a heightened determination, particularly in the South, to win "freedom in our time." Fourthly, in contrast with the New Deal period, the unity of the Negro people is developing more strongly down below, which in itself is an expression of the deep-going urge for unity among the Negro people. Fifthly, as evidenced by their activity in today's economic and political struggles, in the trade unions, and in the new party movement, the Negro workers are more and more assuming their historic role as the leading and decisive force within the

national liberation movement of the Negro people. Finally, the new unity among the Negro people taking shape around the new party, is not developing under the influence or leadership of Social-Democracy, but in opposition to it.

Particularly active in trying to tie the Negro people to the Truman-Marshall Plans are Lester B. Granger, Executive Secretary of the National Urban League, man Friday for the Jim-Crow militarists and author of a series of Red-baiting articles in the *Amsterdam News;* John H. Sengstacke, editor and publisher of the *Chicago Defender* and chief national banner-bearer for Truman; Walter White, Executive Secretary of the N.A.A.C.P.; and Gloster Current, National Director of Branches of the N.A.A.C.P.

Finally, included in the Committee for the Marshall Plan is a bi-partisan group of Negroes, among whom are Justice Francis E. Rivers; Dr. Charles S. Johnson, President of Fisk University; Dr. Charles H. Tobias, Director of the Phelp-Stokes Fund; Walter White; A. Phillip Randolph, President of the Brotherhood of Sleeping Car Porters; and Truman K. Gibson, Jr., Chicago attorney and former Civilian Aide to the Secretary of War.

Examples of the anti-Wallace activity of the N.A.A.C.P. leaders mentioned above are the efforts to oust Magistrate Joseph H. Rainey, N.A.A.C.P. Branch president and candidate for Congress on the Wallace ticket; the N.A.A.C.P. pro-Truman political conference of 20 national Negro organizations; the non-partisan statement issued by Roy Wilkins, Assistant Secretary of the N.A.A.C.P., designed to quell the pro-Wallace "revolt" among the rank and file and officials of local chapters; and the "Keep An Eye on the Communists" editorial in the April *Crisis,* official organ of the N.A.A.C.P.

THE ALLIANCE BETWEEN LABOR AND THE NEGRO PEOPLE

Thirdly, a double process has been under way with regard to the alliance between labor and the Negro people.

On the one hand, this alliance, in the form in which it had previously developed, has been undermined because, in the main, of the support being given by the dominant C.I.O. leadership to Wall Street's program of world domination, and the resultant weakening of labor's struggle for Negro rights. This trend away from a fighting alliance with the Negro people began when the C.I.O., under the growing influence of its Right Wing, began to back-track in the struggle for the special demands of the Negro people. This was further aggravated by the increasing capitulation of the Murray forces to the Right Wing, especially in the absence of sufficiently aggressive activity on the part of the Left-Progressive forces. This trend, which was

already noted by the Negro people, even immediately following the war, especially on the question of seniority, came to a head during the past year under the impact of the Truman-Marshall Plans.

On the other hand, a basis for developing on a qualitatively higher level the alliance of labor and the Negro people is beginning to come into being. This is resulting from the new impetus being given to the struggle for Negro rights by the new party movement and by the growing support the new party is receiving from the rank and file of organized labor. This, in turn, will have a profound influence in strengthening and broadening the new people's coalition developing around the Wallace movement and its anti-imperialist, anti-monopoly program.

In spite of the mounting evidence of the Negro people's increasing support for the new people's party, it would be a serious error to assume that the Negro people as a whole have been won for the Wallace candidacy. The progressive forces should not in the least underestimate the effect of the agitation of the pro-Truman forces among the Negro masses. Particularly dangerous is their use of the "no chance to win" and the "lesser evil" arguments.

THE "NO CHANCE TO WIN" ARGUMENT

Walter White, for example, gives the following argument for not supporting the candidacy of Henry A. Wallace or the new party:

> [Wallace's] attempt to lead a third party in 1948 is dangerously, perhaps tragically ill-advised.
>
> We need a third party in the country because both of the major parties are affected with dry rot. If there were a ghost of a chance of the third party getting on the ballot of each of the 48 states, that would be a horse of a different color. . . .
>
> A third party would be magnificent if it had a ghost of a chance to succeed, but it has not.*

The answer to Mr. White is that the new party is necessary now even if it has "no chance to win."

With both major parties in the grip of the imperialists and warmakers, the American people, including, of course, the Negro masses, need a new political instrument with which to wage the fight for their most pressing immediate needs, for peace, democracy, and security.

Just as the Republican Party arose on the basis of the great issue of slavery, so the new party is being created out of the people's struggle against the imperialist program of Wall Street. Furthermore, the new people's party can elect fighting progressives to Congress, including a number of Negroes. The new party plans to run nine Negroes for Congress, 2 in New York, 2 in Chicago, and 1 each in Cleveland, St. Louis, Philadelphia, Los Angeles, and Macon, Ga. At this writing, six

* *Chicago Defender*, January 24, 1948.

Negro candidates have already been nominated, five for the House of Representatives and one for the Senate. Three of these are from Southern and border states. As to state assemblies, three Negroes have already been nominated in one state alone, California.

The "Declaration of Voters" adopted by the N.A.A.C.P. Conference of more than 20 national organizations on March 27, called for the following minimum legislative program:

"1) To establishe a Fair Employment Practices Committee with effective enforcement powers;

"2) To invoke federal sanctions against lynching, and,

"3) To abolish the poll tax as a requirement for voting in the federal elections. . . ."

When Walter White rejects Wallace and the new party on the grounds of "no chance to win," he fails to take the most obvious practical step to carry out the legislative program of his own organization.

Can anyone doubt that the candidates elected on such a ticket, and constituting a progressive bloc, would be active champions, not only of the above minimum three points, but the full program of the N.A.A.C.P.?

Can anyone doubt that the greater the support to Wallace and the new party, the larger the number of genuine progressives in the 81st Congress?

Can anyone doubt that if the membership of the N.A.A.C.P. were rallied in an enthusiastic campaign that it could add materially to that number?

Certainly, this cannot be denied by Mr. White, whose denunciations on more than one occasion of Republican-Democratic collaboration to kill the legislative program of the Negro people, is a matter of public record.

Moreover, an active campaign of the Negro people in support of Wallace would undoubtedly result in the election of a number of Negro and white progressives to city councils and other municipal offices. In addition, can it be denied that a big vote for Wallace, plus the election of a number of Wallace Congressmen, plus a strong new party movement with the corresponding building up of people's organizations and joint mass action around burning issues, would serve as an effective check on reaction even without the victory of Wallace in 1948? In a word, is it not true that the bigger and stronger the new party comes out in the elections, the greater chance the peace-loving democratic masses will have to halt the drive to war, the greater chance to check inflation, repeal the Taft-Hartley slave labor law, pass Federal anti-poll tax and anti-lynch bills and other measures urgently needed to protect the citizenship rights, lives, and welfare of the Negro masses?

Hence, it should be clear that on the most "practical" grounds the Negro people should do their utmost to get out the maximum vote for

Wallace and all third-party candidates and to build the new party.

The "no chance to win" argument also overlooks the deep-going and lasting character of the new people's party. The developing third party signifies the beginning of a far-reaching political realignment, of the historic breakaway from the classic two-party system of capitalist class rule in the U.S.

Ever since the Republican Party betrayed its allies, the Negro people, and joined hands in 1876 with the former slaveholders to enforce the present barbarous system of national oppression of the Negro people, the maintenance of Jim Crow and the "white supremacy" theory upon which it rests has been part and parcel of the policy and practice of the capitalist class and its two-party system.

Hence, the rise of the new party, as part of the world democratic upsurge, heralds the break-up of the national Jim-Crow two-party system, and places in the hands of the Negro people and their allies a powerful political weapon. It presents the most serious challenge to the Jim-Crow system since Reconstruction and opens up an entire new stage in the historic fight of the Negro people for full citizenship status.

In fact, the development, on the basis of mass struggle, of the new people's party from the third to the first party, as the political instrument of a broad coalition of all the democratic forces of the people, is bound to lead to a drastic curbing of the power of Wall Street and the monopolies. A people's anti-fascist, anti-imperialist government, emerging out of the victory of such a *first* party and such a coalition, would provide the political basis for the enforcement of the Bill of Rights, the 13th, 14th, and 15th Amendments to the Constitution, a Federal civil rights law, and the carrying out of the century-overdue agrarian reform of the semifeudal South. In short, it would lay the basis for the fulfillment of the uncompleted democratic tasks of the Civil War and Reconstruction.

Hence, the deep-going lasting character of the new party and the intimate concern of the Negro people in giving it maximum support, even though it may not win the Presidential office in 1948. Had not the Republican Party, in somewhat similar circumstances, entered the campaign in 1856, even though it had "no chance to win," it would not have come out victorious in 1860. Hence, the Negro people must reject decisively the advice of Walter White not to vote for Wallace because he has "no chance to win."

THE "LESSER EVIL" ARGUMENT

The *Chicago Defender,* leading Negro weekly, fearful of the inroads Wallace and the new party are making among the Negro masses, has consistently brought forward the "lesser evil" argument. The *Defender*

declared, for example, on March 27:

> The third party represents organized political protest. In some respects it represents a negative approach to our problems. This protest is aimed chiefly at President Harry Truman.
>
> The Wallace folk must also admit that the chief beneficiary of a large protest vote against Mr. Truman must inevitably be the most reactionary element in the Republican Party. All political observers agree that if Mr. Wallace carried a heavy vote, the old guard Republicans will win in a walk.

And, further, at a time when many of Truman's supporters were abandoning him and searching frantically for some "miracle" candidate, the *Defender* stated (April 17):

> The great imponderable in the coming presidential election is the Negro voters of the northern and border states. They followed F.D.R. into the Democratic ranks, and only Harry Truman can keep them there. His policies as a senator, as vice president and as president have won their confidence in the man who believes in real democracy and who is determined to make it work.

Of course, Roosevelt won the support of the Negro people, but on what basis? On a program of social and economic reform, through which labor and the people, including the Negro masses, made significant gains by mass action and organization. But what of Truman? Can it be said that he is following in Roosevelt's footsteps?

The plain fact for the 14,000,000 Negro people is this: Wall Street's plan of world conquest, which is being carried forward by Truman, will make Jim Crow here more bloated and arrogant. The Negro people will not be able to gain their freedom by supporting a Truman who carries the banner of the bipartisan foreign policy of keeping alive semi-fascist and reactionary governments and their native Rankins and Eastlands, as in Greece and China; of maintaining in power the colonial exploiters of the peoples of Africa; of seeking to prevent in Europe and throughout the world the realization of long overdue economic and social reforms, similar in many respects to those for which the Negro people have been struggling for decades; and of furthering a "cold war" that is carrying guns and poverty, "Anglo-Saxon supremacy" and Jim Crow, into every corner of the earth.

A convincing answer to the "lesser evil" argument is also given by the fact that President Truman has failed to take a single step to rally his fellow-Democrats in Congress for passage of measures affecting the Negro masses. He has betrayed a telling "helplessness" and silence in face of the mounting lynch terror against the Negro people. President Truman, for example, suppressed the directive of the F.E.P.C. to the Capital Transit Company in Washington ordering them to cease their policy of not hiring Negroes for positions of skill, and thus virtually gave the

death blow to the expiring agency.

This is how Mr. Truman "fights" for Negro rights, for "real democracy"! This is how President Truman will "fight" for his hypocritical civil rights program, which would never have been projected if not for the militant upsurge of the Negro masses and the bold stand of Wallace and the new party; and, hence, Truman's need to maneuver to win the Negro vote in the Northern and border states.

What is more, the Negro people are feeling the brunt of the Truman domestic policy dictated by Wall Street, the fierce onslaught against the people's living standards and civil liberties, which is the counterpart of the reactionary foreign policy.

First, the Negro masses, robbed of their wartime gains, and in lower paid jobs with a greater percentage of layoffs, have already been hit harder than any other section of the population by the inflationary spiral which will soar still higher with the further unfolding of the swollen war economy necessitated by Wall Street's program of conquest. The outbreak of a cyclical crisis, which is being accelerated by the Truman foreign and domestic policies, will have a particularly devastating effect on the Negro masses.

Secondly, the Negro workers in industry are the most sharply affected by the drive to weaken and destroy the trade unions through the Taft-Hartley slave labor law.

Thirdly, of the largest peace-time budget in the nation's history, almost one-half is devoted to war preparations. Consequently, there is a drastic curtailment of appropriations for housing and health, etc., that is, for measures most urgently needed by the Negro people. At the same time, the growing domination of the military over all spheres of civilian life, and the proposed revival of the draft, are extending Jim Crow and segregation and giving them powerful support throughout the nation.

Fourthly, President Truman's anti-Soviet foreign policy, his Red-baiting, his witch-hunting loyalty order, his deportation drive against foreign-born anti-fascists, and the anti-Communist hysteria growing out of these measures, are encouraging a wave of mob violence which is particularly threatening to the Negro masses. Historical experience demonstrates the indivisibility of anti-Communism, anti-Semitism, anti-Catholicism, and racism. The Southern lynchers and the Northern police sadists will be emboldened in their barbarous attacks upon the Negro people when terrorist gangs can with impunity attack Wallace meetings, jail and persecute Communists, break up their meetings and loot their homes; when they can tar and feather trade union leaders and destroy and pillage Jewish synagogues.

This is how President Truman is making "real democracy" work!

There is not one whit of real difference between the two old parties. There is one single bipartisan Wall

Street program carried on by both major parties, and unquestionably, the Negro people will be the greatest sufferers from this bipartisan policy of war, hunger, and reaction.

Truman and the Democrats are therefore no "lesser evil" for the Negro people.

THE TASK IN 1948

A million Negroes will vote in the South in November. In eight Northern states the Negro people hold the balance of power. They can likewise become a decisive force in nine other states in the North, in the West, among the border states, making a total of 17 states with 295 electoral votes. Thus, the vital importance of bringing the full weight of the liberation movement of the 14,000,000 Negro people to bear in the elections, in the fight for peace, progress, and the well-being of the entire nation.

However, an enormous amount of work must be done if the Negro masses are to be won in decisive numbers to the Wallace movement and the new party, if the existing sentiment is to be further built up and converted into active support, and if the developing Wallace program for Negro rights is to be concretized in each locality and carried into action. This can be done only if every Wallace-for-President Committee or club in the shops, neighborhoods, and organizations works out a specific program of action around the special demands of the Negro people and wages a struggle for them. It is in helping to develop such concrete programs and methods of struggle that the advanced workers can help to mobilize the white masses in struggle for Negro rights.

Only in this way can the Negro people be swept into motion in decisive support of Wallace and the new party, building up a powerful united Negro people as a sector of the anti-imperialist peace front. Only in this way can the alliance between the Negro masses and labor and the progressive forces be further built and strengthened.

A firm grasp of the significance of the new developments within the Negro liberation movement, and the tasks outlined immediately above, will among other things, help make possible the necessary "sharp turn in our struggle for Negro rights," called for by the Draft Resolution. Our Party has, to a great degree succeeded in overcoming the paralyzing effects of Browderism on our struggle for the rights of the Negro people. Nevertheless, despite the substantial and vital contributions we have made in this connection with this struggle since the Emergency Convention, we have not yet learned how to carry the fight for the special demands of the Negro people to the broad masses and mobilize them in sustained and effective activity. Hence, it is particularly necessary, if the full force of the Negro people is to be felt in 1948, that our Party grasp the urgency of practical work in furthering the organization down below of mass struggle for the special demands of the Negro people.

SOME CONSIDERATIONS OF THE CHINA ISSUE

By FREDERICK V. FIELD

In order to consider certain aspects of the Draft Resolution for the forthcoming National Convention of the C.P.U.S.A. it is necessary once again to evaluate American imperialism in the Far East and particularly the significance of the great victories now being won by the Chinese Liberation Armies. It is necessary to examine, critically, the failure of American progressives, including the labor movement, to grasp the deep significance of Far Eastern events and to develop concrete struggles around these events. It is also necessary to note that the leadership given by the Communist Party on this issue has had shortcomings.

The Draft Resolution states that in the present situation, when American imperialism seeks to dominate the world, "the American labor movement has a special and solemn duty toward the international labor movement and the anti-imperialist forces everywhere. The more rapacious and peace-destroying Wall Street's policy becomes, the more affirmative and consistent must be the anti-imperialism and proletarian internationalism of American labor." The Draft Resolution then adds this important comment: "Let us face the facts: the American labor movement in its major sections has to date not accepted this responsibility." These words are especially pertinent to the Far Eastern situation.

SIGNIFICANCE OF CHINA'S LIBERATION

There is emerging in China the largest and most important of the new type democracies. Liberated China already embraces a population of over 170 million people in an area comprising nearly all of the Manchurian provinces, most of North China, with thick fingers of land penetrating deep into Central China. Unlike the situation at V-J Day when the Liberated Areas formed islands more or less isolated from each other, Liberated China is today with few exceptions geographically contiguous. Significant parts of the New China have already been under progressive leadership for several years. Two large administrative groupings are now developing under coalition governments, one for North China and one for Manchuria.

As in the new type of democracies of Eastern Europe, the New China is developing under the leadership of the Communist Party. The New China, also, as in the case of the democracies of Eastern Europe, comprises a broad coalition, made up of the workers, farmers, intellectuals, small and middle class merchants, and professionals which is rapidly consolidating and extending the struggle for peace and security

against the warmaking forces of feudalism and imperialism.

Referring to the victories of the Chinese Liberation Armies and particularly to their seizure of the initiative from the American backed Kuomintang, Mao Tse-tung recently said:

> This is a great event. This event is great because it occurs in a country of 450 million people. Once it has taken place it will of necessity move toward nationwide victory. This event, furthermore, is great because it occurs in the eastern part of the world where there is a population totaling more than one billion (half of mankind), suffering from the oppression of imperialism. The turn of the Chinese people's war of liberation from the defensive to the offensive cannot but bring jubilation and encouragement to these oppressed nations. At the same time, it is also a form of aid to the oppressed peoples now struggling in various countries of Europe and the Americas.*

The significance of this great event, and particularly its significance to their own struggles, has not been properly grasped by American progressives. Not even the work of the American Communist vanguard has correctly reflected the change in world relationships taking place in Eastern Asia nor the enormous contribution which this change is making to our own struggle for peace. A correct theoretical evaluation of postwar events in the Far East has not been translated into concrete struggles which would give direct aid to the heroic work of the democratic peoples of the Far East and also strengthen and enrich our own fight on the domestic front and against the Truman-Marshall bipartisan foreign policies.

WALL STREET INTERVENTION

The weaknesses and contradictions of American postwar imperialism are revealed in its blundering Far Eastern policies. Since the end of the war there has been no place in the world where Wall Street has intervened on so vast a scale or in such a variety of ways as in China. The cost to the American taxpayer of this policy has piled up to more than $5 billion in two and three-quarter years. There has been direct military intervention on the part of the U.S. Army, Navy, Marines and Air Corps. A vast military program to train and equip Chiang Kai-shek's armies and to give them strategical as well as tactical leadership has gone forward under the ironical name of MAGIC (U.S. Military Assistance Group in China). A similar program has been undertaken for the Chinese navy, based upon an American built and operated naval base at Tsingtao and involving, among other things, the gift to Chiang of several hundred U.S. naval vessels.

