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The World Today

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THE WORLD TODAY

(A draft section of the International Resolution)

Capitalism survived World War I only to face the challenge of the 1917 proletarian revolution in Russia. It survived World War II to face the challenge of the Third Chinese Revolution, the colonial revolution, the Yugoslav revolution, the extension of the Soviet property forms into Eastern Europe, the strengthened Soviet Union. The old capitalist countries are rotting. Their colonial empires are falling apart; a whole number of former colonies have broken away; the remaining colonial sectors are in constant ferment.

The survival of capitalism was made possible by the treacherous leadership and policies of Stalinism and Social Democracy. They disarmed the workers of Western Europe, disoriented, and subjugated them to the European bourgeoisie. Following the war, the Stalinists and the Social Democrats in Western Europe imposed upon the advanced workers a serious defeat—a capitulation without a fight. The mass organizations of the workers were not broken; they were immobilized by the treacherous leadership. A class war stalemate resulted.

The dominant feature of the world today is the struggle between the outlived capitalist order and the nascent world socialist order, amid the unresolved crisis of the proletarian leadership.

Capitalist world equilibrium has been completely upset by the abolition of capitalist rule in one-third of the globe, that is, by the extension of Soviet economic forms into China and into Eastern Europe; and by the colonial revolution.

The old stability of West European powers (Britain, Germany, France) has been lost. They used to derive this stability from their supremacy in industry, finance and trade; from their former colonial empires which assured them super-profits, control of markets and raw materials. Not only has the center of gravity of world capitalism definitively shifted to the United States, but all of the West European countries, together with Japan, have become dependent on American capitalism. The disintegration of the former colonial empires acts

to reinforce this dependence. U.S. imperialism, however, has gained far less than world capitalism has lost.

The New Features of the World Economy

Capitalism no longer wields its former unchallenged control and direction of the world economy. Between the two world wars capitalist economy stagnated. The Soviet Union was just beginning to emerge out of backwardness. Capitalism must now meet the competition of the rival social order represented by the Soviet bloc; it must now cope with the needs and demands of countries rising from their former colonial status. And wherever the imperialists still continue to cling to colonial rule they encounter resistance by the masses, including armed resistance.

The growth of the world productive forces and of the world economy in the postwar years has been determined by:

- 1) The productive expansion of the capitalist sector. World War II enabled the imperialists to surmount the restrictions on production their own system imposes. By 1955 the capitalist sector has grown, as a whole, about one and a half times of the prewar level. World War II has not only pulled American capitalism out of the depression but made it possible for imperialists to expand industry, advance technology, attain the nuclear explosives. In the postwar years U.S. industry continued to expand at a more rapid rate than the rest of the capitalist world, reaching by 1955 a level about two and one-third times prewar.

- 2) The expansion of Soviet economic forms into the Eastern half of Europe, and over the Asian mainland—China, North Korea, North Indo-China. The growth of the forces of production has been most pronounced and has taken place at the most rapid tempos in the countries where Soviet economic forms prevail. Despite the havoc of World War II, the Soviet Union has become an advanced industrial power second only to the USA. The East European countries are emerging out of semi-

colonial, agrarian status as industrial powers. China has embarked on the same road.

3) The stepped-up tempo of industrialization of the undeveloped countries. Their increasing industrial needs arise as the direct result of the world wide liberation movement of the colonial people.

4) The leap in science and technology represented by the nuclear discoveries, electronic development, automation, and so forth.

The Technological Revolution

Toward the end of 1949 the Soviet Union broke the American monopoly of nuclear development, which has since been broken by other countries as well (Great Britain and France). Once the American monopoly of nuclear development was broken, it could no longer be limited exclusively to military use. Soviet possession of nuclear know-how has made it a part of the world technological progress.

The Soviet economic forms--nationalized industry and state planning--demonstrated in the field of technology as well, their superiority over monopoly capitalism. The Soviet system not only allows for a speedier development of the productive forces, but its inner tendency is to revolutionize the productive forces, to seek ever greater technological advancement at tempos unattainable by capitalism. The same Soviet productive relations, that transformed Russia from one of Europe's backward countries to the front rank on the old continent have made possible a similar leap in nuclear and technological advancement. This has been expressed in the fact that the USSR was the first to put a nuclear power plant into operation.

The American monopolists fear not so much a nuclear arms race as they do a race to apply nuclear energy to peacetime purposes. If they had retained their monopoly, the civilian exploitation of this unlimited source of energy would have been relegated to an indefinite future. But their loss of monopoly in this field has altered the situation not only in the military field but in the field of production. The U.S. together with the rest of the capitalist world must henceforth compete in the industrial application of nuclear energy under

the dire threat of being outstripped by the Soviet bloc. So far as imperialism is concerned the primary application will continue to be in the military field. Each technological advance in the civilian areas will be an added spur to its wider application in war preparations. The military continues to have a stranglehold on nuclear development.

In the field of nuclear development and the application of up-to-date technology it is imperative for the other capitalist countries to undertake development of their own. For competitive reasons the deliberate policy of Washington, however, is to keep the rest of the world on a nuclear dole. This is the gist of Eisenhower's proposal for the world utilization of nuclear energy for peacetime uses. Precisely on this account it has met with a cold reception. This is bound to become a new source of inter-imperialist friction.

The development of nuclear energy is of special concern to the undeveloped countries, that is to say, to the overwhelming majority of mankind. They are hostile to nuclear bombs and no less hostile to any attempts to deprive them of the benefits of this source of energy.

Undeveloped countries generally have as their primary requirement the development of power resources. Nuclear energy is an indicated source for them, as the best for meeting their power needs. This is particularly true of countries which lack coal or hydroelectric resources. Every attempt of the imperialists or of the native bourgeoisie to impede such development is bound to create new points of collision with the masses in their struggle for better living conditions and the industrialization of their respective countries.

The demands of World War II revolutionized technology, with the most remarkable developments still to come. Electronics is only in its first phases of growth and so is automation. These conquests in nucleonics and technology are already an inseparable component of the world economy. Nuclear energy, as a great new productive force, the revolution in technology, as an unparalleled means of raising labor productivity are bound to play an increasing role in world production.

The process of capitalist decay has been neither halted nor reversed by mankind's entry

into the nuclear age. Capitalist decay derives not from the lack of productive forces but from the fact that world's productive forces have long outgrown private property relations and national boundaries. They required the unrestricted world arena for their full development. The incompatibility between capitalist rule and the further growth of the world economy will only be deepened by the rise of new productive forces and the corresponding vast increase in labor productivity. Moreover, all the former contradictions of capitalism become aggravated thereby, raising to a new level all of the chronic problems such as markets, overproduction, etc. The threat of economic collapse far from being removed is brought all the closer.

The Worldwide Boom Since Korea

Following the end of World War II, the U.S. bolstered up the West European bourgeoisie and used the countries of Western Europe as outlets for its industrial and agricultural surpluses.

