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RESOLUTION ON WAGES, PRICES, PROFITS
AND THE STRUGGLE AGAINST INFLATION

(Adopted by Political Committee, May 14, 1946)

1. The Program of the Fourth International

The transitional program of the Fourth International, reaffirmed by the 1942 and 1944 conventions of the SWP, has set forth the main generalized slogans and methods of struggle necessary to combat the plague of inflation inflicted upon the masses under the prevailing conditions of disintegrating capitalism.

The transitional program sets forth as the central slogan of the struggle against rising prices the sliding scale of wages. That is the only real method open to the wage working population to fight inflation. This slogan calls upon us to conduct a struggle to have the trade unions insert a sliding scale clause in every union contract tying wages to prices, which would insure an automatic rise in wages with every rise in prices, under a guaranteed minimum. The fight for wage increases would then constitute an attempt on the part of the working class to improve its real standard of living and to share in the benefits of technological progress and the increase of the productivity of labor.

The transitional program rejects monetary stabilization as a slogan of struggle and counterposes to it the slogan of the sliding scale of wages.

The transitional program takes cognizance of the fact that Big Business attempts to unload the responsibility for rising prices on the shoulders of the working class and its struggles for higher wages. "By falsely citing the 'excessive' demands of the workers, the big bourgeoisie skillfully transforms the question of commodity prices into a wedge to be driven between the workers and farmers and between the workers and the petty bourgeoisie of the cities." The program further recognizes that the petty bourgeois sections of the population are unable to fight under the slogan of a sliding scale of wages. This dilemma can be solved by the creation of broad consumers' and workers' committees to fight for the control of prices and against the high cost of living.

This broad political fight for price control under united front committees of the working class organizations and the representatives of the urban and rural petty bourgeoisie is not made a condition of or directly tied to the wage earners fight for a sliding scale of wages. Rather, the struggle for price control is conducted parallel to the latter. The two struggles thus stand on different ground and are conducted in a different manner. The advanced workers push for this class struggle program because they are aware that the official struggle of the government against inflation is a mockery and that inflation is inherent in capitalism in its period of death agony. The working class, in joint struggle with the petty bourgeois elements against high prices, however, is enabled to expose the propaganda of the big capitalists and to prove to the middle classes "that the real reason for high prices is not high wages but the ex-

orbitant profits of the capitalists and the overhead expenses of capitalist anarchy." Thus the labor movement is enabled to win the confidence and support of sections of the middle class -- and the more backward workers, for that matter -- and to mobilize them for greater struggles against big capital.

2. Lessons of the Recent Strike Wave

The post-war upsurge of the American working class climaxed by the greatest strike wave in its history provided a powerful vindication and verification of these aspects of the transitional program.

It is interesting to recall that this program, when first presented by Trotsky in 1938, was rejected by many sceptics as "unrealistic," "unsuited to American conditions," "revolutionary romanticism," etc. (Burnham in his 1940 letter of resignation from Shachtman's Workers Party, declared loftily: "The Transition Program document seems to me -- as it pretty much did when first presented -- more or less arrant nonsense, and a key example of the inability of Marxism, even in the hands of its most brilliant intellectual representative, to handle contemporary history.") Yet, in the recent strike wave, the American workers, long considered one of the most politically backward in the world, adopted as their own several of the key slogans of the transitional program and demonstrated in action what a colossal power is lodged in the program when it is fused with the mass movement. The fact must be recorded that the recent series of strikes, particularly the GM strike, demonstrated in life, the realism and correctness, as well as the power of this section of the transitional program of the Fourth International.

The GM strikers made an important contribution towards advancing the struggle by their big propaganda campaign against rising prices. Under Reuther's leadership the union conducted forceful propaganda to prove that huge profits, not high wages, are responsible for rising prices. By this significant campaign, setting a new precedent in modern American trade union practices, the union was able, to an important degree, to shift the onus for rising prices where it belonged -- onto the shoulders of the big capitalists -- and to deepen the social understanding of the workers. This propaganda campaign was essentially very progressive and was so estimated by our party.