Chiang's armies have been transported to the civil war front by American planes and naval vessels. American troops have guarded Chi-

* From a report to the Central Committee of the Chinese Communist Party, December 25, 1947.

ang's lines of communication. Enormous American munition dumps have been turned over to Chiang's forces. Under an illegally extended lend-lease arrangement hundreds of millions of dollars' worth of military equipment has been and is being transferred to Chiang from Okinawa, Tainan, the Philippines and other Pacific Islands. Under American subsidy and leadership and through the agency of Chinese compradore puppets, such as T. V. Soong, Wall Street is trying to convert South China into a productive arsenal for the feudalists. American agents have stormed, threatened, bribed and blackmailed Chiang Kai-shek to bring some semblance of reform to his rotten government. A certain appearance of reform was needed to make the program more palatable to the American taxpayer. The Kuomintang government, moreover, has been such an inefficient and corrupt stooge that it has not been able to serve its American imperialist master.

Yet, despite this vast imperialist outlay and the variety and intensity of the Wall Street effort, the Chinese People's Liberation armies have steadily moved forward and the coalition against the Chiang Kai-shek government has steadily broadened in social composition and grown in influence. In China, where American imperialism has made its greatest effort since the war, it is meeting its most disastrous defeats.

The failure of American imperialism to achieve its purposes in China creates great problems for it. There doubtless were influential groups within the imperialist circles who hoped to make short work of the Chinese situation by forcibly extending the sway of reaction throughout Eastern Asia soon after V-J Day, so that the main force of American power could then be directed to quashing democracy throughout Europe. There were other imperialist circles who felt that as a minimum a holding operation against democracy could be effected in the Far East, postponing a more aggressive consolidation of imperialist influence there until after the growth of democracy was truncated in Europe. Certainly, no section of American reaction has at any moment written off the Far East from its plans. While there have been conflicts among the reactionaries as to which of the major fronts, Europe or the Far East, should first be conquered and which simply held for future aggression, there has been no division over the belief that eventual domination of both fronts was essential to the imperialist program.

In this connection, the significance of postwar events in the Far East, especially in China, has been that American imperialism has neither been able to establish its position nor even to effect a successful holding operation. As Mao Tse-tung pointed out a few months ago:

The Chinese People's Liberation Army . . . has reversed the counter-

revolutionary wheels of American imperialism and of Chiang Kai-shek's gang of brigands onto the road to ruin. They have pushed forward their own revolutionary wheels along the road to victory. This is a turning point in history. It is the turning point from growth to extermination in 20 years of the counter-revolutionary rule of Chiang Kai-shek. It is the turning point from growth to extermination in more than 100 years of the rule of imperialism in China.*

THE CHINA ISSUE AND THE ELECTIONS

If American labor and progressives generally have failed, in the interests of peace and the independence and friendship of nations, to take advantage of the difficulties confronting American imperialism in the Far East, the same cannot be said of certain sectors of the imperialist camp, who have seized upon the failure of the China program for their own tactical advantage. Ever since last fall, with the publication of the Bullitt "Report" in *Life,* the extreme Right Wing of American reaction, which is to be found mostly in the Republican Party, has kept up an unceasing campaign of propaganda directed against the Truman Administration and on behalf of a much more vigorous pursuit of imperialist interests in the Far East.

Their attack upon the Administration is an ill concealed piece of demagogy; for the Truman government has been carrying out throughout the world, in the Far East as well as in Europe, a foreign policy determined by Wall Street and its spokesmen in both the Democratic and Republican parties. Yet this crowd has felt that in an election year they could shift the blame for the failure in China, in which they fully share, to other shoulders. They seek to exploit the fact that the Far East is the most vulnerable sector in Wall Street's bipartisan foreign policy. Their propaganda, however, also reflects the feeling of certain imperialists that less attention should be paid to the old countries of Europe and more to the domination of the undeveloped and heavily populated regions of Asia. We may anticipate in the coming months a sharp conflict among the imperialists on this issue. We must look forward to the question of China being made a major one in the Presidential campaign.

Whether the evidence comes from the reactions of imperialists or from actual events, it is clear that imperialism is not having its way in the Far East. It has proved incapable of successfully fighting simultaneously on many fronts. Yet the rapid strides being made by democratic forces, especially in Europe and China, force the imperialists to try to do just this. The initiative being now firmly in the hands of the People's Liberation Armies in China, the imperialists have no choice but virtually to abandon this vital sector or intervene with vastly more power than

* *Ibid.*

they have so far been able to muster. Under present-day circumstances they cannot greatly increase their Far Eastern efforts without slackening their drive elsewhere; and the latter course would lead not only to defeat for them in Europe but to worse conflicts in their own camp.

AMERICAN LABOR HAS BEEN SLOW TO REACT

This is the situation which the American labor movement and its allies have been slow to grasp and of which they have been slow to take advantage. The Draft Resolution for the forthcoming National Convention of the C.P.U.S.A. correctly poses the problem by calling attention to the "unprecedented scope" of "the struggle for national liberation" in all colonial and dependent countries, and by pointing to "the basic fact of the world situation" as being "the growth of the camp of peace and democracy and the weakening of the camp of imperialism and reaction." This is a point which must be further analyzed and must be developed in terms of tactical struggle in the course of the discussion of the Draft Resolution.

The task of anti-imperialists would be furthered if during the discussion period and in the National Convention a number of questions relating to the Far Eastern issue were clarified. A few of these questions may be mentioned. There is, first of all, the principal question with which this article has been concerned, namely, the significance of the victories being won by the Chinese democratic movement to our own struggle within the main citadel of world imperialism. The bearing of the Chinese issue upon the strength or weakness, upon the problems and contradictions, and upon the pace and direction of American imperialism requires intensive and continuous study and clarification.

While the Chinese and American scenes are in many ways in sharp contrast, we have, nevertheless, much to learn from the experiences of the Chinese Communist Party. Through the translated writings of the leaders of the Chinese Communist Party and particularly of Mao Tse-tung these experiences are increasingly becoming available to us. Many of them are immediately pertinent to our own problems; all of them serve to deepen our understanding of Marxism-Leninism. Much of this material should be brought forward during the discussion of the Draft Resolution.

We have much to learn from a skillful dissection of the class enemy. There are contradictions, conflicts, confusion and problems among the leading American capitalist circles. Some of these, as they relate to the China issue, have been referred to in this article. The subject deserves far more study than it has received, if we are to work out a resourceful and correct tactical approach.

China is the most important, but not the only issue of American Far

Eastern policy. The U.S. is trying to remold Japan into the form of fascist reaction. Like western Germany for Europe, it is being rebuilt to play the role of arsenal to a reactionary, Wall Street-dominated Far East. American imperialist ambitions toward Japan are linked with those toward China and are governed by related conflicts and contradictions. And the chain extends across Southern Korea, the Philippines, Indonesia, the Malay peninsula to India, where U.S. finance-capital is seeking to restore the old colonial exploitation. The relation of these issues to one another and their relative importance in the struggle against reaction must be clarified.

Finally, among these preliminary suggestions for discussion there should be mentioned the relation of the China question and the other Far Eastern issues to the day-to-day struggle in this country on concrete issues, the relation of this whole sector of American foreign policy to the election campaign and particularly to the New Party movement, the close linking of these policies which are based upon the maintenance of cheap Far Eastern labor to the specific struggles of American labor. In short, the contribution which an understanding of these trans-Pacific events and developments can make to our whole anti-imperialist struggle for peace and democracy.

Our Chinese comrades are destroying American imperialism in the Far East. Let us, American anti-imperialists, at least accept and make use of the historic contribution which they are making toward our own welfare.

IDEOLOGICAL WORK IN THE C. P. OF HUNGARY*

By MATIAS RAKOSI

In its policy the Communist Party is guided by the theory elaborated by Marx, and further developed and applied in the epoch of imperialism, proletarian revolutions, and the building of Socialism by Lenin and Stalin. This theory, states Comrade Stalin, demands that the Party should be able to find at the given moment the particular link in the chain of processes which, once grasped, makes it possible to hold the entire chain and prepare the conditions for achieving strategic success. The point is, he says, to be able to judge which of the tasks facing the Party is the task of the day, the solution of which is the central issue and ensures the successful carrying out of all the other tasks.

In the light of the above a review of the work of the Communist Party of Hungary since the liberation shows that in each given period we were able to find the corresponding link in the chain. The main thing in the period immediately after the liberation was to secure the consolidation of the democratic forces. The next link in building up Hungarian democracy was the land reform, which was followed by economic rehabilitation. The elections held in 1945 showed that reaction constituted a serious threat to the foundations of our democracy not only politically but also economically by devaluating our currency. In the circumstances our Party deemed it essential to put an end to inflation and stabilize the currency, considering this an important link which, to quote Lenin, "must be grasped in every possible way in order to retain the whole chain and thoroughly prepare the going over to the next link." The success of stabilization strengthened the economic foundation of our democracy, and helped to defeat reaction which had become entrenched in the Smallholders Party. Then followed the nationalization measures and the Three Year Plan. The economic and political successes in the development of Hungarian democracy furnished the conditions for the fusion of the two workers' parties and for consolidating the national democratic front. This is the task facing us today.

The next link in the chain is unquestionably that of raising the ideological and theoretical level of our Party. Lenin's teaching that only a party guided by an advanced theory can carry out the role of vanguard fighter is as true today as it was then. During the past three years the Party has been so taken up with day-to-day work that it has paid but scant attention to theoretical training. We have not, as yet, placed on the order of the day the development of Marxist theory on the basis of Lenin-Stalin

* Reprinted from *For a Lasting Peace, for a People's Democracy*, Organ of the Information Bureau of the Communist and Workers Parties, Belgrade, No. 11, April 15, 1948.

methods, have not made a thorough study of the essential problems linked with the growth of Hungarian democracy. Lenin said that Communists must constantly enrich Marxist theory in all spheres if they do not want to be behind the times.

It must be acknowledged that we did not pay the necessary attention to deepening and elaborating Marxist theory. We are threatened by the danger, about which Stalin said:

If for some reason or other Party propaganda begins to limp, if the Marxist-Leninist education of Party cadres begins to suffer, if the work of raising the political and theoretical level of these cadres grows weaker, and the cadres, as a result of this, cease to be interested in the perspective of the Party's forward movement, cease to understand the justice of the Party's cause and become people without perspective . . . it means that all State and Party work will begin to suffer. It must be regarded as an axiom that the higher the political level and Marxist-Leninist consciousness of workers in any branch of State and Party work, the better and more fruitful the work itself, the more effective the results of the work, whereas the lower the political level and Marxist-Leninist consciousness of the workers, the greater the chances of interruptions and failure in the work. . . .

To avoid disruption and failure in our work we have placed on the order of the day the task of raising the theoretical level of our Party. We are devoting much more attention to political education than all the other parties taken together. Over 120,000 members have graduated from various Party schools or courses. But this is absolutely inadequate, especially if it is borne in mind that the overwhelming majority of the students attended only three-week courses or courses of even shorter duration. The figure 120,000 shows that five-sixths of our members have not had any systematic theoretical training whatsoever. An idea of the magnitude of the task facing the Party in the sphere of education can be had from the fact that over 90 per cent of the members joined the Party after the liberation.

Then there are other circumstances which threaten to lower the Marxist-Leninist ideological level of our Party. The exposure of the right Social-Democrats made our Social-Democratic comrades realize that the existence of rival working-class parties was altogether unnecessary, and that this inter-party rivalry was most detrimental not only to the interests of the working people but to Hungarian democracy as a whole. A spontaneous movement for the formation of a united workers' party gained ground among the working class. Thousands of Social-Democratic comrades expressed their desire to join our Party. For the time being we have stopped recruiting new members but thousands of people impatiently wait for the day when entry into the Party will be renewed.

The question of the fusion of the two parties was decided at the recent congress of the Social-Democratic Party. However, as stressed by the leading Social-Democratic comrades, the ideological basis for fusion must

be Marxism-Leninism, so that in a few months' time thousands of former Social-Democratic members of the united party will be fully justified in demanding that we acquaint them with the teaching of Marxism, further elaborated by Lenin and Stalin. But this is only one aspect of the tasks facing us. Apart from the Social-Democratic comrades our Party is being joined by the people from the peasant population and by the intelligentsia. For instance, in the province of Zemplen alone 5,000 small peasants, teachers and doctors joined our ranks in the month that preceded the closing of recruitment. These peasant people have come to us not because they are acquainted with Marxist-Leninist theory but because of their convictions, which have taken shape in the course of three years observation and experience, that our Party is the most consistent and honest party, is the party that most successfully represents and defends the interests of the working people in Hungary. These peasants and representatives of the intelligentsia will bring with them not only their sentiments of sympathy for our Party but also various prejudices and mistaken conceptions. Unless we take timely measures to provide thousands of new people who will be joining our ranks during the coming weeks and months with the minimum theoretical and ideological education then the theoretical level of our Party, none too high at the moment, may be lowered still more.

Should this be so our Party will be unable to cope with the problems which the people of Hungary expect to solve. And precisely because we, as the leading party of democracy, must extend, and not restrict our work, we must place on the order of the day the problem of raising the theoretical level of the Party.

The Political Bureau of the Party, in discussing this matter, reached the conclusion that we have a number of shortcomings in the sphere of theoretical work. The Political Bureau, for its part, has also failed up to now to give a Marxist-Leninist interpretation of the main problems relating to the development of Hungarian democracy and the new democracy. As a result, incorrect views prevailed in our Party and even in the Political Bureau itself regarding the essence of the people's democracy, views which doubted the thesis that the people's democracy is an important stage in building socialism. Some doubted that nationalization and state control had resulted in qualitative changes in the economic structure of our country. The Political Bureau stated that further neglect of theoretical work threatened our Party with danger. A party that fails to elaborate theoretical problems can commit serious political mistakes. The Political Bureau therefore decided to set up a permanent committee that will make a Marxist-Leninist study of the problems of our democracy, will control theoretical work and expose all inimical "theories." This Committee includes the leading theoreticians of our Party.

As we know, ever since the end of the war the Communist Party of the Soviet Union (Bolshevik) has devoted serious attention to theoretical and ideological work, resolutely eliminating the shortcomings in this sphere. On a number of occasions the Central Committee subjected to detailed criticism shortcomings in Soviet literature, philosophy, theatre, cinema and music, and outlined the paths for cultural development in socialist society. Similar work has been initiated in some of the new democracies. The time has come for us, Hungarian Communists, also to set about raising our theoretical level.

We must draw the daily press into this work. In the Soviet Union the newspapers widely feature Central Committee and Government decisions on ideological questions. We must see to it that the Sunday edition of the newspaper *Sabad Nep* makes a point of dealing with urgent ideological problems. Experience shows that there is considerable interest in theoretical matters and it is imperative for the future development of our Party that we satisfy this demand as best as we can.

Our theoretical magazine *Tarshadalmi Semlje* should, in future, give place to theoretical articles. It should criticize in the first place works claiming to be Marxist but which frequently contain serious theoretical errors.

In order to cope with the new tasks in the sphere of Party education we are reorganizing and extending our Party schools, reviewing the curriculum and the materials used in studies. Much of the material we have been using is obsolete and no longer corresponds to the developments in Hungarian democracy; often it was prepared in haste and, moreover, contains serious errors. It is necessary also to elaborate new methods of self-study since the old methods are unsatisfactory.

In view of this we shall have to reorganize the publication of theoretical literature. The job of raising the theoretical level of our members is hampered by the fact that certain Marxist works are either not available in translation or are out of print. Party members who know only Hungarian have no idea at all of the bulk of the works by Lenin and Stalin.

The principal task of our Party now is to master Marxist-Leninist theory and to raise our theoretical level. The successes and prestige won by our Party are due, in the first place, to the fact that the Party was guided and inspired by Marxist-Leninist theory. If we fail to raise the theoretical level of the Party, we shall freeze its development, and this will lead to major errors. We are interested that our Party in the future, too, shall march in the vanguard of the people, that it will in ever greater measure serve the cause of securing the prosperity and development of our country. That is why we must study and develop Marxist-Leninist theory—the faithful compass of our Party. Today this theory represents the main Lenin link which we must seize with all our strength.

MARXISM AND IDEALISM: A REPLY AND A REJOINDER

[*In our issue of May, 1947, we published a critical review by Betty Gannett of the pamphlet,* Marxism and Modern Idealism, *by John Lewis, editor of the* Modern Quarterly (*London*). *That review elicited from Dr. Lewis a reply to be published in* Political Affairs. *The delay in the publication of this reply was occasioned by our belated receipt of Betty Gannett's rejoinder which we deemed necessary to publish jointly with Dr. Lewis' article, in the interest of fuller clarification of the issues involved.—Ed.*]

MARXISM & IDEALISM: A REPLY

By JOHN LEWIS

BETTY GANNETT'S CRITICISM of my little booklet on *Marxism and Modern Idealism* falls into the kind of error which we were hoping was quite dead. There has been a welcome change from the old days when both in philosophy and economics we quoted slabs of Marx and Engels at one another like Bible Christians arguing about the prophesies of the Book of Daniel. Today, especially in the Soviet Union, but also in Great Britain, France and the United States, a Marxist feels competent to think and argue in terms of the trends of 1947 rather than in those of 1847. This means two things, firstly, that Marxism itself has been immensely strengthener, developed and enriched by the progress not only of scientific thought but also of philosophy, secondly, that there have been great divergences in philosophy itself, one tendency becoming irrationalist and subjectivist to the last degree, the other reaching a new form of materialism which is generally known as 'naturalism.' This form has definite affiliations with dialectical materialism.

Now just as Marx, Lenin and Engels always insisted on a thorough study of the whole philosophical tradition and emphatically repudiated the philistinism which would discard Descartes, Spinoza, Kant, Locke, Hume and Hegel as mere 'bourgeois idealists,' so we must acquaint ourselves as fully as the founders of Marxism with the philosophies from which they gained so much, especially Hegel. And we must both politically and ideologically get rid of the notion that regards all non-Marxists as "one reactionary mass" and recognise that the proletariat has allies in the ranks of

the bourgeoisie and also among technicians, administrators, scientists and *scientific philosophers.*

All this is far more clearly recognized in the Soviet Union than it is in the West. Not only are all the classics of philosophy widely read and studied, but Hegel on whom Betty Gannett pours unutterable scorn circulates in editions of 200,000, the largest circulation anywhere in the world; and Alexandrov's recent *History of Western Philosophy* does full justice to the positive contributions of the classical philosophers, especially Hegel, to Marxist thought.