The severe winter of 1946-47 threatened Europe with famine. France and Italy were in the throes of social crisis. West Germany was in ruins. Britain was rocked by the independence struggles in India, Burma, Malaya and caught in the Middle East by the Arab-Palestine crisis, unable to cope with the civil war in Greece and itself in dire need of aid. France was in the midst of a fiscal crisis and fighting at the same time a costly war in Indo-China. Italy was suffering from mass unemployment and inflation. The regimes in both these countries had been sustained primarily by the Stalinist coalition policy.

In June 1947 the Marshall Plan was introduced as an emergency measure to help surmount this postwar crisis.

The West European economies were also sustained for a time by auxiliary markets resulting from the regeneration of normal civilian demand after the cessation of hostilities, and the wartime depletion of all previous stocks; there was the need to restore and modernize the productive plants, particularly acute in such countries as West Germany and others, which suffered the most from war devastation. To this should be added the indus-

trialization programs of countries rising from colonial status, programs, however modest, which have created a new demand for capital goods in the world market.

Moreover, American imperialism launched the cold war which touched off the arms race, inaugurated largescale militarization of the U.S., massive stockpiling, subsidies to the militarization of allied countries, etc.

Up to the middle of 1949 U.S. loans, grants, subsidies, the Marshall Plan, the cold war, the auxiliary markets, kept West European economies going, while feeding the boom in the United States and sustaining both American industry and agriculture.

However, the capitalist stability attained in these ways proved quite tenuous. Toward the end of 1949 a slump set in the U.S. and throughout the world (world trade declined as did production in West Europe and the U.S.)

The incipient depression was averted when U.S. imperialism plunged into the Korean war. A new war boom ensued. Not the U.S. alone but the whole capitalist world, particularly West Germany and Japan, profited from it as well as from the intensified arms race and inflation.

The boom sparked by the Korean war has endured for five years, lifting world production and world trade to new peaks. Among the major factors that have fed this boom have been the expansion of capital goods production in Western Europe and Japan, the arms race and U.S. arms orders.

This boom does not differ in nature from any previous capitalist booms. It must attain its peak, then level off and finally a decline will set in. All the conditions for this cycle terminating inescapably in depression are being prepared in the course of the boom. Toward the end of 1955 the rate of production began to taper off. Expansion of capital goods slackened. Such key industries as auto (in Britain and the U.S.) cut back production. The fiscal systems of most West European countries remain dislocated. The credit structure has been inflated, particularly in the U.S.A.

The longer the boom lasts, the greater de-

gree of stabilization is attained by Western Europe, by West Germany and Japan, all the more are these countries revived as competitors, all the more sharply are they pitted against one another, and particularly against the U.S., on the world market. To the extent this rivalry for markets in a constricted capitalist world revives, to the same extent not only are new strains put on the imperialist coalition but also the boom tends to be undermined.

Over the last few years the world-wide agricultural crisis has steadily grown worse. The main cause of this world agricultural crisis is the glut in the United States, more than one-eighth of U.S. farm production must move overseas. It can't. And so the agricultural surplus mounts into the billions of dollars. While small farmers and peasants the world over are being ruined, Washington is impotent to cope with the mounting agricultural surpluses. The disruptive role of American capitalism is disclosed by its inability to alleviate the world agricultural crisis by importing agricultural products as do Britain, West Germany or Japan. Instead of easing the farm crisis, the U.S.A. has aggravated it. Instead of providing outlets, Washington seeks to dump its surpluses abroad and at the same time raises tariff barriers against the importation of agricultural produce. An impossible situation has thereby been created for the undeveloped countries whose chief exports remain foodstuffs and industrial crops. In this impasse they are compelled to turn more and more to the Soviet bloc.

Present-day Expressions of Capitalist Decay

The emergence of the U.S. as the dominant capitalist power amid the eclipse of the old capitalist powers; the abject dependence of the rest of the imperialist world on the economic, financial and military handouts of the U.S.; the status of the U.S. as the only stable and solvent capitalism—these very features of American ascendancy point up the continued decay of world capitalism.

The capitalist world has grown more lopsided than ever. With one-third of the globe removed from capitalist rule, the concentration of production and wealth in the U.S. has become all the more pronounced. The United States has less than 6% of the world's popula-

tion but produces approximately 40% of the world's goods and services. The resulting discrepancy between American living standards and those of the bulk of mankind is a constant source of provocation and conflict.

Capitalism proved so decayed as to be impotent to hold China and the Eastern half of Europe, although the resources and weight of the mightiest capitalist country, the U.S. were thrown behind the attempt. It has proved impossible for imperialism to contain the colonial revolution which is not only disintegrating the old colonial empires but carries with it the threat of passing over into the proletarian revolution.

Capitalist equilibrium has been upset in the colonial pole of capitalism. The control of the world economy used to be maintained by a handful of privileged imperialist countries (Western Europe, the U.S.A., Japan), which divided the world among themselves and doomed the bulk of mankind to serve as slaves for the metropolitan centers, to provide markets for the export of capital and manufactured goods, act as suppliers of foodstuffs, raw materials and as sources of cheap labor power and super-profits. The premise for the prosperity and industrial growth of the metropolitan centers was the continued enslavement and backwardness of the colonies. Imperialism has been the main obstacle in the way of these countries' development.

The colonial revolution against the background of the industrial progress and relative rise of living standards in Soviet-bloc countries imposed upon imperialism, especially the U.S., the need to compete with the Soviet bloc countries in the world's key areas, the undeveloped countries. These are key areas, because the overwhelming majority of mankind lives there and because these countries are rich in natural resources.

The universal demand is for industrialization at the highest possible tempos. The living standards of Soviet bloc countries are, true enough, below those of advanced countries, but they have a powerful attraction for the people of undeveloped countries. For them a leap from backwardness, misery, malnutrition to Soviet-bloc living levels represents indeed a most attractive goal. They cannot be fobbed off with promises in the indefinite

future. They demand immediate, tangible improvements.

The demands for higher living standards are by no means limited to the masses in the undeveloped countries. As the U.S. pressure mounts to restrict the old capitalist countries to subordinate positions in the world economy and as the burdens of militarism and inflation grow more intolerable, the working classes in the old capitalist countries, particularly West Germany and Japan, will likewise tend to collide not only with the ruling bourgeoisie at home but with the American imperialists.

The gap between Soviet living standards and those of West European countries has not widened; on the contrary, Soviet bloc living standards have been rising while those of Western Europe, dragged down in the course of World War II, have yet generally to return to prewar levels. Any worsening in the conditions of West European workers in the face of the continued growth of the Soviet bloc represents a grave threat to imperialism, American imperialism in particular.

Armaments, inflation, depression, war--this has been the organic tendency of capitalism since the inception of the imperialist era at the turn of the 20th century. It has been left for U.S. imperialism and decaying Western Europe to carry this inner tendency of capitalism to its extreme.