The main slogans under which Reuther projected this propaganda campaign were "Open the Books of the Corporations" and "Wage Increases Without Price Increases." The slogan "Open the Books" is borrowed directly from our transitional program. We have already mentioned what a great impression it made on the minds of the working population, how it served to put the General Motors Corporation "on the spot," and to expose the criminal responsibility of the war profiteers for rising prices. Reuther, however, never agitated for this slogan in the revolutionary spirit of our transitional program which conceives this as a bridge to workers' control of production. Rather he maneuvered the fight to proving that the Corporation could "afford to pay" a 30 percent wage increase while retaining a "reasonable profit." At one point, during the hearings before the "Fact Finding

Board" in Washington, he even agreed to delegate the examination of the Corporation's books to the Government "Fact-Finding" arbitrators, and that, if it was found that GM could not "afford" to pay the wage increase, the union would scale down its demands accordingly!

The second slogan "Wage Increases Without Price Increases" is not our slogan and we do not accept it. The erroneousness of this formula consists in the fact that it directly links together the struggle for higher wages with the fight against high prices. But as we have seen, these struggles are parallel struggles, conducted on different grounds and in different ways. This formula likewise contains the false implication that it is possible to effectively stabilize commodity prices under conditions of capitalist anarchy and disintegration.

We hail the fight of the GM workers against price increases and point out the colossal significance and progressive character of this struggle. At the same time we criticize and correct its shortcomings and work to broaden the struggle into a truly national political struggle conducted along the correct, truly fruitful lines as indicated by our transitional program. We support every genuine mass struggle against the high cost of living. We participate in such struggles with our own program.

3. On Morrow's Proposals to Revise the Transitional Program

Morrow's document "The Political Committee's Principle Mistake in Trade Union Policy During the Strike Wave" dated April 6, 1946 and his remarks at the April 23 PC meeting make clear that Comrade Morrow is not making specific criticisms of our trade union tactics or the character of our Militant articles from the common standpoint of our transitional program. Morrow is instead proposing a fundamental revision of this program with regard to the questions under discussion.

Morrow declares in his document: "Thus the Transitional Program demanded that wages should follow the movement of prices but, quite clearly, made no proposal for struggle to halt the movement of prices. On the contrary it implied that such a struggle would be futile.

"Can we take these formulas of the 1938 program and insist on them today? Manifestly not." (our emphasis).

Why not? Because in the opinion of Morrow there exists an entirely new situation today. The newness consists in this: "This time there was the OPA system for which there was no parallel in 1917-18. Every worker who thinks at all knows that this time, with far more pressure on prices than in 1917-18, there was no comparable rise in prices since OPA was established. Hence the indubitable popularity of OPA, the widespread demand not only of union officialdom but of the masses for continuation of OPA. Hence the absurdity of the doctrinaire position of telling the worker to concern himself with the movement of wages but not with the movement of prices; the worker, not saddled with a literal adherence to the 1938 program,

looking instead at reality, knows that the labor movement can do something not only to raise wages but also to stop prices."

It is obvious that Morrow considers the declaration of the transitional program that "the official struggle of the government with high prices is only a deception of the masses" is today outlived.

From the alleged newness of the situation Morrow deduces the necessity for a new program, namely to transfer the center of gravity from the struggle for a sliding scale of wages to a fight for price control. "Until the next contract comes up, the sliding scale of wages slogan provides no avenue of struggle for the workers," Morrow writes. "The workers want to know what they can do about stopping prices now. Reuther's slogan provides him with an approach to an answer." To this end Morrow proposed in the PC of April 23 that we add to our transitional program Reuther's slogan of "Wage Increases without Price Increases" and make this slogan the central point of our struggle.

At this meeting Comrade Cannon put the question: "We are confronted with the problem, then, what should be our central slogan: the sliding scale of wages, or wage increases without price increases? Which would you put in the center of our agitation at the present time in the next period? My impression is that you want the slogan, wage increases without price increases, as this central slogan.

"Morrow: Your impression is correct."

The transitional program says: "Neither monetary inflation nor stabilization can serve as slogans for the proletariat because these are but two ends of the same stick." What the program specifically rejects, Morrow proposes as the central slogan of struggle.