Betty Gannett leaves the impression that she has never read anything written on Dialectical Materialism during the last forty years* and that a great deal of the work of Marx, Engels and Lenin is quite unknown to her. There is no evidence of familiarity with the *German Ideology* or *Philosophy and Political Economy* or Lenin's *Philosophical Note Books* which are devoted to an intensive and appreciative study of Hegel. I find no trace of any study of Plekhanov or Riazanov, or Shirokov's *Text Book of Marxist Philosophy* or indeed any of the large number of current philosophical works now published in the Soviet Union. If Betty Gannett were to visit Moscow she would find herself just forty years behind the times and I have no doubt that she would disapprove of all the Marxist philosophy now being written in Soviet Russia.

In short she represents a completely static, undeveloping and isolated form of Text Book Marxism. This is the sectarianism in ideology which corresponds with and usually indicates sectarianism and sterility in politics.

Now let me get down to particulars. Out of a mass of misunderstanding, mistakes and distortions I want to take the most important, selecting points of quite crucial importance. They will be her underestimation of Hegel, her view as to the finality and exactness of our knowledge of material objects, the conception of things as constituted by their relations and her repudiation of relativity.

1. *Hegel*

Is Marxism revolutionized Hegelianism or is it a flat denial of a theory which in Betty Gannett's words "has to be destroyed." Now Marx and Engels did not *destroy* Hegelianism; in their own words they "stood it on its head, or rather, finding it wrong side up, (they) turned it right side up." Let us see the positive contributions which Hegel made to philosophy and which Marxism does not destroy but adapts.

a) Hegel was the first philosopher to break down the traditional philosophical view of a completed and fixed universe.

b) He made time and actual history a central concept in philosophy.

c) He showed that everything is in

* Stalin's *Dialectical and Historical Materialism* is of course a very early work.

motion and that new things arise as the world evolves, new entities, new properties, new laws.

d) He pictures the form of the new society arising within the womb of the old until it bursts forth from it just as a chicken bursts from its shell.

e) Marx followed Hegel when he showed that capitalism contains the germs of socialism as a contradiction within it.

f) For Hegel a thing is not the sum of its parts, higher forms of organization acquire new modes of behaviour.

g) So everything is in constant movement as a result of its own inherent nature and its interactions with other things in the Universe.

h) Hegel saw the process of development taking place in conformity to three laws, which Marx adopted

1. The unity of opposites
2. The negation of negation
3. The transformation of quantity into quality.

The whole thing is admirably set forth in Riazanov's *Karl Marx and Friedrich Engels* or more recently in Howard Selsam's *What is Philosophy* (International Publishers) and Alexandrov's *History of Western Philosophy* (*Moscow*).

Now all this is only the baldest summary of what every instructed Marxist recognises as the *permanent* contribution of Hegel to Marxism. Poor Marx takes over *the whole of this*. To talk of *destroying* Hegelianism is sheer nonsense. On the contrary "It is standing on its head and must be turned right side up." (Marx). In other words, in the phrase I used to which Betty Gannett so strongly objects, it must be "revolutionised." What does this mean? Hegel's mistake was to derive the changing material universe and historical development from changing and developing 'idea.' Everything that Hegel saw as a prior *logical* unfolding, Marx saw as the unfolding of the historical world. All Hegel's laws are true, but they are true of the *actual* world. Being precedes the consciousness of being. Of course Marxism is 'the opposite' of Hegelianism but that is to define it in terms of Hegelianism not to sweep everything that Hegel taught us contemptuously away. Opposites are dialectically related. They are not the flat negation of one another. Socialism is the opposite of capitalism, but when you negate something, as Hegel shows, the old is *not destroyed* but taken up into the new and transformed. We accept and uplift what we negate, so we include within Socialism, but in a higher, altered form, many of the essential elements of capitalism, for instance, manufacture by machines, socialised production, etc. Engels was emphatic in pointing out that negation is not destruction. You negate a seed if you crush it to powder, said Engels, but that is not Hegelian or Marxist negation. We negate it by planting it, when it disintegrates and gives birth to a new plant which bears many

similar seeds. It is clear that Betty Gannett does not understand the meaning of such fundamental Marxist terms as 'opposite,' 'contradictions' and 'negation.' To sum up these brief notes on the relation of Hegel to Marx. We do not destroy the theories of Hegel, "we discern the rational kernel within the mystical shell," as Marx said.

2. *The Nature and Property of Things.*

Modern science has made it abundantly clear that we must abandon the naive realism (for which apparently Betty Gannett stands) which imagines that each material entity is a substantial essence possessing the sensed properties of say yellowness, hardness, squareness and so on which we perceive, and no other properties inconsistent with these. On the contrary all such knowledge is strictly relative. It is true 'as far as it goes' *i.e. under the particular conditions of the observation.* That is what I mean when I say that we can only say that a thing is thus 'as far as I know.' I mean this quite literally. I mean that *this is as far as our knowledge takes us at present.* It may take us farther tomorrow, in which case I shall have to qualify my present knowledge considerably. But however much we extend, correct, qualify and refine our knowledge, each stage is a correct description of some part of the external world *under certain limiting conditions.* Is lead harder than iron? No, not if the lead is moving slowly in relation to the iron; but a rapidly revolving disc of lead *is* harder than iron and will cut it. What is the colour of a thing? It depends very often upon the *temperature* at which you observe it. Things change in colour as you heat them. Is H_2O hard or soft? It depends whether it is below freezing point. This is why Lenin again and again insisted on the endless *approximation* of knowledge to its object; the only absolute is *that* the object is external to us and material, *what* it is we know only in part and imperfectly. This does *not* deny the externality and materiality of the object or the authenticity of either the properties or the laws, but always relates them to the special conditions under which the knowing takes place. As modern scientists have pointed out every kind of observation is itself *selective,* it excludes the possibility of finding out some things by registering others. When light falls on a moving electron it alters the velocity of the electron, so you cannot find its position *and* its velocity at the same time. If you locate its position you lose its velocity, if you measure its velocity you have no notion where it is. Strange but true.

3. *The Relational Network*

In what sense is a thing 'constituted by its relations'? Stalin said:* "The dialectical method therefore

* Stalin: *Dialectical and Historical Materialism.*

holds that no phenomenon in nature can be understood if taken by itself, isolated from surrounding phenomena, inasmuch as any phenomenon in any realm of nature may become meaningless to us if it is not considered in connection with the surrounding conditions, but divorced from them; and that, vice versa, any phenomenon can be understood and explained if considered in its inseparable connection with surrounding phenomena, as one conditioned by surrounding phenomena."

It is clear that if you sever a thing from all its relations it ceases to exist as that thing. It becomes something else. Man today is the kind of man he is in character, habits and disposition because of his environment, his upbringing, his status in society (wage slave or owner), his membership of a trade union, his close linkage in social production with his fellow workers, his American citizenship, his Roman Catholicism, etc. If you strip a man of all his conditions and relations, it is like peeling an onion, there is, at the end, nothing left.

Nor is it to deny objectivity, when we assert that "properties exist only in determined relations, all properties are relative."* Shirokov in his standard *Textbook on Dialectics* as used in all Soviet Colleges, devotes three chapters to the complete relativity of all properties of objects. I have earlier given examples but here is another one. Fish may be said to have the fixed characteristic of possessing two eyes. This we now know to be not a fixed characteristic, for if a few pinches of a simple salt (magnesium chloride) are added to the water in which a fish (*Fundulus*) is developing, that fish will have not two eyes, but one. Countless similar examples can be given to show that by themselves the factors responsible for the characteristics of animals are not able by themselves to produce a normal type. The animal is constituted not only by its genes but by its environment, by its relations. But I notice that Betty Gannett is totally uninterested in scientific facts and the *concrete* meaning of dialectics. She confines her arguments to abstractions and to endless quotations from the classics, like a Plymouth Brother arguing from the Bible about who are elected to eternal Salvation. Nowhere do I say, as I am said to, that "the *existence* of the object ceases to have its independence" (my italics) as if its very existence is constituted by mind. What I do say is that *in knowledge,* the manner of our knowing, the level of our experimental technique, the historical stage of our science, *condition* our knowing, so that *what* we know depends on us *as well as the object.* The very words 'as well as the object' are sufficient to make it perfectly clear that I am not reducing the *object* to a construct or fiction of the mind. My whole pamphlet indeed energetically refutes that

* Shirokov: *Textbook of Marxist Philosophy.*

whole notion and for Betty Gannett to attribute any such idea to me is indefensible.

That fact that *what* an object is cannot be specified if you sever it from all its connections does not in the least mean that the object does not *exist* apart from our knowing it. Again and again I insist on the existence of the material objective world apart from our consciousness. Betty Gannett's misrepresentation of my position here may not be deliberate but it is inexcusable. She apparently confuses the fact that all the qualities of a thing are knowable, *i.e.,* capable of being known, with their *actually* being known. Stalin and Lenin are not saying that we can *now* actually describe a thing *completely;* on the contrary our progress into the 'still not known' is an infinite one and perfect knowledge of a thing under all conditions will never be reached; but there is nothing in the nature of things or in the nature of mind to make it impossible for man to know; each new aspect is knowable. Nowhere do I, as Betty Gannett says I do, question the authenticity of what we already know, it enters as Shirokov says "into the iron inventory of permanent scientific knowledge"; but everywhere, with Lenin, I insist on "the relativity of all our knowledge,"* but I do not thereby exclude the admission of absolute truth. Can knowledge then be relative and absolute at the same time? Of course it can, as Marxist philosophers have argued for years. It is absolute in the sense that each item of knowledge is really and absolutely true *under such and such conditions;* it is absolutely true that the object really exists in the material world; the sum total of knowable truth is (as it were) *there* waiting for us to find it out; nothing of the total truth is unknowable, so that our increasing knowledge is an endless approximation to the fullness of the facts. It is perfectly plain that Betty Gannett has simply never come across this perfectly ordinary Marxist formulation and meeting it for the first time she is bewildered and shocked and rejects it out of hand. But as Shirokov says: "The refusal to admit the unity of absolute and relative truth leads inevitably to the admission of one of these to the exclusion of the other, leads either to the changing of theory into dogma, or to a direct denial that theory is a reflection of actuality and therefore capable of furnishing a scientific basis for the revolutionary changing of actuality."*

Betty Gannett is also wholly in error when she insists that all those who stress the "variability and infinite potentiality of things" (as of course Engels does when he says that we should consider things as *processes*) necessarily conclude that scientific knowledge of the laws of nature is impossible. Practically all scientists, and I suppose most philo-

* Lenin: *Materialism and Empirio-Criticism,* p. 108.

* *Textbook of Marxist Philosophy,* p. 129.

sophers agree with them, hold *both* the variability or relativity of qualities, *and* the objectivity and reality of such things (*e.g.,* molecules) and laws. The number of sceptical philosophers is rather small, though they make a noise out of all proportion to their numbers. Most scientists are not sceptics or idealists at all.

4. *Pragmatism and the Relativity of Knowledge.*

Pragmatism is, philosophically, a back number. It has nothing to do with knowledge being relative to the conditions of knowing; it does not say 'as far as I know.' It says 'I cannot know at all, and so I must be content with a substitute for knowledge, faith.'

Pragmatism must not be confused with the imperfection of our knowledge and the fact that new scientific discoveries reveal unexpected deficiencies, errors and partialities in laws hitherto thought to be complete (*e.g.,* Einstein's theory compared with Newton's; the breakdown of Boyle's Law as described by Engels in *Anti-Dühring,* p. 105, etc.) "Anyone," says Engels, "who sets out on this field to hunt down final and ultimate truths which are pure and absolutely immutable, will bring home but little, apart from platitudes and commonplaces of the sorriest kind." Lenin, of course, *"recognises the relativity of all our knowledge."* He does so, exactly as I do, in the sense of recognising that all knowledge is given under historical conditions which determine the degrees of our knowledge as it approaches truth by an *endless* approximation.

Betty Gannett is bitterly opposed to Lenin and all subsequent dialectical materialists here in standing for a new kind of 'Marxism' which we might call Gannettism, which in her own words "rejects the assertion that all knowledge is relative." That she completely fails to understand Lenin's assertion that there is an absolute *within* the relative is clear from the fact that she takes this to mean that knowledge is *not* relative. Whereas what Lenin is saying is that it is *both* absolute and relative, so that the difference between them is not absolute, but relative. "There does not exist a fixed immutable boundary between relative and absolute truth." This is just what I have been saying all the time.

I should like to devote a paragraph to Betty Gannett's refusal to allow any positive and constructive element in idealism, a position which she backs up by a quite absurd misunderstanding of Lenin. I cannot repeat my whole argument, which, following Alexandrov, tries to show how the Cartesian Dualism of mind and matter arose. Betty Gannett is quite uninterested in Descartes and Kant and the whole development of European philosophy and shows no evidence of having given a moment's thought to what Kant was driving at. He is for her just a stupid and reactionary

idealist, so away with him. Marx, Engels, Plekhanov and Lenin and all the rest of them however, are deeply interested in the fact that Kant saw that knowledge is not the *passive* reception of sensation, but an active selective, constructive process. This conception Marxism eagerly took over, repudiating the passive conception of Locke, Feuerbach and the mechanists. This element in idealism is of course the "critical and dynamic approach" to knowledge, which Betty Gannett, repudiates, and it does not imply the false element in idealism, that we only know our own minds. That is why Lenin *fully accepts* this element in idealism. Betty Gannett shows how she misunderstands and distorts Lenin's famous paragraph on the *one-sidedness* of idealism by putting into her quotation from Lenin her own italics, as if the emphasis were Lenin's not her own (a practice to be regretted in controversy). Lenin says perfectly plainly that idealism is only nonsense from a mechanistic standpoint, *i.e.,* that only a mechanist can possibly call idealism sheer nonsense; from which we can conclude that whoever calls it nonsense, like Betty Gannett, is shown thereby to be a mechanistic materialist! Lenin then says that a dialectical materialist does *not* say that it is nonsense, but says that it is *one-sided; i.e.,* that it takes one side only of the truth, and neglects the other, thereby presenting a false but by no means a nonsensical theory. In this respect the theory is like that of Hegel which Betty Gannett want to destroy but which Marx finding it wrong side up turns right side up. Betty Gannett says that if we do away with the *fault* of idealism, its one-sidedness, (and that means putting back the other side surely) we destroy all that idealism stands for; we do not, any more than we destroy the truth in Hegel. Idealism *as such* is refuted but the important things it stood for, the kernel of truth within it, are preserved. Idealism was a protest against a passive theory of knowledge, as found in mechanistic materialism. Dialectical materialism does full justice to the activity of the subject in knowing as well as to the healthy materialism of the mechanists, the priority of matter to mind. It thus preserves, not in a one-sided form but full orbed, the important truth which for nearly 200 years was overlooked by all other philosophers, especially by materialists, until Marx and Engels, who learnt it from Kant and Hegel, restored it to materialism. Betty Gannett distorts this to a coarse eclecticism which simply lumps together and reconciles idealism and mechanistic materialism in a higher synthesis. This is the crudest misrepresentation of my point of view. I go out of my way to say: "not *eclectically* by tying up mind and matter side by side, but dialectically, by a return to the original unity on a higher level." Dialectical materialism does full justice to the truth

that each was standing for; it repudiates the falsehood that each fell into; but it is of course *not* a mere adding together of a falsity of idealism to the falsity of mechanistic materialism, which is simply absurd.

Betty Gannett asserts that in criticising mechanistic materialism I am setting up a straw man, because the struggle with mechanistic materialism is long passed. This unfortunately is not so. The fiercest of political struggles in the Soviet Union between 1924 and 1937 was between Stalinism and the mechanistic materialism of Bukharin, Trotsky, Frumkin and Bogdanov. Bukharin's widely read *Theory of Historical Materialism* is really *mechanistic* materialism and as such, it was responsible for every imaginable political error. He was criticized both for these errors and for the errors of his theory both by Lenin and Stalin.* Unfortunately the same theoretical errors leading to the same political blunders are found in the 'Marxism' of many theoreticians of other parties, not excluding the American Party. This is partly due to a failure to see how radically dialectical materialism departs from mechanistic materialism, in other words from the total rejection of the rational kernel of idealism instead of really taking the trouble to master the positive contributions of Hegel and Kant to our notion of an ever changing, ever developing world, in which opposite characteristics interpenetrate, in which things constantly manifest new, unexpected and opposite properties in new relations, in which our knowledge is both relative *and* absolute, and above all in which Dialectical Materialism itself must never become a mere dogma totally divorced from life and science and changing conditions, but a live portion of total human thought, deriving new conceptions from the living philosophy of our day just as Marx and Engels did in their time. As Lenin once said: "We cannot limit ourselves to Communist conclusions and imbibe only Communist slogans. You will not create Communism that way. You can become Communists only when you have enriched your minds with the knowledge of all the wealth which humanity has created."

* Stalin on Bukharin as a theoretician: *Problems of Leninism*, p. 275; see also many pages of criticism in the *Textbook of Marxist Philosophy*.

MARXISM & IDEALISM: A REJOINDER

By BETTY GANNETT

IN THE REVIEW* of the pamphlet *Marxism and Modern Idealism,* I maintained that Lewis too often gives us a non-historical treatment of materialism and idealism and blurs the irreconcilability of these two basic trends in philosophy; that he generally identifies Hegelian dialectics with Marxian dialectics, attributing to idealism as a whole a dynamic and critical essence; and that in connection with the theory of knowledge he at times treats relativism as the essence of dialectics, thereby tending to create doubt in the capability of human knowledge to attain objective truth.

Lewis' reply has in no way weakened the general correctness of this criticism. If anything, it is borne out by the elaboration, in Lewis' reply, of the very ideas I criticized.

Dialectical materialism is the active revolutionary theoretical weapon of the working class in the struggle to transform the world. It therefore cannot be relegated to ivory tower discussions. This has been amply stressed in the recent discussion on the philosophical front in the Soviet Union as brilliantly summarized by Comrade Zhdanov.** That is why Communists, even those who are not specialists in philosophy, must concern themselves with theoretical questions arising in the realm of philosophy.

Let me therefore amplify my criticism in the light of Lewis' reply.

In the reading of *Marxism and Modern Idealism* I was disturbed by the fact that Lewis treats mainly the avowed theological and irrationalist idealists. He does not subject to criticism the current idealist philosophical schools whose genealogy can be traced to Mach, and beyond to Berkeley, and Hume, that is: pragmatism, instrumentalism, "logical positivism," "logical empiricism," the whole semantic school, etc. These hybrids of idealism are, for their subtlety, the more dangerous and therefore most necessary to be exposed.

The reason for my misgiving is made clear by Lewis' reply.

Lewis, in his opening paragraph, speaks of divergencies in philosophy between the "irrationalist and subjective" schools and the rise of a "new form of materialism which is generally known as 'naturalism'" and "has definite affiliations with dialectical materialism." In another passage he points out that "the number of skeptical philosophers is rather small." This leaves no other conclusion but that the main trend in the camp of professorial philosophy today is the "new form of materialism."

What is this "new form of materialism"? Lewis cannot avoid answering this question by telling us to "ar-

* Betty Gannett, "On a Study of Marxism and Idealism," *Political Affairs,* May, 1947.

** A. A. Zhdanov, "On the History of Philosophy," *Political Affairs,* April, 1948.

gue in terms of the trends of 1947 rather than in those of 1847." Whether now or a hundred years ago, the demand of science is for concreteness.