As late as 1929 U.S. arms expenditures amounted to less than 1% of the gross national product; at the climax of World War II in 1944 these expenditures rose to 45%; today the arms program absorbs over 20% of the gross national product. Never before in world history has there been such a peacetime expansion of militarism as has been taking place throughout the postwar period. More and more of the production of the whole capitalist world, including that of West Germany and Japan, is being diverted into war preparations. We have here a vivid confirmation that militarism and war represent the only capitalist solution to the contradictions that are tearing this outmoded social system apart.

Statism in the Imperialist Countries

In the epoch of imperialism, massive intervention by the state is one of the by-products of world capitalist decay. Statism becomes

indispensable for salvaging and maintaining the capitalist order. This process has been manifested especially in the United States.

State intervention became imperative for U.S. capitalists to bail out their system in the course of the Great Depression of the thirties. It then took the form of a number of governmental inflationary measures ("pump-priming"), creation of artificial scarcities (plowing under, restriction of production, etc.), and the projection of a public works program to alleviate unemployment. State intervention was envisaged as a temporary, emergency expedient, to be suspended once the country pulled out of the depression. It never did. Instead a period of war preparations and then the war ensued.

Economic life in wartime centered around military requirements, with the state regulation of every sphere of activity. Expansion of production was achieved by state subsidies to corporations and by government construction of plants and equipment.

In the war years, the entire economic life was placed on a war footing and regulated by the state. The total character of modern war made this mandatory. State intervention was further dictated by the need to create entire new branches of economy such as nuclear development, to conduct basic research, to undertake power developments, to meet such scarcities as that of natural rubber by building up a synthetic rubber industry, etc., in brief, projects requiring capital expenditures beyond the reach of private capital.

Statism in the U.S., as in the other capitalist countries remains strictly within the framework of capitalism. At the very first opportunity, as in the case of the synthetic rubber industry in the U.S. or of the steel industry in Britain, the policy is to return the plants to private ownership. The same attempt is now underway with regard to the transfer to the monopolists of the civilian use of nuclear power.

There is no overall planning. There is indeed, a manipulation whose aim is to gear state intervention along with privately owned industry with the military machine.

The inner urge of finance capital to fuse more and more closely with the state is rein-

forced in the epoch of capitalist decay by this, that entire branches of the economy cannot be operated under private ownership. But the imperialist bourgeoisie cannot afford to sacrifice them. Such is the case, for example, of the railways and coal industry in Britain and of agriculture in the U.S. where the state has to step in to bail out the big capitalists. In Britain this state intervention assumed the form of nationalization; in the U.S. it has taken the form of regulation of production through subsidies, price supports, and so forth, and government stockpiling of agricultural surpluses.

The most naked and brutal forms of imperialist statism are manifested under fascism. The crassest examples of bailing out bankrupt capitalists occurred under Hitler in Germany and Mussolini in Italy. Statism, as events have proved, is not a pre-war or wartime trend. It has been carried over into the postwar years, as evidenced by Britain, France, Italy, West Germany and the United States.

Massive state intervention has been further imposed upon the imperialist bourgeoisie, particularly that of the U.S., by the fact that since the termination of World War II, world capitalism has been operating on an emergency basis, engaged in a world arms race, and pending the outbreak of war, forced to compete with a rival social order and to try to contain the colonial revolution.

U.S. imperialism must sustain the rest of the capitalist world, prop up tottering fiscal systems, provide state aid in the shape of grants and loans abroad, arms procurements in several countries, and so forth. At home, the maintenance of huge armed forces and the need to keep them up to date, impels the bourgeoisie to extend the powers of the state over the key branches of industry and to function as the exclusive stockpiler of strategic materials.

So far as the European capitalists are concerned, statism in addition provides them with a means of defense against unbridled encroachment by the U.S.

Among the acute problems in world economy confronting the imperialists is the demand of backward countries for industrialization. The

rivalry of the Soviet bloc countries makes it impossible for the imperialists to ignore these demands, which private finance capital cannot meet. This aid, however limited and restricted, can be provided primarily through state channels.

The marked expansion of world economy, well above the levels of production and trade previously attained, the international growth of the working class, the universal demand for raising living standards, in brief, the entire new set of world relations today, does not weaken but, on the contrary, reinforces the statist tendency.

The successive crises of the last quarter of a century: the Great Depression, the emergency preparations for World War II, the war itself, the ensuing cold war and the localized wars have dictated increasing state intervention not only into economic life but into every field of social activity. Above all, the state has intervened in the class struggle. Virtually every strike, every wage demand, every conflict over working and living conditions today confronts the workers with the intervention of the state. This aspect of imperialist statism is indissolubly linked with its intervention into the economy, and pursues the exact same objectives—to salvage capitalist rule.

If in an earlier phase of imperialist development the monopolies stepped in as the chief organizer and regulators of capitalist economy, then today this role has been assumed by the capitalist state, the central executive committee of the bourgeoisie. In the U.S. the state has become a super-corporation, the main regulator of economic life, the biggest banker and controller of credit, the biggest single business enterprise.

But the massiveness of U.S. state intervention does not invest world or U.S. capitalism with immunity to economic crises. The monopolies in their day proved in the end to be the organizers of the depression of the thirties, the greatest economic catastrophe up to that time. The capitalist "state-regulator" now is headed in the very same direction.

There is nothing wonder-working about the massiveness of American statism. U.S. state intervention must of necessity be on a large

scale because the country's economy is the most massive in the world. Once world capitalism is seized by crisis, the U.S. is bound to find itself in a most unfavorable position. There is no other country or combination of countries that can come to its aid. On the contrary, the more favorably situated capitalist countries will be dragged down with the U.S.

Statism provides no solution for the bourgeoisie. In the last analysis, the intervention of the state serves to create new contradictions, to drive the old contradictions more deeply inward and combine them in new ways, and prepare for all the more destructive explosion thereafter. The alternative facing U.S. and world capitalism is depression or war.

U.S.--The Dominant World Bourgeoisie

The process of capitalist decay that dragged down all of America's capitalist rivals, has assured to U.S. imperialism its overwhelming predominance. This predominance, in turn, facilitated the postwar salvaging of capitalism in Western Europe and Japan.

U.S. development during World War II was diametrically opposite to that of Europe. The old continent was ravaged and declined; the United States expanded. Moreover, it was able to pool the scientific and technological resources of the entire capitalist world and in this way temporarily gain a monopoly of nuclear developments.

In the immediate postwar years, the U.S. with its greatly expanded productive capacity, took advantage of the social peace enforced by the Stalinists and Social Democrats to deploy its economic, financial and military strength in order to achieve, under its hegemony, the relative stabilization of Western Europe. U.S. resources proved ample to revive the world market, subsidize reconstruction of ruined capitalist countries, allay the food shortages, finance re-equipment of old plants and the construction of new ones, and to prop up bankrupt fiscal systems.