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Our analysis of the movement of prices and the role of the OPA is diametrically different from Morrow's. The OPA was set up in 1942 as part of Roosevelt's fraudulent "Equality of Sacrifice" program which promised to hold down prices and profits along with wages. The facts show that wages alone were frozen while prices and profits soared. The Militant has demonstrated this week in, week out, for four years. Instead of stabilizing prices, CPA became the official instrument for sanctioning price increases. It was set up with the deliberate purpose of deceiving the workers with the false promise that price rises and profiteering would be halted in order to provide hypocritical justification for the freezing of wages.

The claim that the OPA held down prices is thoroughly spurious. As the CIO and AFL research staffs have demonstrated, all government figures on this score are tendentious and false. Their only value is to provide an indication of the trend. They are worthless in providing a picture of the extent of the real, the actual rise in the cost of living. All workers know from their experience that the real cost of living has soared. To arrive at a scientific

estimate, one would have to study actual prices of commodities as distinct from the official OPA ceiling prices, the black market, the deterioration of quality of all commodities, the hidden price increases given producers in the form of billions of dollars of subsidies and paid for by the poor people through the draconian tax laws, etc. This state of affairs confronts the labor movement with an inescapable duty: To reject the official government figures and to set up its own price-index research staff which will issue at short intervals the true price index on which trade union wage demands will be based.

The current inflationary processes which are becoming increasingly pronounced in the U.S. are an inescapable expression of the decay of rotting monopoly capitalism and the unparalleled destruction of the second world war. Monetary depreciation and soaring commodity prices are world-wide phenomena. These predominant trends in capitalist economy can be modified, that is, accelerated or retarded by governmental intervention, but they cannot be eliminated or reversed.

Capitalist politics consists in the attempt to unload the costs of the anarchy of the system and the burdens of the war upon the toiling masses.

Governmental "price-control" is an integral means along with currency depreciation and high prices to accomplish this same aim.

Government regulation of prices in the U.S. during wartime was undertaken exclusively in the interests of the monopolists. The sole commodity which was effectively frozen was the price of labor power, the wages of the workers. Other commodities were either permitted to rise, diverted to the black market or indirectly permitted to rise through huge governmental subsidies. Since the government was itself the biggest customer on the market, a certain amount of regulation was imposed by common consent of the business community for its own protection. But, as the unprecedented profits prove, this was done consistent with the greatest profiteering in history.

Now with the end of the war the dominant business community has declared that it sees no further need for even the measure of regulation of prices that existed during the war. Regardless of the exact legislative fate of the OPA, even the wartime regulation of commodity prices is virtually at an end. We are facing an explosive inflationary trend and the labor movement must prepare its struggles with this understanding.

* * *

On the basis of the above we reject Morrow's analysis of the movement of prices and the role and significance of the OPA as false to the core and saturated with reformist illusions.

We furthermore reject his proposed revision of our transitional program. Morrow's program -- an opportunist adaptation to the fake "price control" campaigns of Murray and Green -- would sidetrack the struggle into a dead-end reformist alley.

The recent strike experiences proved not the necessity of discarding and revising our transitional program, but of applying it more boldly, concretely and consistently.

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April 9, 1946

To the Secretariat:

The attached article on trade union policy is herewith submitted for publication in the Internal Bulletin.

I also request the publication in the Bulletin of Comrade Logan's "The Eruption of Bureaucratic Imperialism."

Comradely,

Felix Morrow

THE POLITICAL COMMITTEE'S PRINCIPAL MISTAKE IN TRADE UNION POLICY

DURING THE STRIKE WAVE

Its Failure to Utilize the GM Demand for No Price Rises

By Felix Morrow

INTRODUCTORY NOTE: Since the following article was written there was a discussion at the Central Branch, New York, April 11, on the slogan "wage raises without price rises." While disagreeing fundamentally with each other on what the correct party position should be, editor of The Militant Comrade William F. Warde agreed with me as to the following facts:

1. That the slogan is not in the Transitional Program of 1938.
2. That Comrade Warde at the meeting condemned as anti-Marxist my position favoring the slogan; he brands my position as being contrary to the position and program of the Fourth International and the Socialist Workers Party.

April 12, 1946.