In fact, one cannot help but ask the question: What is this "new form of materialism," coming as it does after dialectical materialism? Is it the "neo-realism" or "neutral monism" of Russell? Is it the philosophy of "emergent evolution" of Morgan or Alexander? Is it the philosophy of Whitehead, whom Lewis quotes uncritically on several occasions in his pamphlet? Is it the various shadings of "logical positivism" and the semantic trend which advertises itself as the "curer of all evils" by eliminating the imperfection of language and its use? Or, is it perhaps the pragmatism of Peirce, James, Dewey and their followers in the United States (which according to Lewis is already a dead letter)?

These schools of bourgeois thought pretend to have discovered a philosophy that stands above idealism and materialism. They are the so-called "third force" in the struggle between materialism and idealism. But the contemporary political scene has shown us that the "third force" is a disguise for serving one force—the imperialist—against the other force—the anti-imperialist. So also in philosophy, the "third force" is a disguise for serving one force—the idealist—against the other force—the materialist. The hostility of these philosophical currents to dialectical materialism well betrays their service to imperialism.

Their use of "scientific data," of "material facts," cannot hide their renunciation of the objective material source of human knowledge, hence of all scientific knowledge. In the forty years since Lenin wrote his great work, *Materialism and Empirio-Criticism* (whose devastating analysis of the empiricists then is today equally valid for the "new schools"), the retrogression and decay of bourgeois philosophical thought has markedly intensified. This process became inevitable with the setting in and further deepening of the general crisis of capitalism.

This is the salient point that a Marxist must emphasize when speaking of "modern" philosophy.

Is this to say that there are no individual philosophers who are moving away from idealism and skepticism in the direction of materialism? Of course not. But to the extent that they are, they are moving in the direction not of a "new form of materialism," but toward dialectical materialism, toward Marxism. In the United States, Professor Roy Wood Sellars, and a number of men who have gathered around him, illustrate this. And these philosophers can be helped finally to adopt the viewpoint of dialectical materialism, only when Marxists conduct an irreconcilable partisan struggle in the sphere of philosophy against all avowed as well as concealed ideal-

ist trends.

When Lewis, bidding us think "in terms of the trends of 1947 rather than in those of 1847," says that "Marxism itself has been greatly strengthened, developed and enriched by the progress not only of scientific thought but also of philosophy," it is incumbent upon him to be concrete, to state from which "new form of materialism," from which "living philosophy of our day" Marxism is "deriving new conceptions."

Of course, Marxism has been enriched and developed since its creation by the genius of Marx and Engels. The achievements in the natural sciences (whose recent discoveries are a brilliant confirmation of dialectical materialism) and the revolutionary experiences of the working class in the epoch of imperialism and the construction of socialism have been the basis for the further development of Marxism by Lenin and after him by Stalin. And this development has proceeded in uncompromising struggle against *all* schools and fashions of contemporary bourgeois philosophy. No new bourgeois philosophy could possibly have enriched Marxism-Leninism, for the simple reason that the decadent bourgeoisie is not capable of creating a "living philosophy." This was abundantly shown by Lenin.

II

Lewis accuses me of a gross "underestimation of Hegel," of pouring "unutterable scorn" upon him. His charge would indeed be a serious one, were it borne out by text in my review.

Lewis lists Hegel's positive contributions. One could perhaps extend the list. But for what purpose? Is it to prove that Hegel was a dialectician? Who denies that?

In my review I take issue with Lewis in referring to Marxism as "revolutionized Hegelianism" and I state in part the following:

> Hegel, it is well known, was the most advanced bourgeois philosopher, in fact the greatest thinker of bourgeois classical philosophy. Hegel's philosophy represented the culmination of German classical idealism. Contrary to 18th century materialism, which viewed the world as static and fixed and not in a continuous process of development, Hegel outlined the basic features of dialectics, the laws of motion in nature, society, and human thought.
>
> But Hegel, while outlining the dialectical process, developed the laws of dialectics in an idealistic form, as the dialectical development of the Absolute Idea, with the real world as the reflection of the Absolute Idea. . . . Thus despite the great depth and richness of its dialectics, Hegelianism by its irrational essence misrepresented and distorted the actual line of development of both nature and human history.
>
> . . . Marx and Engels, while paying tribute to the great contributions Hegel made to the advancement of human knowledge, decisively rejected Hegelianism as such, exposed the mysticism and clericalism of the Hegelian system, while utilizing to the full the "rational kernel" in his dialectics.

Certainly this statement cannot be characterized as either "underestimation" or "unutterable scorn" of Hegel. It is an attempt to give, in sketchiest outline, the basic defect of Hegel's dialectics in relation to his basic contribution.

What then is the central point of the controversy? It is the relationship of dialectical materialism to Hegelian dialectics.

Lewis' picture of the Hegelian dialectic leaves out the qualitative distinction between Marxian dialectics and Hegelian dialectics.

After enumerating the positive contributions of Hegel, Lewis says:

Now all this is only the baldest summary of what every instructed Marxist recognises as the *permanent* contribution of Hegel to Marxism. For Marx takes over *the whole of this*. To talk of *destroying* Hegelianism is sheer nonsense. On the contrary "It is standing on its head and must be turned right side up." (Marx.) In other words, in the phrase I used to which Betty Gannett so strongly objects, it must be "revolutionised." What does this mean? Hegel's mistake was to derive the changing material universe and historical development from changing and developing "idea."

Earlier he says:

[Hegel] pictures the form of the new society arising within the womb of the old until it bursts forth from it just as a chicken bursts from its shell. Marx followed Hegel when he showed that capitalism contains the germ of socialism as a contradiction within it.

Unfortunately, Lewis here echoes the view taken by Harold Laski and others that Marx acted as mere compiler and editor of antecedent contributions in philosophy. Marxism is treated primarily as an "evolutionary" development from the "past," especially from Hegel, and not as a qualitatively new theory of philosophy, a "philosophy which for the first time has become science." (Zhdanov.)

Marxism discerns in the philosophy of Hegel the basic contradiction between his idealist, mystical system and his dialectical method. If Hegel's dialectic method contained within itself the notion of ever-lasting change and development, his dogmatic idealist system (his Absolute Idea) proclaimed the end of all development. To gloss over the contradiction between the system and the method is not to understand why Hegel's dialectic method was *necessarily* distorted and contradicted by his idealist system.

How does Engels deal with this question?

Engels, after showing dialectical development as a "process of becoming and passing away, of endless ascendancy from the lower to the higher," says in no uncertain terms:

. . . in Hegel the above development is not to be found in such precision. *It is a necessary conclusion* from his method, but one which he himself never drew with such explicitness. And this, indeed, for the simple reason that he was compelled to make a system,

and, in accordance with all the traditional requirements, a system of philosophy must conclude with some sort of absolute truth. . . . In this way, however, the whole dogmatic content of the Hegelian system is declared to be absolute truth, *in contradiction to his dialectical method,* which dissolves all dogmatism. Thus the revolutionary side becomes *smothered* beneath the overgrowth of the conservative side. (My emphasis—B.G.)*

So, too, Zdhanov, after showing that Hegelianism was the last of the systems which "laid claim to the knowledge of absolute truth in the ultimate sense," states:

Hegel counted on solving all contradictions, but fell into a hopeless contradiction with the dialectical method which he himself had divined but not understood, and hence applied incorrectly.

It is false to speak of Marx taking over "the whole" of the dialectical method of Hegel. Marx not only freed the Hegelian method from its mystical, idealist husk and confusion (isolated it from the "dunghill of absolute idealism"—Lenin), but fundamentally reworked the dialectical method itself, for the first time transforming dialectics into an instrument of scientific knowledge. This is the meaning of turning it—the dialectic method and *not Hegelianism*—"right side up."

Only when the dialectical method has a materialist foundation, can dialectics become a science of thought which reflects truly the laws of development of nature and society. Only then can it serve man as a guide in his activity of reacting upon and transforming the world.

An additional point must not be overlooked. One cannot help but infer that Lewis also exaggerates the contributions of Hegel in applying the historical outlook to the development of society. To say as Lewis does that "Marx followed Hegel" in showing the "germs of socialism" in capitalist society is really to belittle, and therefore to distort, the world-transforming significance of historical materialism. For while Marx critically analyzed the present society to reveal the process into the future, Hegel congealed the social present in a static and reactionary mold.

Engels (in *Dialectics of Nature, Ludwig Feuerbach,* and elsewhere) showed that Hegel was unable consistently to apply the historical outlook to the development of nature, let alone social life, precisely because he was an idealist. In the sphere of the history of society, Lenin showed that Hegel "gives very very little" and that precisely here he is "the most obsolete and antiquated."* Marx, who formulated the science of history, thus drove idealism, as Lenin often said, from its last refuge.

Marxist philosophy is a profound qualitative "leap" from all philosophical systems of the past, creat-

* Frederick Engels, "Feuerbach," Karl Marx, *Selected Works,* Vol. I, pp. 422-23.

* V. I. Lenin: *Philosophical Notebooks,* Russian Edition, p. 251.

ing a new scientific world outlook, opening a new stage in the history of philosophy. Only with the rise of the modern working class was it possible to make an end to the old unscientific philosophy and to create a philosophy of a new type. The antithesis between idealist dialectics and materialist dialectics is the conflict between the bourgeois and the working-class world outlook.

III

The sections in the reply of Lewis on the "nature and property of things" and the "relational network," despite many consistent dialectical observations, contains the source of Lewis' exaltation of relativism in dialectical movement.

When Lewis asserts that the statement "our knowledge of things is relative" means this is "as far as our knowledge takes us at present," one can have no quarrel with him. But when he introduces the phrase "as far as I know," that is an entirely different question, because here is a concession to solipsism, subjectivism, and skepticism. In what way? In that the subject "I" is taken as the basis of knowledge and consequently there can be no objective knowledge, all knowledge being relative to the individual. Knowledge "as far as it goes" means, for Marxists, the historical limitations of knowledge determined by the level of *social* experience, *social* practice, limitations which are continually being transcended by practice. The historical limitations of knowledge are temporary, relative. The limitless development of knowledge in unity with expanding social practice is permanent, absolute.

It was no incidental phrase in Lewis which prompted the criticism that the "as far as I know" approach could not but lead to relativism and skepticism. The pamphlet is replete with many passages of which the following is but a single example:

> Knowledge, we see, is not a "reading off" of the specification of an object, but a statement of the result of a *particular* relationship between the knower and the known at a *particular* moment and under the *unique* conditions of that *moment*. Knowing is a two-way business in which the way *I* approach what *I* know, what *I* do in order to find out what it is, the conditions of *my* knowing, are quite as important as what the object is in itself.* (My emphasis—B.G.)

Where would this theory of knowledge lead us in relation, for example, to a scientific study of capitalist society? According to Lewis, we would have to say, "as far as I know" the society in which we live is capitalism; "as far as I know" its main contradiction is between the social character of production and private appropriation; "as far as I know" it is creating the conditions for its replacement by socialism. But these are only *my* conclusions, as a result of *my* particular relationship to cap-

* John Lewis, *Marxism and Modern Idealism*, p. 17.

italism, under the unique conditions of *my* knowing at this moment.

And since we know that the capitalists and the many capitalist apologists would not agree, what we would have, to follow Lewis, is differing points of view but not objective knowledge. We would not have knowledge corresponding to objective reality, to absolute truth, about the nature and the laws of capitalist development. We would therefore be devoid of the firm, scientific knowledge that could serve the working class as a powerful instrument in its struggle, that could infuse the working class with confidence in the truth and ultimate victory of its cause.

How does Lenin show the dialectical relation of absolute and relative truth, the unlimited progress of man toward a more complete knowledge of objective reality? In his *Materialism and Empirio-Criticism,* Lenin says:

> Human thought by its nature is capable of giving, and does give, absolute truth, which is compounded of a sum-total of relative truths. Each step in the development of science adds new grains to the sum of absolute truth, but the limits of the truth of each scientific proposition are relative, now expanding, now shrinking with the growth of knowledge.*

In my review I discussed Lewis' use of the phrase "relational character of reality," together with his statement that "reality can be truly if imperfectly known only as a construct in which mind and nature are partners." I pointed out that this position could lend itself to an interpretation that "reality itself is a relational construct of the mind and nature, and that therefore without mind reality would not be."

Lewis replies that what he meant by "reality constituted by its relations" is the infinite connections and interconnections of the objective world. He cites the very important quotation from Stalin on our inability to apprehend reality when isolating phenomena from their interconnection with surrounding phenomena. In the context of his argumentation, however, the formulation "reality constituted by its relations" can have only one meaning, namely, that we cannot say anything definite about a thing, since it has endless relations, and hence all its properties are "strictly relative." In fact, it would seem, the "reality constituted by its relations," dissolves the thing into its relations.

Thus, at one point Lewis states:

> It is clear that if you sever a thing from all its relations it ceases to exist as that thing. It becomes something else. Man today is the kind of man he is in character, habits and disposition because of his environment, his upbringing, his status in society (wage slave or owner), his membership of a trade union, his close linkage in social production with his fellow workers, his American citizenship, his Roman Catholicism, etc. If you strip a man

* V. I. Lenin, *Selected Works,* International Publishers, Vol. XI, p. 197.

of all his conditions and relations, it is like peeling an onion, there is, at the end, nothing left.

If Lewis wants to prove that it is impossible to secure a true knowledge of reality when phenomena are isolated from their numerous (really infinite) connections in the world, he is, of course, correct.But above, as in other places, Lewis goes beyond this concept, and takes the direction of pure "relationism." His examples do not help to show the relationship of the quality of things to their connections, and the ability of man to know things in their connections. Lewis, instead, gives a totally one-sided emphasis to the difficulty of knowing things in their changes and relations, with the conclusion that must be drawn that it is impossible to say anything definite about anything.

To know a thing is to know it in its relations. But, to reduce and dissolve the thing to its relations is to eliminate matter. The British idealist T. G. Greene used precisely this method of reducing things to relations, and then made relations the creation of thought in order to achieve his idealism. The consistent Marxist position is that things can neither exist in an isolated state, nor be known outside of their relations to other things that constitute the universe. The point must be insisted on for materialism that relations do not "constitute reality" but that reality consists of things, processes, events, in all the complexities of their relations.

"In life, in movement," Lenin stated, "everything exists both in itself and for others, in relationship to something else, and so continually transforms itself from one state to another."*

But Lewis holds:

> Fish may be said to have the fixed characteristic of possessing two eyes. This we now know to be not a fixed characteristic, for if a few pinches of a simple salt (magnesium chloride) are added to the water in which a fish (Fundulus) is developing, that fish will have not two eyes, but one. Countless similar examples can be given to show that by themselves the factors responsible for the characteristics of animals are not able by themselves to produce a normal type.

According to Lewis, then, since the laboratory experience with *Fundulus* can produce a fish with one eye, the fish with two eyes is no longer the normal type. By the same token, if a philanthropic manufacturer has somewhere at a certain moment willed his plant to his workers, this must be taken as proof positive that we can no longer say there is an irreconcilable struggle between the classes! What Lewis' example in reality proves is the opposite of its intent. For the very fact that we are able by changing the conditions of the existence of *Fundulus* to produce a new characteristic in the fish is proof that our knowledge of the

* V. I. Lenin: *Philosophical Notebook*, Russian edition, p. 83.

fish is adequate to make such experiments.

Similarly with other examples. Whether lead is harder than iron, and under what conditions, has been scientifically proved in the laboratory and in production. For the quality of hardness of both lead and iron is measurable. The speed at which the lead or iron must move to determine their relationship is also measurable. And the measure of the speed has been scientifically established. This is therefore *knowledge* of the lead or of the iron.

Of highest significance in connection with this entire phase of our discussion is the following passage from Engels:

> In the first place, every qualitative infinity has many quantitative gradations, *e.g.*, shades of color, hardness and softness, length of life, etc., and these, although qualitatively distinct, are measurable and knowable.
>
> In the second place, qualities do not exist but only things *with* qualities. Two different things always have certain qualities (properties attaching to corporeality at least) in common, others differing in degree, while still others may be entirely absent in one of them.*

Not qualities, but "things *with* qualities"—here is the test of materialism! Any departure from this position is approach toward idealism.

To investigate the specific quality of things does not mean to view things as finished objects given for all time. Scientific investigation demands the study of the internal definiteness of things (the study of the self-movement peculiar to them) as the basis of establishing their relations to other things. Thus, when objects (in constant self-movement) change, their mutual relations also change. In the self-movement of an object its connection to the surrounding world is established. In turn, the surrounding connections help us to apprehend the unique self-movement of things.

The following example is offered by way of illustration.

Marx, in studying society, did not deduce the inevitable development of society toward socialism from the general analysis of society. Marx studied the laws of capitalist society, the specific laws of a definite social formation. Only through the study of the laws of motion of capitalism did Marx reveal the genesis of capitalism (its relations to the past—to feudalism, slavery, primitive society) and its historical direction—toward socialism. The knowledge of relations of capitalism to the past and the future establishes that capitalism is not an eternal, but a transitory, historical formation, destined (by the laws of its own movement), to be replaced by a new formation, socialism, not automatically, of course, but by the actions of the class exploited by capitalism.

Quite at variance with this approach to the knowledge of things in their relations is the position which the element of the relative assumes for Lewis, in cognition.

*Frederick Engels, "Notes to Anti-Duehring," in *Dialectics of Nature*, p. 325.

For Lewis the relative element of dialectical movement proceeds from a *relativist* conception. This element is for him the most essential and the dominant aspect of the relation of relative and absolute truth. It is seen in his subjective "I" as the basis of knowledge. It is seen in his attributing the properties of things to specific conditions, rather than showing that the different properties of things express themselves in different conditions. It is seen in his statement that "Qualities do not merely *inhere* in substances but are given in the relationship of the observer to the object,"* rather than in insisting that qualities inhere in the object regardless of the time or point at which the observer perceives it. It is seen in his examples which imply that it is impossible to say anything definite about objects because of their changing conditions and relations. It is seen, finally, in his statement that a thing is "constituted by its relations" instead of a constituted thing existing in given relations.** .

* John Lewis, *Marxism and Modern Idealism*, p. 15.

** I deem it in place, in concluding this phase of the discussion, to correct an erroneous statement in Lewis' answer which reflects on my intellectual integrity.

Lewis states that "Betty Gannett shows how she misunderstands and distorts Lenin's famous paragraph on the *one-sidedness* of idealism by putting into her quotation from Lenin her own italics, as if the emphasis were Lenin's and not her own (a practice to be regretted in controversy)." The reader can check on the correctness of my quotation from Lenin by referring to the final paragraph of page 84 of Lenin's *Selected Works*, Vol. XI (International Publishers, New York, 1943).—*B.G.*

IV

In the concluding section of his reply Lewis repeats his thesis that Marxism took over the "'rational kernel' of idealism."

It is unnecessary to restate here the points made in the review in refutation of this thesis. But one is justified in asking, since Lewis speaks of the relation of Marxism to idealism: Where is there a single passage in the works of Marx, Engels, Lenin, or Stalin, to show that Marxism took over the "'rational kernel' of idealism"?