The boom experienced by Western Europe since 1950 has not lessened the dependence of West European capitalists politically and economically upon the U.S.A. They remain under the challenge of the socialist minded proletariat at home. This likewise increases

their dependence on American capitalism.

The greater their dependence becomes upon the U.S.A., all the more dependent does the U.S.A. become on the rest of the capitalist world; all the more directly do all of the contradictions and the threatening upheavals in other countries become incorporated in the foundations of American imperialism. The benefits the U.S.A. derives from its dominant position are temporary and tend to become transformed into liabilities. From a factor of stability and strength, U.S. dominance over the rest of the capitalist world is beginning to turn into its opposite.

The preponderance of the U.S. has not solved a single one of the fundamental contradictions of imperialism. On the contrary it tends to aggravate them.

The central problem of imperialism is the export of capital. And again we find the position of the old capitalist world rulers reversed as against that of the U.S. At the zenith of imperialism the capital market seemed bottomless. Sir Edgar Speyer, well-known British financial authority of those days, was able to boast (May 1911) before the English bankers that "Export of British capital (is) chief cause of Empire's prosperity." But Special Consultant to President Eisenhower, Randall had to complain by 1954 how baffling the problem is for the U.S. to export capital. Two-thirds of the world's capital is generated in the U.S. Yet, while the rest of the world is starved for capital, European funds tend to gravitate toward the U.S. (A Foreign Policy for the United States, by Clarence B. Randall. Chicago, 1954).

U.S. finance capital suffers from a legendary affliction. On a global scale, as at home, everything it touches turns into dollars, and these astronomical accumulations of capital funds seek for outlets, with few of these in sight. The concentration of the bulk of the world's capital and gold supply in U.S. underground vaults, epitomizes this impasse of Wall Street.

One consequence of lack of outlets for capital exports has been the saturation of the Western hemisphere with U.S. private investments. By 1954 some 70% of U.S. private capital invested abroad, totalling close to 17

billion dollars, had been invested in Canada and Latin America. (\$3.6 billion in Canada; \$1 billion in Venezuela; \$640 million in Brazil; \$640 million in Cuba, or total of \$5.88 billions for these 4 countries alone.)

The pre-1914 U.S. exports were mainly agricultural (more than 2/3 of the exports). Its post-1914 exports were mainly manufactured goods (60% of the exports). This trend became more pronounced after World War II. U.S. has become an export economy to a greater degree than ever before in its history; and conversely, its dependence has grown on the rest of the world, Asia in particular, for raw materials; and this, in a shrinking capitalist world.

Decisive here are not comparative totals, or proportions of foreign trade to national output, but the rate of U.S. foreign trade growth and needs.

Increasing dependence of the U.S. industry on world reserves of raw materials is evidenced by the following:

The aluminum industry processes mainly foreign bauxite; the steel industry has to turn for ore to Labrador, Venezuela, Africa, Sweden and other places. Large-scale shipments are required of petroleum, manganese, chrome, tin, nickel, copper, lead, zinc and many other strategic minerals.

Outlets are needed acutely for manufactured goods and agricultural products of which the U.S. itself possesses an abundance and superabundance.

Amid a world glut of foodstuffs and industrial crops, the U.S. must find outlets for huge agricultural surpluses. In manufactured goods the imbalance is likewise pronounced.

Britain, as world ruler, maintained a balance in foreign trade by importing more than she exported (this "deficit" being more than covered by the take-home dividends from her foreign investments). The position of the U.S. as the world's chief trader is diametrically opposite. The U.S. exports far exceed imports.

The "dollar gap," the "imbalance of international payments," translates itself into billions which pile up annually. This gulf,

which the entire preceding world division of labor has dug, the U.S. monopolists must strive to span. In vain! The dollar invariably appears with a minus sign in the foreign trade balance of the rest of the capitalist world. As a consequence there is not a single capitalist country that is not impelled in self-defense to set up limitations, increasingly rigid, on buying from the U.S.; and conversely, redoubling their efforts to penetrate the U.S. home markets. This, in turn, makes more compelling the impulsion of the U.S. to try to impose a new division of labor throughout the world, by keeping the other capitalist countries on a U.S. dole.

The disorganizing role of U.S. imperialism in world economy is pointedly put by the above-cited Randall. "So," he concludes, "we are caught squarely between the Scylla of export subsidy and dumping on the one hand, and the Charybdis of the destruction of the market of our allies by our gifts on the other." (Same source).

For the U.S. it is not enough to dominate the capitalist sector; to survive it must rule the whole world. It needs world outlets for its colossal accumulation of capital and manufactured goods. It needs the resources, especially those of Asia, for raw materials. It needs the super-profits that are derived from exploiting cheap labor. These imperialist needs collide with the universal demand for industrialization at the highest tempos possible. American imperialism offers, in the main, lip service; actually, it stands in the way of the rapid industrialization of even those countries, like Turkey, which have been the most publicized recipients of "aid." By the end of 1955, for example, the American bourgeoisie was in open conflict with the Turkish bourgeoisie over the rate of that country's industrialization.

Finance capital, of which American capitalism is the epitome, requires governments throughout the world which are not merely subordinate to it but which are its direct agencies. To put it differently, U.S. imperialism requires strong, stable regimes, stable above all in the sense of being able to seek and guarantee foreign private investments. Such regimes can be imposed only by force, as in the case of South Korea, Guatemala, Iran.

The surge of the colonial revolution has

brought the American imperialists into collision not only with the insurgent masses but also with the native bourgeoisie. For the masses the liberation struggle can only be the initial phase in the struggle for socialism because there is no road for advancement for them within the capitalist framework. The respective national bourgeoisies cannot stand on their own feet in the face of mass assault. They need the support of American capitalism, but cannot openly accept it because of the counter-revolutionary role and demands of American imperialism. In the meantime, every crisis of the struggle in the colonies directly affects American imperialism.

The dislocation of the social equilibrium in the colonial pole of capitalism has been so profound that it has had its repercussions in the main colonial base of U.S. capitalism--Latin America. It has turned this area virtually into its own private preserve. Nevertheless, it has not been able to attain the former stability. The majority of these countries are in a state of continuous crisis.

The challenge of the proletariat anywhere is a direct challenge to Washington. This applies with equal force to the liberationist struggle of the colonial masses. This is why American imperialism is the powerhouse of the world counter-revolution, and can assume no other role.

Economically, militarily, politically U.S. policy has been determined on the one side by the continued decay of world capitalism and on the other by the process of the permanent revolution. The keystone of U.S. foreign policy is to ward off the extension of the revolution in order to consolidate its positions and then "organize the world" under its hegemony through the reconquest of the lost one-third.

Frustrations of U.S. Foreign Policy

Prior to the launching of the cold war Washington tried to exploit its nuclear monopoly as a major instrument of policy, above all, against the U.S.S.R. At the start of the cold war Churchill in his Fulton, Mo. speech and Truman in proclaiming the so-called "Truman Doctrine" rattled the atomic bomb. This was continued throughout the cold war. However, U.S. monopoly of nuclear processes was short-

lived. The cold war speeded up the nuclear race and the breach of U.S. monopoly by the Soviet Union.