* * * *

One of the main -- perhaps the most important of all -- methodological principles of Leninist politics is; to study attentively the course of the class struggle, seizing upon the initiative of the workers themselves, extending and generalizing it. Out of the class struggle, independently of the initiative of the revolutionary party (especially when that party is so small) there arise new methods

of struggle, new types of fighting organizations, new slogans. Woe to the revolutionary party which fails or hesitates to accept what "others" have initiated. In that case the party's slogans, perfectly correct in theory, become irrelevant or secondary while it fails to capitalize on what is central in the given reality: the slogans of "others."

Such was the error which the Political Committee made in the recent strike struggles when it failed to make its own the remarkable-- and new -- slogan of the GM program: wage raises without price rises.

Hesitant and unsure of itself, the Political Committee never rejected this slogan. Under the general formula of supporting "the GM program" it gave it vague support. But it never singled out this slogan for specific support, for generalizing and extending it by calling on all unions to adopt it, or even by calling on the auto workers to adopt it as permanent auto union policy. As we shall see below in detail, the political committee failed to rally support for this slogan at the two points where it became the crucial issue; when Murray betrayed it in the steel settlement, and when it became the key issue of the UAW convention.

Why this mistake? Very simple; the slogan is not in the books. It is not to be found in the Transitional Program of 1938. And, as has become so often painfully clear during the last three years, the Political Committee majority fears to support anything which is not in that program. True, Trotsky called that program merely a first approximation; demanded that it be concretised and applied and changed in accordance with each country and even with each locality. But the Transitional Program remains, so far as the majority is concerned, in its original form without change.

The demand for keeping prices down is a slogan of price control. Price control -- whether by the demand for wage raises without price rises or by other means -- is not raised as a demand in the 1938 program. The only answer it offers to the problem of high prices is the sliding scale of wages. It thus starts from the assumption that prices are uncontrollable; that the workers already tend to see this and have no faith in attempts to control prices; and that the sole concern of the workers is with wage raises and not with price control. Hence it demands: "Against a bounding rise in prices, which with the approach of war will assume an ever more unbridled character, one can fight only under the slogan of a sliding scale of wages. This means that collective agreements should assure an automatic rise in wages in relation to the increase in prices of consumer goods." Thus "Wages, under a strictly guaranteed minimum, would follow the movement of prices. It is impossible to accept any other program for the present catastrophic period." (See pages 19-20 of the Transitional Program.)

Thus the transitional program demanded that wages should follow the movement of prices but, quite clearly, made no proposal for struggle to halt the movement of prices. On the contrary it implied that such a struggle would be futile.

What Is New Since 1938

Can we take these formulas of the 1938 program and insist on them today? Manifestly not. World War II and its aftermath brought the American working class experiences quite different from those of World War I. This time there was the OPA system for which there was no parallel in 1917-18. Every worker who thinks at all knows that this time, with far more pressure on prices than in 1917-18, there was no comparable rise in prices once OPA was established. Hence the indubitable popularity of OPA, the widespread demand not only of union officialdom but of the masses for continuation of OPA. Hence the absurdity of the doctrinaire position of telling the worker to concern himself with the movement of wages but not with the movement of prices; the worker, not saddled with a literal adherence to the 1938 program, looking instead at reality, knows that the labor movement can do something not only to raise wages but also to stop price rises.

Under these conditions the task of the SWP is, not to attempt the vain and stupid task of telling the worker that to try to stop price-rises is an illusion, but is to seize upon the progressive side of the worker's demand. That is, to urge him to control prices by class struggle methods. When, in addition, a trade union bureaucrat like Walter P. Reuther, for whatever reason, proclaims a slogan which means to control prices by class struggle methods -- demands a wage raise without a price rise, first in negotiations and then in a strike -- then the SWP should have grabbed it with both hands, tirelessly explained it, urged other unions to adopt it, etc., etc.

Our Record of Evasion

But the record will show that this was not done.

Search the pages of The Militant since October, when the GM three-point program was announced: public negotiations, open the books, wage raises without price rises. Search in vain for articles explaining the tremendous significance of the demand to control prices as a trade union demand in negotiations and a strike. You will not find them. Instead The Militant concentrated on the slogan of opening the books. A splendid slogan, well worth emphasizing. But because of its fear of the demand to control prices, the agitation of The Militant on opening the books hung in mid-air. For what was the aim of opening the books? To show that wage raises could be granted without price rises. It was thus subordinate to the central slogan of price control which, however, the Political Committee feared to advocate.