The passage that Lewis can find states specifically that the "rational kernel" was the *dialectical* element in Hegel, and that it was extracted, not *with*, but *from* Hegelian idealism, which Marx termed as "the mystical shell." Lewis will find that in the writings of Marx, Engels, Lenin, and Stalin, all idealist schools of philosophy are subjected to the most annihilating criticism; and that the earlier materialists were criticized not for their materialism, but for the mechanistic and hence inconsistent materialism, which opened a door to idealism. And it could not be otherwise. For "Marxism arose, developed, and triumphed in a merciless struggle against all representatives of the idealist tendency." (Zhdanov.)

THE ECONOMIC TEACHING OF KEYNES*

By I. G. BLIUMIN

[*We are pleased to present to our readers in English translation prepared for* POLITICAL AFFAIRS, *the article by Bliumin, important for its brilliant Marxist-Leninist analysis of the economics of Keynesism. In the next month's issue, Comrade William Z. Foster will have a further article especially developing the political implications of Keynesism for the United States and the world situation today.—Ed.*]

THE RECENTLY DECEASED (April 21, 1946) Lord John Maynard Keynes was one of the most influential economists in contemporary bourgeois literature. His theoretical works have provoked a great deal of comment in capitalist countries. All discussions among bourgeois economists during the recent period have revolved primarily around the works of Keynes.

In contrast to many professors, Keynes was not a scholar who confined himself to the study. He took an active part in guiding the economic policy of England. He was director of the Bank of England and advisor to the state treasury. His plan for financing the war, presented in his book *How to Pay for the War* [1940], was the basis of the British government's financial policy during the war. Keynes came forward with his own draft plan for postwar regulation of world monetary circulation. He was leader of the British delegation at the Bretton Woods international currency conference. He headed the British delegation during the negotiations on the U.S. loan to England in 1945.

Keynes' writings are of great interest to us for the reason that in them present-day tendencies of development in bourgeois political economy find clear expression.

* * *

Keynes' first economic work, which appeared in 1913, dealt with the special problem of the monetary circulation and finances of India (at this time he was working on a government commission on Indian monetary circulation and finances). Keynes became widely known in 1919, after the publication of his much talked-of book, *The Economic Consequences of the Peace.* "Nowhere has the Versailles Treaty been described so well as in the book by Keynes," wrote Lenin.* At the Second Congress of the Communist International, Lenin emphasized the instructive nature of Keynes'

* Translated for *Political Affairs* from the Bulletin of the Academy of Sciences of the U.S.S.R., Division of Economics and Law, No. 4, 1946, pp. 301-319.

* V. I. Lenin, *Selected Works*, Vol. VIII, p. 289.

conclusions, in that they were "drawn by an acknowledged bourgeois, a ruthless opponent of Bolshevism, which he, like an English philistine, pictures to himself in a monstrous, savage and brutal form."* In this work Keynes still wholly aligned himself with economic liberalism.

Soon afterward, however, his departure from liberal doctrine begins. Already in his *A Tract on Monetary Reform* (1923), Keynes ties the problem of monetary reform in with a new theme, which runs like a red thread through all his later writings—the need to "cure" capitalism of unemployment, of the socio-economic contradictions that tear it apart. In contrast to his own former works (including *The Economic Consequences of the Peace*), Keynes argues against adoption of a policy of transition to the gold standard. He points out that the gold standard is bound up with lowering of wages, growth of unemployment, sharpening of economic crises, etc. Gold is to be reduced to the position of "a constitutional monarch, shorn of his ancient despotic powers and compelled to accept the advice of a Parliament of Banks." But gold must remain on the throne, because of, as Keynes wittily remarks, "the preference of Englishmen for shearing a monarch of his powers, rather than of his head."

An important landmark in the development of Keynes' views is his article "The End of Laissez-Faire" (1926). In this article the fundamental task of his later literary and scientific work is already formulated with great precision. This task consists in the "improvement" of capitalism. Keynes stresses, as his profound conviction, that capitalism "wisely managed, can probably be made more efficient for attaining economic ends than any alternative system yet in sight." But from this, he says in conclusion, it does not follow that capitalism cannot evoke serious objections. "Our problem is to work out a social organization which shall be as efficient as possible without offending our notions of a satisfactory way of life."* He refers to the struggle against unemployment and other social ills of capitalism. Another favorite idea of Keynes is developed in the same article, the necessity of preserving capitalist private property.

In 1930 there appeared a major work by Keynes, *A Treatise on Money*, which contains a detailed analysis of the problem of money. Several of the postions outlined here (for example, on savings and productive accumulation) were later relinquished by the author. The work should be taken, therefore, merely as one of the steps in the formation of his economic views.

* * *

The world economic crisis of 1929-33 had considerable influence on the

* *Ibid.*, Vol. X, p. 184.

* John Maynard Keynes, "The End of Laissez-Faire," *Essays in Persuasion*, 1931, p. 321.

further evolution of Keynes' views. If earlier his principal attention had been concentrated on questions connected with disturbances in monetary circulation and the socio-economic results of these disturbances, now his attention was riveted to a new problem: how to prevent, or at least mitigate, crises of overproduction. These problems occupied one of the central places in all subsequent works by Keynes.

In 1931 appeared an article by Keynes, "Proposals for a Revenue Tariff" (published in the *New Statesman and Nation* in March, 1931), in which he repudiates the free trade policy formerly defended by him and appeals to the necessity of going over to protectionism. This problem is posed by the author in connection with the much broader problem of methods of combating economic crises. He establishes two basic forms for such a policy: the "expansionist," which seeks a solution mainly in the extension of production by taking every kind of measure to stimulate the expansion of social demand, and the "restrictionist," directing chief attention to lowering production costs through all sorts of measures, including the lowering of wages. Keynes gives all the advantages to the first variety of "anti-crisis" policy. But he notes that this variant has its difficulties, connected with the expansion of demands on the budget and the deterioration of the foreign trade balance. By way of neutralizing these difficulties he proposed the establishment of a customs tariff (15 per cent on manufactured articles, 5 per cent on foodstuffs and several kinds of raw material).

An important landmark in the further development of Keynes' views is his brochure, *The Means to Prosperity* (1933). In the expansion of social demand Keynes sees the basic lever for influencing the cycle in the direction of overcoming crisis phenomena, for achieving a rise in prices, growth of employment, etc. All measures of a restrictionist type he rejects in principle, remarking that such measures can improve individual enterprises or branches at the expense of other enterprises and branches. He considers it necessary to expand total expenditures for consumption and production needs. Reviewing the existing situation, Keynes comes to the conclusion that the possibilities of expanding individual expenditures are limited. In this connection he ascribes special significance to the growth of public, and particularly of state, expenditures, as a means that should compensate for inadequacies in demand on the part of individual consumers and private capitalists. This growth in public expenditures should proceed primarily in the form of a development of public works, to which Keynes then attributed great significance. He complains that hitherto the state has spent large funds on construction only in time of war. The development of public works should, in his opinion, provide impetus for the de-

velopment of a series of production activities, since new workers will appear with additional demand for consumers' goods.

In this work Keynes expresses another of his favorite ideas: the dependence of national income on the general volume of employment. He writes that it would be a mistake to think that there exists a dilemma between schemes for increasing employment and schemes for balancing the budget. "There is no possibility of balancing the budget except by increasing the national income, which is much the same thing as increasing employment."

* * *

In 1936 appeared Keynes' book *The General Theory of Employment, Interest, and Money,* in which is presented the most systematic account of his conceptions. Several of the ideas previously proclaimed in fragmentary form, on the necessity of preventing crises by stimulating social demand, expanding state expenditures, developing public works on a large scale, receive full expression in this work. It occupies a central position in the literary production of Keynes. All his later writings on economic theory are commentaries on this work. It defines the physiognomy of Keynes as an economist. It defines his place in the history of bourgeois economic science.

Keynes' book *The General Theory of Employment, Interest, and Money* had considerable influence on world bourgeois economic literature. It became the center of all theoretical discussions in the sphere of political economy during the last decade. It became the gospel of the new direction in bourgeois economic thought, which has inscribed on its banner the struggle for transition to a "regulated economy," to control of the economy, to what bourgeois economists call a "planned economy." In essence, this is a matter of the further strengthening and development of state-capitalist enterprises, which during the war have grown to such large proportions.

In his article "The Future of Keynesian Economics,"* Wright notes that today it is customary to divide all economists into two camps —Keynesians and anti-Keynesians.

The influence of Keynes grew stronger especially during the war, when the intervention of the state in the economy grew sharply. During this period the idea of a "regulated economy" enjoyed great popularity. Reflecting this fact, the English journal *The Banker,* in its issue of December, 1944, wrote: "We are all Keynesians nowadays."** In the foreign literature one frequently meets with the resounding phrase "the Keynesian revolution."

Of course, in connection with Keynes' writings one cannot speak of any revolution, or of any overturn, not even of any advance whatever

* David McCord Wright, "The Future of Keynesian Economics," *American Economic Review,* June, 1945, p. 285.

** *The Banker,* December, 1944, p. 107.

in economic science. Keynes could not accomplish this advance, because he relies on the methodology, and theoretical premises of vulgar political economy.* He is a pupil of the vulgar economist Marshall, and on the basic theoretical problems of value, capital, source of profit, etc., he shares the views of his teachers. In his article on Marshall, Keynes wrote that on the question of value Marshall had said everything and that after him nothing could be added on this question.**

Marshall's theory of value (or, rather, his theory of price, for Marshall denies the substance of value) Keynes compares with the Copernican system. But this "Copernican system" is purely eclectic and vulgar; it represents an eclectic mixture of two vulgar theories—on the one hand the theory of marginal utility, on the other the theory of cost of production. Marshall considered that price is determined by the character of demand and supply. He determines demand by marginal utility, and supply by cost of production, which he makes dependent not only on labor, but also on the notorious "abstinence" of the capitalist.

Keynes' works interest us, not because they indicate anything new in the development of scientific political economy, but because they give theoretical expression to the moods and views of bourgeois circles. To this must be added the fact that Keynes' views have had considerable influence on the theoretical works of Laborites. For instance, the most prominent of the Laborites occupying themselves with economic matters [G D. H.] Cole, who considers himself a follower of [John A.] Hobson, in his recent works repeats the principal tenets of Keynes almost word for word.

The theoretical works of Keynes represent an attempt to reconstruct bourgeois political economy in circumstances of the general crisis of capitalism. In the first place, this reconstruction reflects the fact that present-day bourgeois economists are no longer in a position to keep silent about such "disagreeable" facts as mass unemployment. In the second place, it represents spasmodic searchings by the bourgeoisie for new methods of fortifying the staggering capitalist system, particularly on the basis of national economic planning, which has produced such brilliant results in the U.S.S.R. In the third place, it represents an attempt to flirt with the workers and broad democratic circles in general.

* * *

The chief "innovation" of Keynes consists in his attempt to create a general theory of employment.

In order to elucidate the meaning of this theory, which now occupies the center of attention among English bourgeois economists, it is neces-

* For Marx' characterization of vulgar political economy see *Capital*, Vol. I, International Publishers, p. 53,n.—Ed.

** John Maynard Keynes, *Essays in Biography*, 1933, p. 222.

sary to clarify some of Keynes' premises. According to his doctrine, contemporary capitalism has one very serious fault—mass unemployment. Keynes is forced to acknowledge that this is not an accidental, but an organic fault, and that it has taken on such proportions as make it no longer tolerable. Chronic mass unemployment bears concealed in it a serious threat to capitalism. But Keynes wants to preserve the capitalist system, come what may. Obsessed by this desire, he sets himself the utopian task of finding methods for eliminating or, rather, considerably curtailing unemployment, while preserving the foundations of the capitalist order. The answer to this question he seeks in a theory of employment which is supposed to ascertain the factors determining the general volume of employment, the dynamics of employment.

In bourgeois political economy until recent times, the point of view widely held was that in the "normal" situation, which is the point of departure for economic theory (and the normal situation is identified by bourgeois economists with that of equilibrium), all the actual production factors, including labor power, are fully loaded. From this point of view labor power must be considered a scarce factor, which limits the possibilities for the extension of production, because it is in short supply. The scarcity of labor power (or "labor") is elevated by the bourgeois economists into one of the fundamental dogmas of economic science, into a most important condition of operation of the law of value. Obviously, such a theory excludes, makes impossible, the posing of the problem of unemployment. Such a theory admits the existence of occasional unemployment only, as the result of a deviation from the theoretically assumed case, occurring, for example, in connection with insufficient labor mobility, with the fact that workers fail to accommodate themselves to changed demands for labor power in various branches of production. In some branches a surplus of labor power appears because in other branches there is a shortage. Starting from such an approach to the question, the well-known English economist Cannan asserted that general unemployment is impossible, that only partial unemployment is possible.

In the face of a growth in unemployment in the 1920's that was unprecedented in the history of capitalism, Keynes was compelled to raise the question of revising this traditional dogma. He was forced to declare that economic theory cannot consider unemployment as an accidental phenomenon. He was forced to acknowledge that the full employment of labor is by no means a normal and universal fact. Theory must also take into account instances of partial, incomplete employment. Hence the conclusion that full employment is not a self-understood fact, but a case which requires ex-

planation and is possible only under definite conditions. Full employment must be striven for and not taken as a condition that can be assumed as existing from the start.

The fundamental conclusion, for the sake of which Keynes' book *The General Theory of Employment, Interest, and Money* was written, amounts to an admission that full employment cannot be attained by purely automatic means, in a spontaneous fashion, through the mechanism of capitalist competition. Full employment, according to Keynes, can be realized only on the basis of definite state regulation of the economy, on the basis of a system of measures of economic policy actively influencing social demand. In this way Keynes tries to introduce some sort of theoretical basis into the slogan of a "planned" national economy, now so popular among British bourgeois public figures.

The meaning of the Keynesian theory of employment consists in an attempt to replace all sorts of chance methods and variants of "planning" capitalism, so widespread in bourgeois economic literature, by a systematic theory, which would deduce all these methods from an analysis of the factors determining the general volume of production and investments.

* * *

The starting point of their theory of employment is the proposition that at the root of all the economic difficulties of present-day capitalism lies the inadequacy of demand. The peculiarity of Keynes' view is that he looks upon consumers' and producers' demand as two independents, developing to a considerable degree independently of each other, so that a big rise in one type of demand can compensate for an inadequacy in the other type of demand. In connection with this, Keynes establishes the existence of two methods of increasing the effectiveness of demand—in the first place, measures stimulating the expansion of consumers' demand, in the second place, measures forcing productive accumulation (investment). Keynes' doctrine is based on a combination of two theories—underconsumption and inadequacy of productive consumption. He indicates that underconsumption would not be such a great evil, were it possible to compensate for it by a growth in productive accumulation, inasmuch as the latter leads to a general growth in employment and consequently in national income. Here Keynes ignores the fact that with the intensification of capitalist accumulation the contradiction between production and consumption grows more acute.

The theory of underconsumption occupies an important place in the system of Keynes' economic views. Like other exponents of this theory, he takes as his initial premise the primacy of consumption, declaring that consumption is the sole aim and object of every kind of economic ac-

tivity. "Aggregate demand can be derived only from present consumption or from present provision for future consumption."* "Thus, since the expectation of consumption is the only *raison d'être* of employment, there should be nothing paradoxical in the conclusion that a diminished propensity to consume has, *cet. par.*,** a depressing effect on employment."*** Keynes repeats the usual error of defenders of the underconsumption theory. He ignores the fact that in conditions of bourgeois society consumption develops subsequent to production. He considers the contradiction between production and consumption independently of the whole system of capitalist contradictions.**** The essence of Keynes' theory, which is known in literature as "Keynes's law," amounts to this, that the dimensions of personal consumption grow along with the growth of individual income, but not at the same rate, in other words, that there is a relative decline in expenditure for personal consumption and, correspondingly, a rise in interest on saved income.

Keynes does not pose the question of the social roots of this "law," its historical limits, its dependence on the antagonistic conditions of distribution of bourgeois society. He is inclined to treat this "law" as an eternal necessity, flowing from peculiarities of human nature, as an immutable psychological law, which can be put down beside Gossen's notorious law of diminishing utility. Even bourgeois economists have been forced to note the groundlessness of such a treatment. Thus, for example, in articles by Staehle* and Elizabeth W. Gilboy** it was pointed out that "Keynes' law" is inseparably connected with the existing system of distribution, with the concentration of huge incomes in the hands of share companies, which use a considerable portion of these incomes to form capital reserves. In these articles it is noted that, were it not for the existence of such enormous differences in wealth, the regularities established by Keynes in the movment of consumption would fall away.

The basic fault in Keynes' consumption doctrine consists in his ignoring the class nature of consumption in bourgeois society. He sets up a single law of consumption for all classes, forgetting that workers' consumption is of an altogether different nature from capitalists' consumption. Workers' consumption is subordinated to the law of value of labor power, the law of relative and absolute impoverishment; whereas the consumption of the capitalists is determined by the dimensions of

* John Maynard Keynes, *The General Theory of Employment, Money, and Interest*, 1936, p. 104. (Hereafter cited as *The General Theory*. —Ed.)

** *Ceteris paribus*—other things being equal. Ed.

*** *The General Theory*, p. 211.

**** *Ibid.*, p. 212.

* Hans Staehle, "Short-Period Variations in the Distributions of Incomes," *Review of Economic Statistics*, August, 1937.

** Elizabeth W. Gilboy, "The Propensity to Consume," *Quarterly Journal of Economics*, November, 1938.

surplus value, which secure to the capitalists an increase in luxuries along with a simultaneous increase in capital accumulation.

Instead of the qualitative difference in the conditions of consumption of the individual classes in bourgeois societies, Keynes establishes only quantitative differences according to the relative weight of interest on saved income.

* * *

The faultiness of the Keynesian methodology is plainly manifested in his consideration of the question of the expedience of introducing certain corrections in the existing system of social distribution. On this question he went through a certain evolution. In *The Economic Consequences of the Peace* Keynes saw a basic justification for the enormous inequality in wealth that is characteristic of bourgeois society in the fact that it creates favorable conditions for capital accumulation. In *The General Theory of Employment, Interest, and Money* Keynes rejects this argument. He brings forward a new consideration, that the presence of great inequality in wealth has an unfavorable influence on consumer demand, inasmuch as a significant percentage of saved income is seen to be in the higher income groups. In the interest of strengthening consumer demand Keynes considers it expedient to adopt measures that should to some extent mitigate the existing inequality in the distribution of national income (for instance, by means of high taxes on higher income groups). Actually these proposals have a purely rhetorical character and are at bottom designed to create among the workers the illusion that it is possible to improve their condition while preserving capitalist wage slavery.