The passage from the cold war and the localized wars such as Korea and Indo-China into an all-out assault upon China and the U.S.S.R. has been postponed up to now by the unfoldment of the international class struggle, that is, the victory of the Third Chinese Revolution and the spread of the colonial revolution.

Even while the U.S. enjoyed the monopoly of the atom bomb and sought to intimidate the whole world with it, the Chinese masses accomplished the Third Chinese Revolution. The whole experience with the A-bomb illustrates once again that there is no single factor, not even an "absolute weapon" such as the nuclear bomb, that can cancel out the class struggle or reverse a world relation of forces unfavorable to imperialism. Explosives, no matter how destructive, cannot save a dying social order.

The world relation of forces proved too unfavorable to U.S. imperialism. In this context, the possession of nuclear weapons by the U.S.S.R. undoubtedly acted as a "deterrent" to war. The imperialists have been working with might and main to change the world relation of forces in their favor.

Toward this end their first objective was the consolidation of the imperialist bloc under U.S. hegemony. This was to be achieved through the Marshall Plan and NATO. But in this consolidation there were missing links--rearmed Germany and rearmed Japan. Moreover, the disintegration of the colonial empires under the impact of the colonial revolution have kept the NATO partners, Great Britain and France in particular, from achieving the necessary stability.

Washington found itself faced with the need of "stabilizing" its positions in the Far East, Middle East, North Africa, and even in its private preserve, Latin America (Guatemala, Bolivia, Chile, Argentina), in brief, throughout the former colonial world. Hence the drive for supplementary regional military alliances--SEATO and METO.

Capitalist decay, however, has reached the stage where American imperialism cannot depend militarily on any single ally but must rely on its own military build-up and its own bases. The network of American expeditionary forces, of land, air and naval bases must, therefore, of necessity cover the earth. Under the pretext of "mutual defense," the old European empires are now forced to tolerate foreign military garrisons on their soil. The same conditions are imposed rigorously on undeveloped countries which are pulled into alliance with the U.S.

The same forces that have acted to postpone the outbreak of World War III have been operating to prevent the attainment of social stability in the strategic areas. The search for imperialist consolidation remains elusive. American imperialism has been involved in one crisis after another. No sooner was a relaxation of tension achieved, for example, in the Far East, than crisis erupted in North Africa and the Arab world.

After Korea had proved the futility of localized warfare, the United States was on the brink of becoming embroiled in Indo-China, and over Taiwan (Formosa). While an uneasy truce was achieved in the Far East, Washington started marching toward embroilment in North Africa and the Arab world. By the beginning of 1956 Washington was threatening armed intervention in Palestine over the issue of Israel.

The Near East, North Africa and virtually the whole of Africa, had by 1956 become the most explosive region in the world. The tasks of the belated bourgeois-democratic revolution are posed on razor edge. The struggle for liberation from foreign oppression has reached the stage of armed conflict. It is at the same time the region of the world's lowest living standards, which makes the more urgent the resolution of the agrarian problem, and the need for industrialization. Meanwhile, the imperialists are fighting to retain their rule all the more ferociously not only because these are key remaining colonial holdings but also because they contain the richest oil fields and oil reserves in the world. In the Near East the U.S. imperialists are defending not only their commitments to Great Britain and France and their own military bases in this area but also the huge investments and profits of the U.S.

monopolists in the oil and mineral resources. At the same time they are haggling with Britain and France over the divisions of spoils.

Aggravating this already explosive situation, is the injection of the state of Israel into the Arab world. The Jewish people who proportionately suffered the greatest casualties in World War II, were led into a bloody trap following the war. The imperialists, with the U.S. in the van, aided by the Kremlin bureaucracy, helped the Zionists carve out the state of Israel, at the very time the Arab world started struggling for their liberation. Under these conditions Israel could serve no role other than that of a wedge to serve imperialist ends. It could be established and maintained only by naked force, an armed camp which impels the Arabs to arm themselves. While unable to offer a stable base to the imperialists, the existence of Israel sharpens the conflict between the Arabs and the Jews, between the Arabs and the imperialists. The victims who stand to lose most in this situation are the Jews.

U.S. imperialist quest for social stability in the Near East, as in the rest of the colonial world, runs up each time against the imperialist inability to substitute new forms of domination other than colonialism, avowed or covert, against which the masses are up in arms. The imperialists can find support only among the old feudal rulers, the landlords, the militarists. Every U.S. military alliance made with the undeveloped countries is thus directly aimed against the masses and their aspirations.

Moreover, in the Near East, as elsewhere, U.S. imperialism runs up against another new reality, namely, the loss by the imperialists generally of their monopoly, militarily, economically and politically, over the colonial people. The unfolding colonial revolution and the existence of the Soviet bloc, offer the countries rising from former colonial status an alternative course, with resources and assistance beyond the power of the imperialists to block.

Whenever the imperialists seek to ignore this new relationship in the colonial world and to coerce even small countries such as Jordan, the attempt boomerangs. British pressure on Jordan to join the Baghdad pact resulted in an acute crisis and set the masses immediately

into motion not only in Jordan but throughout the Arab world.

The social tensions in the world today are so acute that every aggressive step taken by American diplomacy brings it to the brink of war with the Soviet bloc and the insurgent colonial masses. Washington continues to refuse to recognize China, to give its support to the discredited and bankrupt regime of Chiang Kai-shek. In Korea it continues to base its policy on the support of Syngman Rhee, under the conditions of a tenuous truce. In Indo-China, it seeks to bolster up a puppet regime, and to prevent the unification of the country through an election agreed upon at Geneva.

In Europe Washington continues to carry through the policy of "liberation" of the Baltic and East European countries and of incorporating a rearmed West Germany in the NATO, perpetuating the dismemberment of Germany. Washington has involved itself in more than two score pacts. These are not only military alliances aimed at the Soviet bloc but U.S. guarantees to perpetuate the existing social order in each of the "allied" countries. Every upheaval in each of these countries thus threatens to embroil the U.S. As a consequence U.S. foreign policy has kept adding one time-bomb after another to an already intolerably tense international situation.

The Threat of the Next World War

The fact that the next world war would be the most destructive and costliest of all is a poor safeguard against its eventual eruption. True enough, the entry of militarism into the nuclear age has made militarism so expensive and destructive as to virtually negate its role as an instrument of imperialist expansion. But this inner logic which dooms militarism is subordinated to the inner logic of the class struggle. Militarism is an instrument of class rule and class policy. In the hands of the American imperialists, militarism serves as one of the main levers for establishing its hegemony over the rest of the capitalist world; it prevents any combination of capitalist powers from challenging this. Against the Soviet bloc, militarism--the arms race--serves also as a means of economic aggression, forcing the Soviet bloc to divert an increasing

share of the national income to arms production. And above all, militarism is intended as the ultimate "deterrent" against the encroaching socialist revolution, the only remaining means of safeguarding the capitalist order.