The theory of underconsumption is not new. But with the Keynesian treatment it acquires new features, reflecting modern socio-economic conditions. The old defenders of this theory (in England its most eminent exponent was Hobson) laid chief stress on the disproportion between the growth of production of consumers' goods and the demand for those goods, whereas from Keynes' point of view this disproportion plays a subordinate role. He sees the principal evil in the growth of monetary accumulation. He counterposes monetary accumulation (saving) to productive accumulation. Keynes particularly emphasizes the fact that monetary accumulation by no means always signifies a growth in production accumulation. The philippics directed by Keynes against monetary accumulation reflect the fact that in the epoch of the general crisis of capitalism there is formed an enormous mass of inactive capital, not being used either for consumption or for the expansion of production. This mass of capitals is a dead weight on the national economy. Keynes considers it necessary to draw attention to the social danger connected with

the freezing of enormous masses of capital. His underconsumption theory reflects, as in a crooked mirror, an extremely important tendency of present-day capitalism.

Keynes thus sees the basic evil in the growth of monetary accumulation, or saving. He looks upon saving as an embezzlement of the purchasing power of society. In sharpening his struggle against saving, Keynes thinks it necessary to rise to the defense of such reactionary ideologists of wasteful consumption as Malthus. He charges bourgeois political economy with underrating Malthus, who, he says, was defending correct positions in the polemic with Ricardo on the question of markets. Keynes thinks it necessary to encourage all types of consumption, even the most wasteful and paradoxical (some of Keynes' followers, for example, [Joan] Robinson,* went so far as to say that in time of crisis it would not be a bad idea to organize such works as . . . the construction of "pyramids").

* * *

The central place in the system of Keynes' economic views is occupied, however, by the question of producers' rather than consumers' demand. He pays particular attention to analysis of the factors impeding productive accumulation. In this sphere the decisive role is, in his opinion, played by two factors—the profitability of capital, or, in his terminology, the marginal efficiency of capital, and the rate of interest on loans. Keynes shows the general tendency characteristic of vulgar economy, which is expressed in the complete severance of monetary and industrial capital. According to this tendency, the entrepreneur is considered apart from the capitalist. It is assumed that the entrepreneur sets someone else's capital in motion. Further, it is admitted that with the expansion of capital its profitability declines. Keynes starts from the premise that the entrepreneur will extend production and present a demand for additional capital until the average rate of profit is equal to the average interest rate. In such a treatment great significance is ascribed to the level of interest on loan capital as a factor limiting productive accumulation. One of Keynes' favorite ideas is that the struggle against crises and unemployment can be developed only by means of a struggle against interest, by means of cheap or even free credit. In order to give this thesis a foundation Keynes decided to revise the theory of interest.

The principal "innovation" introduced by Keynes in the theory of interest *consists in defining interest as a purely "monetary phenomenon."* The interest rate depends, according to him, on the one hand, on the demand for ready money; on the other hand, on the supply of money. The basis for the existence of interest is seen by Keynes in the so-called

* *Ways and Means of Rebuilding*, edited by Donald Tyerman, 1943, p. 21.

"liquidity-preference," *i.e.*, in the capitalists' striving to preserve their wealth in the most liquid form, the form of ready money. In other words, liquidity-preference is the tendency toward the formation of monetary hoards (hoarding). According to Keynes, the preference for cash determines the level of the interest rate. The higher the capitalist values this liquid form of wealth, the less ready he is to be parted from it—the greater must be the compensation for his temporary renunciation of the possession of the most liquid form of wealth. In other words, the rate of interest expresses the degree of preference for money in comparison with other forms of wealth.

The rate of interest, according to Keynes, is found to depend on two factors—on the "liquidity-preference" and on the quantity of money in circulation. The rate of interest varies directly as the degree of "liquidity-preference" and indirectly as the quantity of money. Hence his conclusion as to the dependence of the interest rate on currency policy.

Keynes' theory of interest reflects as in a crooked mirror certain tendencies of capitalist production which manifest themselves most forcefully during a crisis. At the most acute moments of the crisis the striving to preserve capital begins to play a substantial role, overshadowing the basic stimulus of the capitalist to get a large profit. Precisely at such moments the need for credit expresses not so much a demand for loan capital as a demand for ready money, since the majority of capitalists have capitals at their disposal, but in commodity, *i.e.*, non-liquid form. The acute need for credit at such moments is connected with the need for means of payment, necessary for the liquidation of debts. At those moments the possession of cash is for the capitalist a matter of life and death. The question as to whether the capitalist will succeed in forestalling bankruptcy or not depends on the possession of cash. At such moments the rate of interest on loans may reach the level of the rate of profit, since for the capitalist the meaning of the credit transaction lies not in enrichment, but in the preservation of his own capital. At the same time, the capitalist is very unwilling to part with cash. All these phenomena express an extreme sharpening of the contradiction between commodity and money. "The use-value of commodities becomes valueless, and their value vanishes in the presence of its own independent form. . . . As the hart pants after fresh water, so pants his [*i.e.*, the capitalist's — Transl.] soul after money, the only wealth. In a crisis, the antithesis between commodities and their value-form, money, becomes heightened into an absolute contradiction."*

Keynes' method amounts to this, then, that he took certain tendencies characteristic of crises, isolated them from capitalist reproduction, from

* Karl Marx, *Capital*, Vol. I, p. 115.

the basic process of production of surplus value, and endowed them with an absolute character. As a result, interest is presented as a purely "monetary phenomenon," independent of capitalist profit. Given such a framework, the problem of loan capital as a specific form of capital, fell altogether out of the picture. In Keynes' notion capitalist credit involves only the transfer of money, not of capital.

The erroneous identification of money and loan capital underlies Keynes' thesis on the dependence of the interest rate on the quantity of money in circulation. In Volume III of *Capital* Marx showed with exhaustive completeness that "the mass of the loan capital is quite different from the quantity of the currency."*

How often the same piece of money may figure as loan capital depends, as we have shown above, on

1) How often it realizes commodity values by sale or payment, hence transfers capital, and, further, how often it realizes revenue. How often it gets into other hands as realized value, whether of capital or of revenue, depends, therefore, obviously upon the volume and mass of the actual transactions;

2) This depends on the economy of payments and on the development and organization of the credit system;

3) Finally, on the concatenation and velocity of action of the credits. . . .**

Capitalist practice provides numerous illustrations of the proposition that a change in the quantity of money in circulation does not always correspond in direction and intensity with the movement of loan capitals.

* * *

The Keynesian theory of interest bears very marked traces of the general crisis of capitalism. The traditional bourgeois doctrine is premised on the notion that the drive for the accumulation of monetary hoards is characteristic only of the most backward producers, of the hinterland that is not drawn into the whirlpool of modern commerce. Therefore it considers it possible to abstract from this drive as untypical, uncharacteristic of the developed capitalist order, whereas Keynes gives the hoarding tendency a prominent place. In doing this he puts forward a very curious line of argument. He writes that money as a store of wealth is a barometer that indicates the degree of our distrust in our own calculations and notions about the future. Keynes calls special attention to the capitalists' lack of confidence in the morrow, the fear of new investments, the preference for holding capital in liquid form, even though this will not bring a profit. It is not accidental that, after a more detailed analysis of the motives that give rise to "liquidity-preference," particularly after a con-

* Karl Marx, *Capital*, Vol. III, p. 586.

** *Ibid.*, p. 597. (Translation of Kerr Edition changed slightly to correspond to original German. —Translator.)

sideration of the motives that manifest themselves in the sphere of speculation, Keynes stresses the tendency to gamble on a fall. In England those who gamble on a rise are called "bulls," those who gamble on a fall, "bears." Keynes ascribes special significance to the latter. These are the ones who display a tendency to convert shares and valuable paper of all sorts into hard cash. It is precisely the "bears" who are the living embodiment of "liquidity-preference."

Keynes' theory of interest has two objects in view. In the first place, it strives to discredit interest, to show its negative role in the national economic development. On this point the outlook of Keynes differs from the traditional English treatment of interest as the "price of abstention." The latter treatment was connected with the notion that interest stimulates "saving," accumulation of capital, and thus creates the conditions for expanding production. In contrast to this defense of interest, Keynes strives to show that interest is based on the tendency to retain capitals in monetary form, *i.e.*, in a form not directly fit for production, and so in a sterile form. The stronger the stimulus of "liquidity-preference," the harder it is for capitals to enter production. Hence, the conclusion suggests itself that the maximum lowering of interest is needed. Cheap credit is viewed as the principal lever for the realization of extended reproduction. Keynes puts forward the point of view that if one manages to get rid of money capital and reduce interest to zero, then capitalist economics will lose most of its negative traits. Such an attitude to money capital reflects moods that have arisen in some bourgeois circles in the epoch of world-wide economic crisis, when the "drop in prices made the position of debtors (manufacturers, artisans, peasants, etc.) intolerable, while, on the other hand, it placed the creditors in an unprecedentedly privileged position. Such a situation was bound to lead, and actually did lead, to the mass bankruptcy of firms and of individual entrepreneurs."*

In the second place, Keynes strives to demonstrate the possibility of regulating interest. He makes the rate of interest dependent on the mass of money in circulation. With the growth of the latter, the rate of interest must fall. Hence the conclusion that the leading credit institutions, by regulating the quantity of money, have at their disposal a most important lever for affecting the interest rate. And inasmuch as opportunities for productive accumulation and increase in capital investment depend on the rate of interest, it turns out that the fate of extended reproduction lies in the hands of the state, which through the credit mechanism can influence the "business cycle." Thus the Keynesian theory of interest is an important link with the aid of which its author tries to

* Joseph Stalin, *Leninism: Selected Writings*, 1942, p. 300.

prove the possibility of "planning" capitalism. But for this reason, of course, it does not become any more correct. On the contrary, its wrongness only provides a new illustration of the insubstantiality of the thesis that the bourgeois state disposes of the necessary levers for administering social production.

* * *

Keynes' theory of interest is altogether powerless to explain the economic difficulties experienced by contemporary capitalism. For interest has existed through the whole extent of capitalist development and even in pre-capitalist formations. In the 19th century the rate of interest was in any case not lower than during the last decades. How explain the lusty development of capitalism in that former epoch? Why are the high tempos of that time beyond the strength of contemporary capitalism? For an answer to this question Keynes turns to the third factor which, according to his teaching, determines the general volume of employment, namely, to the degree of efficiency, *i.e.*, the profitability, of capital. The advantage of 19th century capitalism lay, according to him, in the fact that at that time the profitability of capital was considerably greater. Therefore a high rate of interest could, without much trouble, be combined with a high rate of profit. Today the situation has changed. Today even a not very high rate of interest creates serious obstacles to the growth of capital investment. Thus it turns out that the main source of the economic difficulties of contemporary capitalism must be sought not so much in the problem of interest as in the problem of the efficiency of capital investment. The latter problem comes forth as the decisive link in the whole conception of Keynes. Yet this problem receives at his hands an altogether incorrect solution.

On this point the viciousness of Keynes' methodology and the vulgar character of this theory are particularly clearly expressed.

Keynes does not occupy himself with the problem of the source of profit. In his main work, *The General Theory of Employment, Interest, and Money,* he only touches this question in passing. The basis for the fact that capital yields incomes exceeding the costs of its recoupment Keynes finds in the scarcity of capital. Hence flows one of his leading ideas, that with the expansion of capital its efficiency or profitability falls. This conclusion, as we shall see below, has decisive significance for his evaluation of the perspectives of capitalist development. Keynes' attention falls mostly on the question of the factors determining the fluctuations in the profitability of capital. On this question he continues the worst traditions of vulgar political economy. Keynes' innovation consists in the fact that he makes the profitability of capital depend not so much on revenue received as on

anticipated revenue. Such an approach opens a broad vista for the acknowledgement of the influence of all sorts of psychological factors. The capitalist's calculations on the future, his evaluation of the perspectives of development, his hopes, fears, expectations, etc., are transformed into an independent power determining the movement of entrepreneurial revenue. Keynes himself admits the extreme inaccuracy of all the capitalist's calculations on the future;* nevertheless, he attributes to these calculations a decisive influence on the movement of profit. In this instance Keynes is in essence only generalizing the practice of those who play the stock market—in stock exchange speculation, gamblers' calculations on the future play an independent role in determining the movements of securities.

The protrusion into the foreground of purely psychological factors is clearly expressed in Keynes' cycle theory. Crisis, from his point of view, signifies a sharp and sudden liquidation of the optimistic illusions predominating among entrepreneurs during the upward phase. Moods of excessive optimism give place to moods of excessive pessimism. The roots of such sharp fluctuations must be sought, according to Keynes, in the peculiarities of human nature, in its inherent instability and proneness to be carried away in one direction or another.** Starting from such a conception, Keynes characterizes the upswing as the phase when superoptimism triumphs over the rate of interest, *i.e.*, when capital investments are made which a sober reckoning of the existing interest rate could not justify. Economic crisis, according to Keynes, is primarily a crisis of excessive optimism. Needless to say, such a psychological explanation skims along the surface of phenomena, is least of all capable of ascertaining the fundamental causes of economic crisis; the fluctuations in the moods of capitalists are a purely derivative factor, conditioned by changes in the cause of the capitalist cycle. This sort of explanation is a typical example of the vicious circle in logic.

* * *

Thus on the question of the efficiency or profitability of capitals, just as on the question of the movement of consumption, Keynes appeals, as to a last resort, to immutable psychological laws of human nature. But how, on the basis of immutable laws, can one explain the peculiarities of the modern phase of capitalist development? Keynes himself senses the unsatisfactory nature of his own psychological theory and therefore, in order to explain the lower profitability of capitals in the 20th century in comparison with the 19th century, he no longer resorts to psychological expositions. In explaining this fact he refers to the huge abundance of capitals, to the inordinate growth in

* *The General Theory*, p. 149.
** *Ibid.*, p. 161.

their numbers. In other words, Keynes appeals to the notorious law of diminishing productivity, an inferior variant of the "law of the diminishing fertility of the soil." Needless to say, the theory of the law of diminishing productivity is groundless. But if even for the moment one were to concur in this theory, then, as has been remarked even in the bourgeois literature, the "law" in question is inapplicable to the case contemplated by Keynes. The basic idea in the theory of the law of diminishing productivity is that there exists some optimum proportion in the relationship of individual elements of production. The unilateral increase of some elements, with the dimensions of the others unchanged, results in violation of the optimum proportions and a fall in the unit productivity of the factors that have grown unilaterally. Yet Keynes does not at all assume such a disproportionate growth of individual production factors.

It may be admitted, indicates C. Landauer, that Keynes presumes an excessive growth of capital as compared with labor. But, from the standpoint of the theory of the law of diminishing productivity, even this variant offers nothing for the solution of the problem in hand. "Such an answer," says Landauer, "would vitiate Keynes' whole analysis since it would then follow that abundance of capital creates the most favorable employment situation, and therefore the decline in the efficiency of capital which is supposed to be a consequence of that abundance cannot create unemployment."*

Thus the Keynesian explanation of the fall in the profitability of capital is based on a series of erroneous premises. In the first place, its point of departure is the vulgar theory of the productivity of capital, according to which, along with labor, capital is an independent source of profit and, consequently, of value. Secondly, this explanation presupposes a purely fetishistic treatment of capital as an aggregate of means of production. Thirdly, it is based on confounding the result of a disproportionate growth of individual production elements with the result of a simultaneous growth of all production elements.

* * *

In one place in *The General Theory of Employment, Interest, and Money* Keynes tries to define the concrete causes of the more favorable situation of capitalist enterprises in the 19th century as compared with the 20th. He sees these causes in the rapid growth of population, technical inventions, in the discovery of new lands and markets, in the general state of confidence and even in the frequently recurring wars (approximately every ten years).** These ideas receive a more detailed elaboration in the works of [J. R.]

* Carl Landauer, "A Break in Keynes's Theory of Interest," *American Economic Review*, June, 1937, p. 262.

** *The General Theory*, p. 307.

Hicks (*Value and Capital,* 1939), [Alvin H.] Hansen (*Fiscal Policy and Business Cycles,* 1941), and others. The essence of this sort of theory is that the source of the enormous increase in the difficulties of realization in the epoch of the general crisis of capitalism must be sought in the slowing down of population growth, in the impossibility of discovering new countries, in the slowing down of the tempos of technical development (although facts refute such an assertion with regard to technical development). The fundamental sense of this theory is to obscure the chief cause, which is inseparably bound up with the general crisis of the capitalist system and the domination of capitalist monopolies. It is most characteristic of Keynes that in his basic work he has not a word to say about monopolies. He tries to explain the sharpening of economic difficulties in the present epoch, while abstracting from the most important feature of capitalism in its highest stage—the domination of monopolies. Yet it is obvious that the restrictionist policies of the monopolies, which are interested in the stimulation of cartel prices, are one of the most important factors sharpening economic crisis, delaying recovery from it, hindering the development of new investments.

Thus the essence of Keynes' theory is reducible to this, that the general volume of employment and its correlative national income is determined by three variable factors—the function of consumption, the efficiency or profitability of capital, and the rate of interest. The main practical conclusion drawn by the author from his analysis of these three factors amounts to an assertion that, given present-day consumption tendencies and the present-day relationship between profitability and interest rate, the spontaneous mechanism for regulating the economy cannot guarantee full employment. Keynes sees the way out in a transition to a so-called "regulated economics" and primarily in state regulation of capital investments. "I conclude," he writes, "that the duty of ordering the current volume of investment cannot safely be left in private hands."* Keynes does not himself provide a detailed description of practical methods for the "regulation" of capitalist economics. This question is worked out in detail by his followers and by economists whose position is close to his. The most detailed program of this sort was elaborated in the well known book by Beveridge, *Full Employment in a Free Society* (1945).

* * *

Thoughout his principal work Keynes stoutly maintains the idea that the establishment of state control of investments by no means signifies the necessity for the passing of capitalist property into the hands of the state. "It is not the ownership of the instruments of production

* *Ibid.*, p. 320.

which it is important for the State to assume."* The state, according to Keynes, should regulate the general volume of consumption by means of a tax policy, fixing of the interest rates, and other similar measures; it should establish a correspondence between the rates of growth of consumption and investment, but it should not take a single step outside the framework of these tasks: its sacred duty is to protect private capitalist property.** Sometimes Keynes juggles with the terms "Socialism" and "Socialization." Thus, for example, he speaks of the "Socialization of investments." In another place, in considering the question of the growth of collective-capitalist enterprises, he points out that "the battle of Socialism against unlimited private profit is being won in detail hour by hour."*** But this reliance on Socialist phraseology should not lead us into error—Keynes is a consistent champion of the capitalist mode of production. His program for "regulated economics" represents a defense of the necessity for a further strengthening of state capitalism.

* * *

At the end of his *General Theory of Employment, Interest, and Money,* Keynes puts forward the thesis that the realization of his program of "full employment" should eliminate the roots of the conflicts between individual states.* Although he deals with the question of the causes of wars only in passing, still, even in these fragmentary utterances, the viciousness of his methodology is clearly expressed. He tries to solve the problem of modern wars, while abstracting from monopoly, the financial oligarchy, and other most important symptoms of the imperialist epoch. He reduces the causes of conflicts between states to the existence of unemployment. He does not see (or does not want to see) that state capitalism is utilized above all for war preparations, for the mobilization of all economic resources for the needs of war, that state capitalism is most fully developed precisely in time of war.