American imperialism would reduce the world to atomic waste-land rather than voluntarily surrender its bid for world hegemony. The American imperialists have not hesitated to plunge into the cold war and then into the Korean war, using throughout the threat of nuclear war. Never before has there been such a piling up of arms, creation of systems of military alliances, rings of global bases, with projects to multiply such bases and extend them even into the stratosphere.

Stockpiles of nuclear explosives have been mounting. Military organization and strategy is being more and more oriented toward nuclear warfare. U.S. land, naval and air forces have been reorganized for nuclear war.

War is rooted in decaying capitalism. Two world wars within the span of a single generation have amply demonstrated this.

World War III became implicit the moment hostilities in World War II terminated. It was implicit in the cold war; in the Korean war; in the division of Korea that followed; in the subsequent division of Indo-China. It is implicit in the division of Europe into the West vs the East. It is implicit in the division of Germany, in the attempt to create "two" Chinas--Chiang on Formosa as against the Mao regime on the mainland. This social conflict cannot be resolved definitively by any means other than war or revolution.

In the face of these realities the most malignant of illusions is that war has become outmoded. Pacifist illusions facilitated the imperialist preparations for World War I as well as World War II. Such illusions can again only play into the hands of the preparers of World War III. The masses are lulled and disoriented in order to be caught completely off-guard when the war erupts.

Among the crassest of illusions is that the UN provides some sort of "safeguard." Korea has already supplied the answer in this connection. It was the UN, the alleged "preventor

of war," that engaged in a full-scale war in Korea, a war that carried with it the threat of expanding into a world conflict, with the use of nuclear weapons.

Illusions that "disarmament," "neutralism," and the like will prevent World War III are being fostered just as assiduously as similar lies were fostered in the interval prior to World War II.

The program of "peaceful co-existence" is excluded precisely for the United States. World capitalism was unable to maintain "peaceful co-existence" among the rival imperialist powers and at a time when the Soviet Union was isolated in the period prior to World War II. How can it attain "peaceful co-existence" today in a world that is divided into two antagonistic social orders amid the unfolding colonial revolution?

The only alternative to war is the socialist revolution.

The World Working Class and Its Leadership

The world political situation as a whole continues to be chiefly characterized by the historical crisis of the proletarian leadership.

The eruption of the colonial revolution, the abolition of capitalist rule in one-third of the world, the continued decay of capitalism have posed point blank the need for the world socialist solution. Failing the world socialist revolution, the existing power stalemate can only be resolved by World War III.

The imperialist bourgeoisie, under the hegemony of U.S. monopolists, has gained a new lease on life thanks primarily to the role of the traditional labor bureaucracies--the Stalinists, the Social Democrats, the trade union bureaucrats. For the imperialists there is no way out than the plunge either into economic or military-nuclear catastrophes.

In the United States the imperialists retain their most stable base because, under the conditions of the war and postwar boom, they have been able to subjugate the workers through the AFL-CIO bureaucracy. In size, power and privileges this bureaucracy surpasses that of any other capitalist country. It sits astride 17 million organized workers and keeps

the class as a whole harnessed to the capitalists politically, keeps them shackled to the imperialist war machine. It is the main agency for spreading capitalist ideology among the workers and it wages incessant and ruthless war against class consciousness and class struggle methods.

This bureaucracy derives its position and power primarily from the backing of the imperialist state coupled with the ability of the capitalists rulers to grant concessions to the workers. The power of the bureaucracy has expanded with the growth of the working class and the maintenance of relatively high living standards. Every threat to U.S. imperialism is felt by this bureaucracy as a threat to itself. Hence its hostility to the colonial revolution, to the Soviet bloc and to Marxist ideas at home. Hence its unwavering support of U.S. foreign policy. It stands and falls with the U.S. bourgeoisie.

The same forces that have fed the bureaucracy prepare the conditions for its downfall. Even though as a belated hangover of the past, the American workers have yet to break with capitalist parties, overcome their political immaturity and stride toward socialist consciousness, they remain a constant challenge to capitalist rule. They can be kept under the heel of the AFL-CIO bureaucracy only so long as their living and working conditions continue rising, only so long as U.S. capitalism can grant them reforms, however limited.

But the existing social equilibrium at home is neither stable nor lasting. Once the capitalists find it necessary, as they must, to attack living and working standards, the class struggle will once again break out into the open. As the U.S. workers have demonstrated in the past--during the depression of the thirties, in their struggles to organize the CIO, in the struggles of the coal miners in wartime, in the demands of the GI's to "go home" after the termination of World War II, in the post-war strike wave--they will not shy away from the most drastic solution.

The American working class closed the lag in its trade union consciousness by a single leap into the most highly advanced industrial unionism under the CIO in the thirties. The lag in its political consciousness and the gap between its class power and its class needs

prepare the conditions for another leap in the political field. It is by no means excluded that the American workers may free themselves from their subjection to the AFL-CIO bureaucracy even before the West European workers have rid themselves of the Stalinist and Social Democratic leadership.

In the social structure of American capitalism the Negro question plays the role of a bourgeois-democratic task still to be resolved. With the urbanization and the proletarianization of the Negro there has been a corresponding sharpening of the Negro struggle. In the very midst of the boom this struggle tends to upset the existing social equilibrium. The needs and aspirations of the Negroes as an oppressed minority tend to fuse with the unresolved problem of the labor movement, namely: the organization of the unorganized in the South. In the impending radicalization of the American working class as a whole, the Negro struggle is bound to play a great role. Even today this struggle plays a major role in advancing the consciousness of labor and in aggravating the international and domestic contradictions of U.S. imperialism.

In Western Europe the socialist-minded workers remain the captives of the Stalinists and Social Democratic parties. With the exception of Italy and France, where the Stalinists dominate, the Social Democrats survive as the majority parties within the working class. Their function is to subjugate the workers to the bourgeoisie, just as the AFL-CIO bureaucracy does in the U.S.A. The European Stalinists do so in the interests of the Kremlin bureaucracy; while the Social Democrats operate in the interest of their respective bourgeoisies. They made possible the resumption of power by the bourgeois parties and the corresponding rightward swing in Western Europe.

The relative stability attained by the West European capitalism is tenuous; it hinges on the continuation of the worldwide boom. The European capitalists are far less able than ever before to grant concessions and reforms. There will be no lack of revolutionary situations in these countries, just as there has been no lack in the past. The main obstacle the workers face within their ranks is constituted by the old leaderships. The success or failure of the impending struggles depend on

the ability of the workers to build a new, revolutionary leadership.