Keynes promoted the slogan, "Euthanasia of the *rentier*." He points out that the *rentier* phase of capitalism is bound to recede into the past. Some bourgeois writers have pointed to the radical nature of these conclusions of Keynes, to the fact that they are directed against an influential group of capitalists, the representatives of money capital. In a consideration of this question it is necessary to take into account the fact that in the imperialist epoch finance capital, based on the coalescence of industrial and banking capital, plays a dominant role. Under modern conditions the capitalist entrepreneur is above all a financial magnate, representing in his own

* *Ibid.*, p. 378.
** *Ibid.*, p. 373.
*** John Maynard Keynes, *Essays in Persuasion*, p. 315.

* *The General Theory*, p. 382.

person both banker and industrialist. In fact, in the "Euthanasia of the *rentier*" what is envisaged is the elimination, not of the financial magnates, but of the small *rentiers*, who really act in the capacity of one-sided representatives ' of money capital. There is no need to add that the elimination of the small *rentiers* represents no danger for the dominant section of the bourgeoisie. In just the same way, the lowering of the interest rate represents no danger for it. The latter will permit finance capital to dispose of other people's money on a larger scale and at a lower cost than previously.

* * *

The authentic class pattern of the Keynesian program emerges in particularly clear outline when he deals with the problem of wages. This is one of the most acute problems in contemporary English economic literature. The dispute is over what wage policy can best combat unemployment—a policy of lowering wages or one of maintaining them at a stable level. Some find the chief cause of the mass unemployment in the period between the two wars to lie in the existence of an alleged excessively high wage level. Hence it is concluded that mass unemployment can be combated only by lowering wages. This point of view has been developed in greatest detail by the well-known English economist Pigou. Others, starting from the theory of underconsumption, point out that a lowering of wages has a negative influence on consumers' demand and thus makes conditions of realization difficult, which leads directly to a growth in unemployment.

In this controversy Keynes held to the second view. He came out with a critique of the adherents of lower wages. (Several bourgeois economists even level against Keynes the charge that because of the influence of his theory on trade union leaders, wages during the 1930's were "inelastic" and continued to be kept at an artificially high level.*) However, if we look deeper into Keynes' argument, we shall see that his defense of the necessity to maintain the wage level against hostile attempts by the capitalists has an imaginary character, that in fact he does not renounce the offensive against the working class, but has chosen more delicate and refined methods. On this question Keynes' characteristic tendency to flirt with the workers comes out very distinctly.

Generally speaking, Keynes does not deny in principle that a fall in wages can bring a rise in the profitability of capital. But he thinks there are other methods, more expedient for the solution of the same problem. A fall in wages, from Keynes' point of view, can be very effective as a method of raising profitability only in case wages were to fall simultaneously in all enterprises and

* James Arthur Estey, *Business Cycles, Their Nature, Cause, and Control*, 1941.

branches. But a fall in wages is usually brought about not simultaneously, but over a definite, sometimes a very lengthy period of time. In these circumstances individual capitalists will have no confidence that the fall in wages has come to an end. The hope that wages will go still lower will hold the capitalist back from investing at the present time, since he will prefer to invest in a more favorable situation.

Keynes' central argument against the thesis that a lowering of wages is bound to secure a growth in employment comes down to this: that the general volume of employment depends on the level of real, not money wages, whereas the trade unions, in his opinion, conduct their struggle only on the question of money wages; they cannot have any influence on the level of real wages, since the latter depend on market prices. Keynes points out that a fall in money wages by no means has to bring about a fall in real wages, for there takes place simultaneously a fall in commodity prices. In his *General Theory of Employment, Interest, and Money* Keynes even defends the position that nominal and real wages usually move in opposite directions.* Hence the conclusion that a fall in money wages, by bringing about a rise in real wages, is bound to reduce and not expand the general volume of employment.

Keynes' thesis on the opposite movement of nominal and real wages has aroused many objections in the bourgeois literature. Thus, for example, the American economist Dunlop, relying on extensive factual material for the period 1860-1913 and also on data after the First World War, comes to the conclusion that a rise in money wages is usually accompanied by a rise in real wages, whereas a fall in the first can result in either a fall or a rise in the second.* Approximately the same sort of critical comments were made by James Tobin.** The well-known statistician Jurgen Kuczynski remarks that Keynes' thesis on the opposite movement of nominal and real wages is based on an elementary statistical error. In determining money wages Keynes starts from existing tariff estimates, whereas during an industrial upswing an ever greater number of workers are paid higher than these tariff estimates, and during depression and crisis the workers receive wages lower than these estimates. If the money wage data are made more precise and the cost of living index calculated more accurately, the conclusions will be the opposite of those arrived at by Keynes—during a crisis real wages fall, during the phase of upswing they rise.***

* *The General Theory*, p. 10.

* J. T. Dunlop, "The Movement of Real and Money Wage Rates," *The Economic Journal*, September, 1938, p. 421.

** James Tobin, "A Note on the Money Wage Problems," *Quarterly Journal of Economics*, May, 1941.

*** Jurgen Kuczynski, *New Fashions in Wage Theory*, 1937, p. 22.

The above-mentioned thesis of Keynes on the opposite movement of nominal and real wages endows with special meaning his polemic against the adherents of the policy of lowering wages. It turns out that Keynes is opposed only to a lowering of money wages, but not at all to a lowering of real wages. The shortcoming of methods of lowering money wages he sees in the fact that these methods do not secure a fall in real wages, and even may result in a rise in the latter. In other words, instead of direct pressure on the workers in the form of a lowering of wages, Keynes prefers oblique methods, which are bound to result in a fall in real wages, for example, through inflation. In this lies the concealed meaning of the Keynesian theory. This circumstance is pointed out by Kuczynski in the book cited above.* It is also pointed out by Raymond Saulnier.** Keynes sees the most profitable solution in a moderate price rise, which means in fact a fall in real wages. From his point of view such a policy has the advantage that it arouses notably less resistance from the workers. Another advantage of this policy for Keynes is that it weakens the position of the creditors.

* * *

Thus measures connected with monetary circulation are of decisive significance in Keynes' program. This sheds new light on the class meaning of the nominalist theory of money, whose advocate he is. Keynes heads the tendency in bourgeois political economy which proclaims that gold has today lost its role as the basis of monetary circulation. Already in the twenties he characterized the system of the gold standard as a relic of barbarism. In his *Treatise on Money* Keynes wrote:

> . . . almost throughout the world, gold has been withdrawn from circulation. It no longer passes from hand to hand, and the touch of the metal has been taken away from men's greedy palms. The little household gods, who dwelt in purses and stockings and tin boxes, have been swallowed by a single golden image in each country, which lives underground and is not seen. Gold is out of sight—gone back again into the soil. But when gods are no longer seen in a yellow panoply walking the earth, we begin to rationalise them; and it is not long before there is nothing left.*

In his *General Theory of Employment, Interest and Money* Keynes' new formulation amounts to the thesis that questions of monetary circulation should be considered in direct connection with the character and volume of employment. An increase in the quantity of money in circulation, according to this conception, can have a different effect, depending on whether or not full employment has been achieved. If the latter is realized, if the situation is

* *Ibid.*, p. 26.

** Raymond Saulnier, *Contemporary Monetary Theory*, 1938, pp. 306-307.

* John Maynard Keynes, *A Treatise on Money*, Vol. II, p. 291.

one of full utilization of production resources, if there is no possibility of extending the supply of commodities, then an increase in the quantity of money in circulation will have as its immediate result only a growth of demand and, accordingly, a rise in prices. This case is characterized by Keynes as "pure inflation." Wholly applicable to this case are the formulas of the traditional quantity theory of money. In the absence of full employment an increase in the quantity of money in circulation can, according to Keynes, lead to another result. It can stimulate the extension of production and, accordingly, the supply of commodities. Since in this case the growth of demand will be met by an increase in supply, prices can remain at the former level; and, even if there is a rise in prices, this rise will lag behind the rate of increase of the monetary mass.

Keynes needed this analysis in order to, so to say, rehabilitate inflationist methods, and overcome the hostility of the masses to these methods. It was important for Keynes to show that within certain limits inflation is not a danger in the national economic sense, that an increase in the monetary mass can be used to stimulate the growth of production, that it is one of the most essential elements in a program of struggle for "full employment." However, in practice it is impossible to define the limits of this harmless inflation. In bourgeois countries monetary circulation has laws of its own, against which the "wisest" of statesmen are powerless. The very rich experience of monetary circulation in bourgeois countries provides us with numerous illustrations of the powerlessness of the statesmen to stop inflation at some "reasonable" level.

A peculiar feature of nominalism at the present stage, and one that is most clearly reflected in Keynes' works, is the fact that money, and currency policy, are looked upon as an instrument whose special mission is the prevention or alleviation of crises. Those who hold this view have in mind, first of all, the possibility of utilizing inflation as a factor in reviving the upward curve of the cycle.

The widespread circulation of this sort of nominalism in contemporary England is explained by the fact that, given the distribution of gold supplies and the interrelation of economic power that prevail today, a return to the gold standard would mean the strengthening of the influence of the U.S.A. on the British economy. Besides this, the widespread circulation of nominalism is also explained, to a certain extent, by the unpopularity of the deflation policy pursued by the British government during the period 1925-1931, when the pound sterling was fixed at an excessively high level, which caused great economic difficulties. Characteristic of present-day moods is an article in the journal *The Banker* (June, 1945). The author

remarks that inflation is a great evil, but a still greater evil is deflation. The author criticizes those who look upon moderate inflation as some kind of doomsday.

* * *

Keynes is a typical bourgeois ideologist of the epoch of the general crisis of capitalism. His theory is a clear illustration of the sharp contradictions that characterize the current stage of bourgeois political economy, which, on the one hand, cannot now confine itself to mere eulogies of existing economic arrangements. The economic contradictions have reached such a pitch of sharpness that they cannot be simply hushed up; they threaten the very existence of the capitalist system. But at the same time present-day bourgeois political economy cannot take the path of scientific explanation of these contradictions, for this is not in accord with the selfish interests of the bourgeoisie, with the interests of monopoly capital. Hence the theoretical impotence characteristic of contemporary bourgeois political economy.

One of the central ideas held by Keynes is that modern capitalism cannot develop in the old way on the basis of spontaneous laws, that extreme, extraordinary measures such as the "Socialization of investments" are needed. Only the fear of catastrophe roused Keynes to preach such unusual experiments as "planned capitalism." The moods prevailing among a considerable portion of the English bourgeoisie are clearly expressed by the authors of the collective work of Nuffield College on the policy of employment. They do not conceal the enormous difficulties that beset measures of this kind. But, "what is the alternative to be?" they ask at the end of their work,* and they do not find an answer to this question.

In an article devoted to "the future of Keynesian theory" the American author Wright** writes that, if the automatically operating mechanism of capitalist competition is to be preserved, then capitalism will more and more lose credit. One may quarrel—he adds—with individual propositions put forward by Keynes, but if his whole system is to be thrown out, the last chance of rescuing capitalism will be lost.

In Keynes' theory, the bourgeoisie sees an antidote to the radical plans of the democratic forces which stand opposed to the monopolies and the financial oligarchy. The bourgeoisie sees as the special advantage of Keynesian theory the fact that this theory combines the currently popular idea of planning with social-reactionary tendencies, with the preservation of the adherents of the capitalist social order, with the defense of capitalist private property. According to Einzig,*** conservative

* Nuffield College (Oxford University). *Employment Policy and Organization After the War.* 1943. p. 70.

** *Cited Work*, p. 306.

*** Paul Einzig, *Freedom from Want.* 1944. p. 71.

circles today look upon Keynes as the only remaining bulwark against "wicked 'Bolshevik planners.'"

The Keynesian program for rescuing capitalism has a utopian character. It poses a utopian task—struggle with crises and unemployment while preserving the foundations of the capitalist social order. Applicable to the proposals of Keynes and his pupils concerning the "regulation" of capitalism as a whole are the words of Comrade Stalin in his interview with Wells, in connection with the projects of certain American public figures:

> They are trying to reduce to a minimum the ruin, the losses caused by the existing economic system. . . . Even if the Americans you mention partly achieve their aim, *i.e.*, reduce these losses to a minimum, they will not destroy the roots of the anarchy which is inherent in the existing capitalist system. They are preserving the economic system which must inevitably lead, and cannot but lead, to anarchy in production. Thus, at best, it will be a matter, not of the reorganization of society, not of abolishing the old social system which gives rise to anarchy and crises, but of restricting certain of its bad features, restricting certain of its excesses.*

* Stalin, *Problems of Leninism*, 10th [Russian] edition, p. 600. (English taken from pamphlet *Marxism vs. Liberalism*, New Century Publishers, 1945, p. 4.

"The core of opportunism is the idea of class collaboration. . . . Opportunism is the sacrifice of the fundamental interests of the masses to the temporary interests of an insignificant minority of the workers or, in other words, the alliance of a section of the workers with the bourgeoisie against the mass of the proletariat. . . ."

V. I. Lenin, *Selected Works*, Vol. V, p. 203.

FROM THE TREASURY OF MARXISM

FROM THE PREFACE TO "CAPITAL," VOLUME II*

By FREDERICK ENGELS

BUT WHAT DID Marx say about surplus value that is new? How is it that Marx's theory of surplus value struck home like a thunderbolt out of a clear sky, and that in all modern countries too, while the theories of all his socialist predecessors, including Rodbertus, vanished without effect?

The history of chemistry offers an illustration which explains this:

Until late in the eighteenth century, the phlogistic theory prevailed as we know. It assumed that the essence of all combustion consisted in the separation from the burning substance of another, hypothetical substance, an absolute combustible, named phlogiston. This theory sufficed for the explanation of most of the chemical phenomena then known, although not without considerable forcing in many cases. But in 1774, Priestley discovered a kind of air "which he found to be so pure, or so free from phlogiston, that common air seemed adulterated in comparison with it." He called it "dephlogisticated air." Shortly after him, Scheele obtained the same kind of air in Sweden, and demonstrated its presence in the atmosphere. He also found that this air disappeared, whenever a substance was burned in it or in ordinary air, and therefore he called it "fire-air." "From these facts he drew the conclusion that the compound arising from the union of phlogiston with one of the components of the air" (that is to say by combustion) "was nothing but fire or heat which escaped through the glass."*

Priestley and Scheele had produced oxygen, but did not know what they has discovered. They remained "entangled in" the phlogistic "categories as they found them." The element, which was to abolish the whole phlogistic concept and to revolutionize chemistry, remained barren in their hands. But Priestley had immediately communicated his discovery to Lavoisier in Paris, and Lavoisier, by means of this new fact, now examined all phlogistic chemistry. He first discovered that the new kind of air is a new chemical element, and that in combustion the mysterious phlogiston does not *depart* from

* Reprinted from Karl Marx, *Selected Works*, Vol. I, International Publishers, New York, pp. 347-49.

* Roscoe-Schorlemmer, *Ausfuehrliches Lehrbuch der Chemie*. Braunschweig 1877, I, p. 13, 18. [Note by F. Engels.]

the burning substance, but this new element combines with the substance. Thus he placed chemistry, which in its phlogistic form had so long stood on its head, on its feet for the first time. And although he did not produce oxygen independently of the others and at the same time as they, as he claimed later on, he nevertheless is the real *discoverer* of oxygen as compared to the others, who had merely *produced* it without any suspicion of *what* it was they had found.

Marx stands in the same relation to his predecessors in the theory of surplus value as Lavoisier to Priestley and Scheele. The *existence* of that part of a product's value, which we now call surplus value, had been ascertained long before Marx. What it consists of had also been stated, more or less distinctly, *viz.*, of the product of labor for which its appropriator has not paid any equivalent. But they got no further. Some of them—the classical bourgeois economists—investigated at most the proportion in which the product of labor is divided between the laborer and the owner of the means of production. Others—the socialists—found this division unjust and looked for utopian means of abolishing this injustice. Both remain in thrall to the economic categories as they had found them.

Then Marx came forward. And he did so in direct opposition to all his predecessors. Where they had seen a *solution,* he saw only a *problem.* He saw that here there was neither dephlogisticated air, nor fire-air, but oxygen, that it was not simply a matter of recording an economic fact, or of pointing out the conflict of this fact with eternal justice and true morals, but of a fact destined to revolutionize the whole of political economy and offering a key to the understanding of all capitalist production—to the one who knew how to use it. With this fact as a starting point Marx examined all the categories he found at hand, just as Lavoisier had examined the categories of phlogistic chemistry he had found at hand. In order to know what surplus value was, he had to find out what value was. Ricardo's theory of value itself had to be subjected to criticism first of all. Thus Marx investigated labor in regard to its value-creating quality, and for the first time established *what* labor produces value, and why and how it does this, and that value is nothing but coagulated labor of *this* kind—a point which Rodbertus never grasped to the very end. Marx then examined the relation of commodities to money, demonstrating how and why, thanks to their immanent property of value, commodities and commodity exchange must produce the antagonism of commodities and money. His theory of money, founded on this basis, is the first exhaustive, and now tacitly generally accepted one. He investigated the transformation of money into capital, demonstrating that this transformation is based on the purchase

and sale of labor power. By substituting labor power, the value-producing property, for labor, he solved with one stroke one of the difficulties upon which the Ricardian school was wrecked, *viz.*, the impossibility of harmonizing the mutual exchange of capital and labor with the Ricardian law of value determination by labor. By establishing the distinction between constant and variable capital, he was first enabled to trace the real course of the process of surplus value formation in the utmost detail, and thus to explain it, which none of his predecessors had accomplished. Thus he established a distinction within capital itself with which neither Rodbertus nor the capitalist economists had been able to do anything, but which, nevertheless, furnished a key for the solution of the most complicated economic problems, as is most strikingly proved once again by this Volume II, and still more by Volume III as will be shown. He analyzed surplus value itself further, finding its two forms, absolute and relative surplus value. And he showed the different but in each case decisive role, that they had played in the historical development of capitalist production. On the basis of surplus value he developed the first rational theory we have of wages, and gave for the first time the basic features of the history of capitalist accumulation and a portrayal of its historical trend.

BOOK REVIEW

TOWARD THE UNMASKING OF ANTI-SEMITISM*

By MORRIS U. SCHAPPES

Anti-Semitism has become a major issue for the American people, and for all democratic mankind. In the pattern of imperialist reaction, anti-Semitism today looms ever larger, not only alongside of anti-Communism, anti-Sovietism, anti-unionism, anti-alienism, and anti-Negroism, but in a kind of special relationship to these other elements: Negroes, aliens, union men, the Soviets, and Communists are all in some degree tarred by reaction as Jewish or as the dupes of the Jews. Every reactionary movement today is itself anti-Semitic, or is allied with anti-Semites; on the other hand, the more consistent a progressive movement is, the more it makes the fight against anti-Semitism a prominent part of its program of action. No anti-Semite can be in any sense progressive now; no progressive can for any reason compromise with anti-Semitism.