Stalinism has not been endowed with any revolutionary mission by the destruction of capitalism in Eastern Europe by military-bureaucratic means; nor by the success of the Maoites in exploiting the Third Chinese Revolution. These blows to imperialism, important as they are, do not represent definitive victories in the struggle for socialism. The fate of China, of the USSR, and Eastern Europe still remains to be decided on the arena of the world class struggle.

Stalinism will never bring about socialism in the USSR or in China, and, least of all, the socialist reorganization of the world. This can be achieved only by the international working class. "Only the proletariat, after having seized the state power and having transformed it into an instrument of struggle against all the forms of oppression and exploitation, in the interior of the country as well as beyond its frontiers, gains therewith the possibility of assuring a continuous character to the revolution, in other words, of leading it to the construction of a complete socialist society." (Leon Trotsky.)

Stalinism has helped prolong the death agony of capitalism; it is primarily responsible for the fact that imperialism still remains the dominant force in world economy. And imperialism, the Kremlin to the contrary notwithstanding, cannot "peacefully coexist" with the antagonistic social order.

Stalinism is chiefly responsible for preventing the fusion of the colonial revolution with the socialist struggle in the advanced countries.

Stalinism is chiefly responsible for paving the way for the rise of the colonial bourgeoisie and preventing the working class in the colonial countries from assuming the leadership of the revolutionary masses and coming forward as the only true representative of the interests and aspirations of the oppressed.

How costly Stalinism has proved both to the advanced workers and to the colonial masses is demonstrated by the French experience. By disarming the French workers and reimposing

capitalist rule both in France and in the colonies following World War II, the French CP bears the main responsibility for the eight year war in Indo-China and for the subsequent partition of the country. The French CP threw obstacles in the way of the struggle of the North African masses for liberation, rendering it more costly and more protracted, leaving it under the leadership of the native bourgeoisie, imposing on the native workers the role of auxiliary troops and depriving the struggle of the full support of the French proletariat.

Stalinism has enabled the imperialist bourgeoisie and its Social Democratic and trade union agents to exploit the abominations of Kremlin rule to their own advantage. The advanced workers have democratic traditions of their own, gained through long and bitter struggle. They are repelled by Stalinist totalitarianism. The imperialist bourgeoisie has exploited this revulsion by identifying Stalinism with communism.

The social nature of the bureaucracy as a parasitic caste without any independent roots of its own in the process of production compels it to seek to substitute itself for the working class; to survive it must strip the workers of all initiative and self-action--keep the class from entering the political arena as an independent force. In those cases where it finds itself impelled to provide the impetus for social overturn, it must immediately intervene to strangle or half-strangle the revolution. It must claim for itself, as Khrushchev now does, the omnipotence to prevent war, impose "peaceful coexistence" upon the imperialists, and assure "world socialism" by gradual means.

The Kremlin has demoralized and disoriented the advanced proletariat so that it facilitated the outbreak of World War II; prevented the utilization of this war for the establishment of workers' power; paralyzed the workers

from taking power in the successive postwar crises; and is today repeating the same criminal course amid imperialist preparations for World War III.

Mankind has entered the nuclear age. The socialist solution is rendered even more urgent by a leap in production methods, signalled by automation, child of world technology, of its needs, its growth. Adding to the urgency of the the socialist solution is the destructiveness of new weapons. At the same time this revolution in productive and military techniques illuminates the necessity, power and meaning of liberating ideas; above all, the nature and role of the workers' party as the instrument of socialist liberation. This historic need is likewise today more imperious than ever before.

This is the reality that the world working class faces today. The condition for the emancipation of the working class, and its forward progress, is that it rise to the level of history's needs, create the deciding motor force in the world of our time, the world party of the socialist revolution, armed with the program of the permanent revolution.

February 21, 1956

POLITICAL COMMITTEE MOTION

1. To approve the general line of the draft section of the international resolution entitled: "The World Today"

2. To poll the National Committee with recommendation that the draft section be submitted for general party discussion, with the NC members free to express any differences they may have during the discussion.

adopted May 31, 1956

(Note: Submission for discussion approved by National Committee poll)

THE SOVIET UNION TODAY

(Contribution to Discussion on the Draft Resolution)

By Arne Swabeck

On October 4, last year, I submitted to the authors a criticism of the draft resolution: The Soviet Union Today. I included an extensively motivated account of my disagreement with the method of analysis employed in the draft, in regard to the internal conditions in the Soviet Union. I specifically referred to that part of the draft which concerned the role of the working class in the process of production and the social relations unfolding on the basis of these conditions; the relations between the working class and the bureaucracy. I said then that the results of the analysis stand in logical contradiction to its premise.

At that time I insisted that this part of the draft resolution required both further study and basic revision. And I insisted also that least of all in regard to this question of social relations can we afford to let the dialectic approach yield place to the static view. But my insistence apparently had little effect.

One small change subsequently made in the original draft eliminated a glaring inconsistency but this did not alter the logical contradiction which still remains the main characteristic of the draft resolution.

I shall attempt to state this more explicitly.

On the one hand the draft resolution affirms correctly:

1. The proletarian revolution which started on Russian soil, "has proved its permanence... the prelude of a world process which leads inexorably to the socialist triumph."

2. "The Soviet Union's rise to the position of a modern industrial power second only to the U.S., demonstrates the incomparable superiority of Soviet productive forms and relations...The dynamism of Soviet industrial development constitutes a moral challenge to rotted capitalism, in the first place, the U.S.A.

3. "There can no longer be a serious debate over which is more productive--capitalism or the new economic forms established by the 1917 Russian Revolution."

4. "A Bonapartist regime of crisis, the bureaucracy balances itself between the proletarian revolution and decayed imperialism."

5. "The Soviet proletariat is today the second largest in the world...And it has grown markedly in experience and skills." It is now recruited primarily from urban centers. "The specific weight of the youth in industry is high... the rising generation of young workers, predominantly city bred, enthusiastic, strong, vital... abhor capitalism and...are ambitious to advance toward the free socialist society but...run up at every step against the bureaucratic rule."

This is the premise from which the further analysis of social relations proceeds; and this premise is correct in its entirety. But what about the result of this analysis?

Here is what the draft resolution presents:... "The growing skills and culture of the Soviet working class are not expressed in a corresponding rate of productivity increase because of bureaucratic misrule." And again "... the failure of productivity to increase in correspondence with the new levels of industrialization.The crisis in labor productivity reveals the bureaucracy's role as an absolute brake on a harmonious growth of Soviet productive forces." In face of the bureaucracy... "The discontent of the workers assumes elemental forms of resistance... Migration of workers is a characteristic feature....", and absenteeism.

This is the result of the analysis. According to this the Soviet working class has undergone no change during the last few decades, except that of growing skills, and certainly no qualitative change.

The reference to the gain in confidence of the Soviet workers due to the victory in China, etc. and the affirmation of the Vorkuta general strike as a sign of new forces emerging, is of course entirely correct; but these do not alter the above

In my criticism of October 4, last year I started out from our common agreement that labor productivity provides the most important key

to the problem of attaining the level of socialist production in the Soviet Union. The pressing need for increased labor productivity will remain until that level has been attained. However, in modern economy based on the labor law of value—to which the Soviet economy today is no exception—the constantly higher organic composition of capital is accompanied by a decrease in the ratio of output to constant capital, particularly its fixed portion. The rate of productivity increase tends to lag behind the growth of the industrial equipment. Primarily this arises out of the very relationship of constant and variable capital, in combination with some other factors which need not be gone into here.

Yet in spite of the bureaucratic incubus the rate of expansion of Soviet economy has far outstripped even the rate of growth of the American economy. This is acknowledged on all hands; and in that fact is implied also a rate of growth of the productivity of Soviet labor second to none. This is the only possible explanation of the most dynamic economic expansion the world has ever witnessed.

It is necessary therefore to shift the emphasis. The draft resolution on the Soviet Union Today must affirm explicitly this great rise in labor productivity. It must present this as a tribute to the superiority of nationalized and planned economy. At the same time it is necessary to state equally explicitly that, because of the very conditions imposed by the existence of a parasitic bureaucratic caste, the rate of increase of labor productivity does not correspond to the possibilities afforded by a nationalized, planned economy. It is in this relationship, above all, that the bureaucracy is revealed as an absolute brake upon the harmonious growth of Soviet productive forces.

Further, in order to bring the result of our analysis into harmony with the correctly stated premise, it is necessary to throw out altogether, from the draft, the paragraphs dealing with job migration and absenteeism. These have no real validity in a serious analysis of conditions today. (Forty million man-days lost in one year due to absenteeism, and in face of draconic labor laws, is less than one day per worker in one year.)

Bulganin's complaints are of the usual order: to make the workers the scapegoat as a part of an attempt to "solve" the problem by bureaucratic

means. And his report on this score is perhaps as worthless as was his report that, despite mechanization, productivity of labor in the coal industry had only slightly surpassed the 1940 level.

In my letter of Oct. 4, last year, I objected to job migration and absenteeism being presented as examples of the chasm between the workers and the bureaucratic incubus, while in reality this form of resistance is rather a carryover from the past; it is a diminishing phenomenon.

And since my view did then not prevail and no serious change was made in the draft resolution, except the elimination of one "bad formulation", I repeat now in the general discussion the motivation I then submitted.

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"There is, of course, an element of objective truth in the presentation of this interrelationship. Bureaucratic mismanagement, inefficiency, waste and arbitrariness calls forth various types of worker resistance. But this whole analysis is at best only one-sided and therefore, only a half truth.

"According to figures released by Bulganin, says the draft, about one fifth of the total labor force was engaged in migratory practices. But turning to an article on the Crisis in the Soviet Union, published in the Fourth International, January 1941, the author sets the figure on labor turn-over, from official estimates, during the First Five Year Plan at 30--50 percent. And labor turn-over during the period of the Second Five Year Plan rose to the almost incredible figure of 50--62 percent. In other words, by comparison, the labor turn-over now represents a diminishing quantity and job migration can hardly be pictured either as a special characteristic of Soviet economy today, or as an example of the deepening conflict between the working class and the bureaucracy. On the contrary the whole truth is that the real strength of the system of nationalized production is asserting itself both to heighten labor productivity and toward a greater stability of the labor force.

Commenting on conditions of the earlier period the author of the Fourth International article observes that: "Only unemployment drains and demoralizes human beings more than does the incessant, futile search for a slight improve-

ment of one's lot." But in this respect also basic conditions are changing, and due also to the same cause--the strength of nationalized economy.

"But, let us take another look at the early period of industrialization and its contradictions as analyzed correctly by the Fourth International article of January 1941: "Because of the unprecedented tempo of its formation," says the author, "The Soviet working class was thus less homogeneous than any other in modern times. The lack of homogeneity of the basic class, the flooding of its ranks with semi-proletarians and peasants, whose outlook is poles apart from that of workers, plus the officially fostered illusions of miracles shortly to be achieved--plus the lack of revolutionary experience among the younger generation of workers, all this against the background of international defeats of the working class, provided the most potent lever for the stabilization of the Stalin regime."

"This lever is now in the process of being turned into its opposite. Working class backwardness, together with the most pressing causes of its demoralization of the past, are being wiped out. Now the bulk of new recruits to the expanding labor force comes from urban centers. The former peasant recruits have now become thoroughly proletarianized, and in this decisive sense the working class is more homogeneous. It has attained greater skills and a higher level of productivity. It has gone through a great and terrible experience of acquiring skills and productivity at a forced tempo, under unprecedented bureaucratic police repression extending into the very job conditions in the factories. To these workers the contradiction, of a socialist system of property existing alongside of a distribution of life's goods carried out according to capitalistic measure of value, is far more than a mere academic one. They have felt it in their flesh and bones.

"Being determines consciousness; and being under such conditions is certain to have elevated the consciousness of the Soviet workers. On the one hand, they are certain to become increasingly conscious of their own decisive role in an unexampled advance of the material forces of production. On the other hand, they

are equally certain to become increasingly conscious of the real nature of the bureaucracy as a crippling barrier on the road to socialism. Thus, on the whole, the working class of the Soviet Union has undergone a change of an enormously progressive significance: and this is the real source of its confidence. That confidence is further enhanced by the victories of colonial revolutionary struggles.

"The interaction of economic development and social relations is graphically illustrated by the historical process that has taken place in the Soviet Union. The greater working class cohesion, its terrible experiences, its increasing consciousness and its growing confidence will tend to demolish the most potent lever of stability for the bureaucratic regime. It is on this basis that the struggle against the bureaucracy will henceforth unfold."

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Is it not obviously true today that the increasing consciousness and the growing confidence of the Soviet working class has tended to demolish the most potent lever of stability for the bureaucratic regime? In fact this is, as we now all acknowledge, the explanation for the far-reaching concessions made by the Kremlin bureaucracy which centered around the death blow struck at the Stalin cult, and the promise to return to Leninism.

While certain features of the elemental forms of resistance of the past by the Soviet proletariat still remain, this tendency, once predominant had already given birth to a new tendency--a more conscious resistance. The historical process, and its contradiction, was thereby enabled to develop dialectically. The growth and advance of the Soviet proletariat and its constantly rising importance in the process of production has reached the point of qualitative change of the highest order.

Obviously this section of the draft resolution, dealing with the relations between the working class and the bureaucracy in the Soviet Union, should be revised fundamentally and thoroughly. Revision along the lines here indicated will help toward making the draft a more harmonious whole. And, although agriculture in the USSR still constitutes one of the gaping disproportions of Soviet economy, the section of the draft, con-

cerning the peasantry, suffers from some of the same faults as those concerning the working class. This section also needs revision in the same sense as indicated above.

at the recent N.C. Plenum "The Crisis of Stalinism" should be made a part of the general original Document.

Finally, the excellent draft resolution adopted

May 29, 1956

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