Books on the subject of anti-Semitism are not uncommon, but those that can be effective in the struggle against it are rare. As Carey McWilliams discovered when he came to study anti-Semitism, "the inadequacy of social theory in relation to this crucial problem is a scandal for which every social scientist in the United States should feel ashamed." In such a context, his own book makes a valuable pioneering contribution. It is the work of a fighting progressive with extensive experience in elucidating the forms, methods, and purposes of discriminatory practices directed against a variety of national groups. Hailed by liberals, and treated respectfully in that conservative press which boasts of "respectability," the book is already being widely read and will be widely felt. Of course, it has also already drawn the fire, not only of the anti-Semites, but also of those groups, some of them Jewish, that resent a major element in McWilliams' analysis. To such forces, and to the Jewish agencies that reflect Big Business interests, it is dangerous to have it cogently argued, as McWilliams does, that anti-Semitism is a device by which "privileged groups . . . mask their attempted monopoly of social, economic, and political power." Yet, as the first book by an American in which this is the central thesis, it is precisely in this that McWilliams makes his contribution. Moreover, McWilliams also perceives that it "may well be that the last great struggle against anti-Semitism will center in the United States." Apparently, the United States is the arena in which the last great struggles against many basic evils will center!

McWilliams offers us an excellent guide to his book in the description of the nature of anti-Semitism:

> . . . it is today a weapon of reac-

* Carey McWilliams, *A Mask for Privilege: Anti-Semitism in America*, Little, Brown and Company, Boston, 1948, $2.75.

tion—part of the mechanism of fascism—used for many interrelated purposes: to confuse the people; to obscure the basic causes of unrest; to divert attention from these causes; to cloak the real purposes and objectives of reaction; to arrest social progress; to fight democracy. Throughout its long and devious history, through all its various and changing manifestations, the pertinent questions, in relation to anti-Semitism, have always been: Who uses it? For what purposes? Under what circumstances? Against whom? And to these queries the answers are crystal-clear: anti-Semitism has always been used by the enemies of the people; for the purpose of arresting progress; in periods of social upheaval and social stress; and against the interests of the people. (P. 88.)

McWilliams properly looks to the nature of our American economy and its ruling classes for the answers to the "pertinent questions" listed above. He chooses to begin his analysis, however, in the post-Civil War period of the 1870's, "when Big Business occupied the country like an alien armed force" (p. 11). "To trick a freedom-loving people into accepting industrial regimentation in the name of democracy, the tycoons of the period needed a diversionary issue. Hence the alien, the foreigner, the Jew, the Negro, and the yellow peril" (pp. 68-69). As "the first overt manifestation of anti-Semitism" in the United States (p. 13), McWilliams selects the exclusion of Joseph Seligman, a New York banker, from the gaudy Grand Union Hotel at Saratoga Springs in the summer of 1877. From this point on, McWilliams sketches the rising specific gravity of anti-Semitism in the pattern of reaction down to the contemporary scene.

Exclusion he shows to be a system. "It is therefore absurd to regard social discrimination as an individual and unorganized phenomenon. . . . A private prejudice is one thing; a policy of discrimination is another. . . . Group discrimination cannot be effective unless exclusion is adopted as a policy, and this implies a consensus or agreement which in turn implies organization" (pp. 124-125). Such exclusion techniques extend into the colleges and professions, and McWilliams observes keenly that "the pressure of Jewish students to enter the 'free professions,' notably law and medicine, has always reflected the bias against them in those professions having a direct, functional relation to the key American industries" (p. 133). And he closes this fine chapter with the reaffirmation that "the real basis for the quota system . . . is to be found in the structure of the dominant American industries."

McWilliams is at his best in the chapter, "In the Middle of the Middle Class," in which he convincingly and with shrewd insight describes "the anomalous position that Jews occupy in the American economy." Jews are "a minor influence in banking and finance," and "virtually nonexistent in heavy industry." As for the light industries, their participation "is largely restricted to the distribution end," except in the clothing industry. Insignificant in the magazine and advertising fields, the Jews are "important" in book publishing and "the job-and-trade printing industry in the larger cities" and "significant" only in radio and motion pictures, but declining in the latter. He

concludes that Jews are a marginal factor in the economy:

> Generally speaking, the businesses in which Jews are concentrated are those in which a large risk-factor is involved; businesses peripheral to the economy; businesses originally regarded as unimportant; new industries and businesses; and businesses which have traditionally carried a certain element of social stigma, such, for example, as the amusement industry and the liquor industry. Not being able to penetrate the key control industries, Jews have been compelled to occupy the interstitial, the marginal, positions in the American economy. . . .
>
> . . . that Jews appear to wield more economic power than they do is the result of an illusion created by their concentration in businesses which make them conspicuous and which place them in a direct relation to the consuming public. Thus by and large the traditional European pattern of Jewish-Gentile economic relations has been repeated in America. (Pp. 147-149.)

These generalizations are buttressed by facts, and illuminated by insight into the process of capitalist economics. Consider an illuminating instance such as the following:

> In the city of Los Angeles, for example, the credit end of the retail jewelry business is largely controlled by Jews, while the "cash" stores are just as exclusively non-Jewish. Since both risk and losses are greater in the credit stores, these stores must emphasize volume of sales and to increase volume they are driven to cut prices. On the other hand, the concentration of Jews in the credit end of the business operates to the indirect profit and advantage of the non-Jewish cash stores. In fact, some of these stores use anti-Semitism as a form of advertising. . . . By emphasizing their non-Jewishness, these stores create a premium value for their merchandise. That the Jews are forced to operate the marginal stores, the stores that are compelled to offer credit in order to exist, also means that they are forced to fight harder to maintain their position and that, in doing so, they are often accused of sharp practices and high-pressure methods, accusations which are in turn used against them by their non-Jewish competitors. The non-Jewish stores are naturally delighted with an arrangement which enables them to monopolize the cream of the business and to escape, in effect, from the necessity of direct competition with their Jewish colleagues who have been relegated to the outer fringes of the trade. It is in relationships of this sort, seldom apparent on the face of things, that much of the economic reality of anti-Semitism is to be found. (Pp. 157-158.)

It is this relation in the American economy, into which they have been fitted by monopoly capital, that places the Jews in an exposed position so that Big Business can divert mass antipathy from itself onto the heads of the Jewish masses. In the early stages, Big Business operates indirectly, using the crackpot anti-Semitic agitator, whose function it is "to encouarge the open expression of anti-Semitism on the part of the latent anti-Semite." McWilliams notes, of course, that "the reality upon

which crackpot anti-Semitism is predicated" is "the anti-Semitic bias in the structure of the American economy." Very recently, moreover, the most reactionary sections of Big Business have begun to identify themselves more and more openly with the Gerald L. K. Smith type of "crackpot" as they move more directly onto the road to fascism.*

Almost equally telling and original is McWilliams' chapter on "The Jewish Stereotype." He is more intent on explaining how this particular prejudiced stereotype came into being than in describing it at length or in contributing defensive refutations of the falsehoods in the stereotype.

Although immigrant Jews will, like other immigrants, begin in "lower bracket employments," McWilliams remarks that they do not stay there. "Schooled in facing prejudice, they have learned to seek out the crevices, the marginal businesses, in which it has been possible to secure an economic foothold." In this respect, he brilliantly demonstrates, the Jews are much like the Quakers and Huguenots, who also have a history of persecution. Nevertheless, the Jews have become a special target because of the economic position into which they have been squeezed in the middle of the middle class. Moreover, "while concentrated in the intermediate socio-economic positions, Jews function to some extent in all levels of society. In a time of *general* crisis, therefore, when social unrest has begun to permeate the middle as well as the lower classes, Jews usually make a more vulnerable and a more plausible target than other minority groups. If a minority is confined to the lower levels of society, it can be baited for a variety of purposes; but it cannot serve as a general target against which the hatreds of all disaffected groups can be directed." (P. 179.) The Jews, however, being in all levels, can be attacked at all levels.

Such being the case, good-will programs, interfaith rituals, and other straws that middle-class Jewish and non-Jewish groups have seized upon to "combat" anti-Semitism, are seen to be not only ineffective but *irrelevant.* "Education," declares McWilliams, "will certainly help to expose the illusory nature of the stereotype, but as long as the relationships out of which it arises exist, the illusion itself will persist. For as long as Jews occupy a special niche in the economy, it will appear as though they were 'different' and the difference sensed will be rationalized. The source of this feeling, however, is to be found in social relationships, not in those outward manifestations of difference, real or imagined, which are seized upon to justify discrimination." (P. 182.)

By fixing attention concretely on the social relationships instead of on the anti-Semitic rationalizations and "arguments," McWilliams has rendered an important service.

What have been selected, of course, are some of the passages and sections that are an index to the highlights of McWilliams' positive achievement. They explain why the anti-Semites are up in arms, and why the Anti-Defamation League and the American Jewish Committee are covertly seeking to discredit the book. The book is a

* In the form in which this chapter, "The Function of the Crackpot," appeared in *Jewish Life*, October and November, 1947, it was fuller, sharper, bolder and truer.

weapon in the fight against anti-Semitism.

* * *

There are serious shortcomings in *A Mask for Privilege* that need to be noted. McWilliams' chief difficulty is his failure *consistently* to ask and to answer the "pertinent questions" he ably defined: "Who uses it (anti-Semitism)? For what purposes? Under what circumstances? Against whom?"

At first, he is unsure as to who uses anti-Semitism against whom. In the 1870's, the older decaying groups, having lost their economic positions during the Civil War, confronted the new ruling class: "Faced with a growing competition for place and power, their security threatened by the forces of a rampant industrialism, the groups identifying themselves with the dominant cultural pattern sought to maintain that pattern at all costs" (pp. 12-13). Exclusion was their technique. Here, anti-Semitism is considered a weapon used by the old defeated classes against the new big industrialists. A few pages later, however, McWilliams explains that it is the new tycoons who use exclusion against successful German Jews in order to prevent "their further encroachment on the citadels of power" (p. 19). While it may be possible to reconcile these two differing statements of user, weapon, and opponent by redefining the elements, McWilliams makes no attempt to do so. Generally thereafter, however, he holds to the principle that anti-Semitism is used by the Big Business interests against competitors.

In doing so, however, he frequently wavers between the consideration of whom anti-Semitism is *used by* and a description of whom it *appeals to*, and why. Thus, he tends to shift from analyzing the mask for privilege to depicting the mask for frustration. Those who are frustrated, economically, politically, socially, or intellectually by American life, we are told in many ways, turn to anti-Semitism. Such frustration, it is demonstrated, is common in the middle and lower middle classes. As Marxists, we stress the need of bringing the mask for privilege and the mask for frustration into their proper relationship. In this way the ruling class can be shown to be exploiting those it frustrates by diverting their resentment onto a scapegoat who is innocent of frustrating them and whose sacrificial slaughter, therefore, cannot release them from their frustration. But while the ingredients of such an analysis are present in McWilliams' treatment, the integration is lacking. His book culminates, therefore, not in a summation of his analysis of the mask for privilege, but in laudatory summary of an article by the French existentialist, Jean-Paul Sartre, "Portrait of the Anti-Semite." Although McWilliams asserts that "it has remained for Jean-Paul Sartre . . . to give us a really satisfactory portrait of the anti-Semite," an analysis of the portrait reveals it to be completely static and of no help in formulating a program to fight anti-Semitism.

McWilliams in places discounts the value of the psychoanalytic approach to anti-Semitism and briefly argues against it that "the genesis is primarily social in character" (pp. 107-108). But his eclectic method of finding something useful everywhere hinders him from disentangling himself from both the verbiage and the misleading concepts of

the psychological approach to the social phenomenon of anti-Semitism.*

McWilliams' historical section is not well grounded. He accepts as historical fact that "the first overt manifestation of anti-Semitism" occurred in 1877, and that social discrimination came first, before other kinds. His shortcoming is attributable to the insufficient research by American historians into the history of anti-Semitism in this country.

Now, McWilliams wants to demonstrate what is easily demonstrable: that in the United States there is no history of feudalism and, since the revolution, no established church. The Jews here have never, as they did in Europe, lived in ghettos, or been compelled to wear the yellow badge. Therefore, "the main limitations imposed on Jews have been imposed by our 'private governments'—industry and trade, banks, and insurance companies, real estate boards and neighborhood associations, clubs and societies, colleges and universities."

It is necessary to point to the differences between European anti-Semitism and the American variety. But in underscoring the differences, McWilliams has omitted the common features based upon the capitalist system in both continents. In Europe, capitalism developed out of, and in struggle against, feudalism. To some extent, however, many feudal institutions, ideologies, habits and attitudes lived on in the framework of the new capitalist economy as the capitalist classes compromised with the big landowners and the church. Anti-Semitism developing in European capitalist countries, therefore, has certain feudal ties and connections. In the United States, such was not the case. But capitalism does not begin in the United States in 1877, even though it is in that period that it undergoes certain qualitative changes and heads toward the monopoly, imperialist stage. McWilliams seems to see only the qualitative change but not the system that underwent change.

American history, right back to colonial days, is also a history of class struggles, in which, all too often, anti-Semitism was a weapon of reaction. It was, of course, not as weighty an instrument as it is today, but the modern qualitative changes must not obscure the fact that it existed continuously before. And how could it have been otherwise? For one thing, our country has been settled by those who came mostly from those European countries in which anti-Semitism, with its feudal history and capitalist present, was a factor. The immigrants brought with them certain attitudes to Jews, some favorable, some unfavorable, depending upon the political and social maturity of the immigrant. Native reaction methodically exploited and incited anti-Semitic attitudes both among immigrants and native born; native and immigrant progressives often had to fight back against the use of that weapon. Thus there was economic, political, social, religious and cultural discrimination against Jews long before 1877, for there were capitalism and class struggles in our country long before then. A full study of the relationship of the Jews and anti-Semitism to our country in the two centuries before the Civil War would undoubtedly cast new light upon U.S. history as a whole and modify fundamentally some of McWilliams' theses, which he bases upon the inadequate reading of history common at present.

* For an incisive analysis of a book upon which McWilliams depends inordinately, *Anti-Semitism: A Social Disease*, see the article by Dr. Walter S. Neff, "Psychoanalysis and Anti-Semitism," in *Jewish Life*, June, 1948.

Another point to be noted is that McWilliams underestimates superstructural factors. He neglects the role of religion, of certain reactionary priesthoods, and of unhistorical church teachings which have to this day perpetuated feudal fables about the Jews. The cry of "Christ-killer" was used as a *political* instrument in this country at least two hundred years ago. Even the insufficient separation of church and state, which has led to the incorporating of Christian customs into our general civil life, has had its bearing upon anti-Semitism. He pays insufficient attention to anti-Semitic stereotypes embedded in old ideologies and cultural images such as the Shylock-goblin.

McWilliams also takes no note of the fact that certain anti-Semitic views and news were, during the past two centuries, continually reported and discussed in American newspapers and periodicals; reaction here assiduously sought to turn those reports to anti-Semitic ends, at the same time that labor and progressive forward-looking elements attempted to use such reports to scotch anti-Semitism.

The inclusion of such factors would add depth and complexity to the analysis of the problem, and would have saved the book from its tendency to economic determinism, which is very much different from historical materialism. Whereas economic determinism oversimplifies a problem, excludes significant and operative factors, and therefore impoverishes both the description and analysis, historical materialism takes all the factors into account. It makes its evaluation of the relative importance of the factors on the principle that the material relations of production determine the political, social, psychological, ideological, and cultural life, and are in turn influenced by it.

* * *

McWilliams' program of action to combat anti-Semitism, although not complete theoretically or practically, is one which all progressives, including Communists, can well support. "The campaign to eradicate anti-Semitism," McWilliams declares, "must be organized on two levels: a general attack on the socio-economic conditions which breed the disease; and a special campaign to eliminate all forms of discrimination based solely on race, color, or creed . . . what the task involves is the creation of a society in which production is organized on some basis other than individual self-aggrandizement. . ." (pp. 223-224).

McWilliams has gone far enough to cause the bourgeois-dominated Anti-Defamation League to sound the alarm against him on the ground that he favors "restructuring the economy of our country." But as Marxists we feel that the basic solution must go beyond McWilliams' vague formulation.

The contribution of this book would have been enhanced were the full conclusions from the statement of the problem presented scientifically and boldly—that the complete and irrevocable elimination of the evil of anti-Semitism from society will be achieved only under Socialism. In this connection as a major shortcoming in the book is the failure to discuss and draw examples from the role of the Soviet Union in evaluating anti-Semitism.

But this hesitation weakens his whole point. For to understand the real causes of fascism in 1948 is to understand the nature of American imperialism in 1948. And today, in the pattern

of imperialist reaction, anti-Semitism is inextricably interwoven with Red-baiting, Soviet-baiting, and labor-baiting, with the Taft-Hartley Law, the Mundt-Nixon Bill, the Truman Doctrine and the Marshall Plan. How blunt was McWilliams' understanding of these links can be seen from the outdated preface, in which, failing to grasp American imperialist strategy in the Middle East, he reveals an exaggerated idea of the Administration's concern for a real solution of the Palestine problem, and an underestimation of the role of the Soviet Union both in relation to Palestine and as one of the main centers of Jewish life today.

In discussing his special campaign against major forms of discrimination, McWilliams is properly contemptuous of the results of the kind of programs of "intercultural understanding" that luxuriate in Brotherhood Weeks and "tolerance propaganda." (To add a crushing point to McWilliams' brief indictment, the National Conference of Christians and Jews, one of the main agencies of this type of "brotherhood," just gave an award for the promotion of brotherhood to *The Tablet,* a Brooklyn official diocesan organ that has achieved vast ill-repute for its Coughlinite preachings!—See *The Tablet,* May 15, 1948.) McWilliams also effectively criticizes the so-called "silent treatment" by which conservative Jewish "defense" agencies capitulate to the brawling anti-Semitic agitators.

He calls for a campaign for "functional equality" which would include:

> . . . equal educational opportunities for all; equal economic opportunities regardless of race, creed, or color; equal access to good housing; equal access to health and medical facilities; equal access to publicly supported recreational, cultural, and civic facilities of all kinds; equal access to common civic conveniences, such as hotels, restaurants, common carriers, and places of public accomodation; equal enforcement of the law; equal protection of civil and political rights; and, as a variant of the concept of religious freedom, a degree of equality in personal relations (for example, the right of individuals to marry regardless of racial differences). (Pp. 227-228.)

This campaign, he believes, requires "the formation of 'a great, special camp' of all the democratic forces in the United States." He does not become more specific. But it will be clear to most of his readers that while such a "special camp" will be a great nonpartisan front, its center will have to be the Wallace movement.

"To be effective," says McWilliams, "education against racism should emphasize the real causes of fascism." Not only the causes, one would add, but the main techniques, including the fundamental lie that fascism and communism are alike, a lie imbedded in the report of Truman's Civil Rights Committee which McWilliams characterizes as "a document of great historic significance" without even defining its by no means minor "weaknesses."

Shortcomings are to be noted, however, only in order that one may have a true estimate of the value of a book such as McWilliams has produced. Taken as a pioneering effort in American theory on the subject of anti-Semitism, it represents a significant contribution which can be used effectively.