As a result, not once did The Militant advocate that other unions take up the demand for wage raises without price-rises. This was tantamount to abandoning the struggle for this demand since it was scarcely conceivable that the GM workers alone could succeed in imposing it.

As a result, The Militant had not one word to say against Philip Murray's policy in the steel negotiations and strike. Murray took the position: "At present prices are none of my damn business." (Time, January 21). Murray made clear what he meant; that he did not

believe in making price control a demand in union negotiations and strike. This reactionary position, which broke the solid front of the CIO strikes, is not mentioned, much less criticised, in The Militant.

The February 16 Militant reports that the proposed steel-price rise means that "Truman yields to big business on prices." But not a word about the fact that Murray was doing nothing about it. This was still before the steel settlement.

The next week's issue, that of February 23, reports the steel settlement. Everything in that issue is written on the "clever" theory of separating the strike settlement from the price rise on the basis of which the strike was settled! Only by this artificial distinction could The Militant carry the headline: "Fighting Steel Workers Triumph." It is astounding but a fact that there is not one word condemning the steel union leadership for having failed to resist a price rise!

That Militant declares: "The victory of steel labor has broken the back of the Big Business resistance to the other outstanding wage demands in auto and electrical equipment."

That this so-called victory also broke the back of the GM workers' demand for no price rises -- of this not a word then or later.

The March 2 Militant story by Grace Carlson from Detroit reports: "At the present stage of the GM-UAW bargaining talks, the demand to 'open the books' has dropped into the background." She failed to add that it had dropped to the background because it had no meaning in this struggle apart from the demand for wage raises without price increases, and that the latter demand had been undermined by Murray's settlement of the steel strike with a \$5-ton increase in steel.

After the steel settlement, Reuther was reported as saying to reporters who asked him whether he would still demand no price increase in auto: "It's up to CPA now." This fact was not even reported in The Militant, not as an oversight, but because the party leaders in charge of UAW policy didn't know what to say. We should have explained the simple-enough fact that the struggle against price increases had been undermined by Murray. Reuther, playing an opportunistic game, could not publicly explain this. But our comrades in UAW, and certainly The Militant, could have explained to the perplexed auto workers what Reuther didn't explain.

Moreover, this question provided a splendid opportunity for the most concrete kind of agitation for politicalising the trade union movement. We could bring home strikingly to the worker the inadequacy of mere trade unionism; while he is doing well-enough on the picket line, his victories are whittled down and largely taken away by price rises authorized in Washington. And in Washington the labor movement has no direct voice of its own in Congress. Labor Action did just this very well with the striking formula: What Labor is winning on

the picket line is being stolen from Labor in Washington. Art Preis picked this up for one moment on Feb. 16, but never again. Why not? Is it because the Workers Party did it first?

The Political Committee and auto fraction leadership's incomprehension of the situation was made unmistakably clear when they formulated the three-point program of the fraction for the UAW convention. It consisted of: (1) against cooperation with fact-finding committees, (2) against the company-security clause, (3) for the Labor Party. Nothing from the GM program around which all the developments in the UAW have taken place!

The Discussion in the P.C.

When this was reported to the political Committee meeting of March 5, I made the following amendment to the motion to accept the report:

"That we recommend to the auto fraction to include in its program for the convention the demand that the original three propositions with which the GM struggle began -- namely, public negotiations, open the company books, and no price rises -- become part of permanent auto union policy."

In opposition, M. Stein and E. R. Frank adduced arguments which were mutually contradictory, as we shall see.

M. Stein said the following:

"One must learn to distinguish the face of a movement from its rear. This was a wonderful proposition (the GM program) at the beginning of the struggle. We are now in another stage. It is obvious to everybody that on this point -- that is, on the question of prices -- the workers have suffered a defeat. They received an increase in wages, but inflation is going to follow it. They couldn't hold the line on prices. They have as a consequence only a partial victory. It seems to me that at the present stage you don't go back where the fight started, but must advance the kind of slogans that will meet the new situation -- that is, a strike wave that is going to wind up with a substantial increase in wages but at the same time an increase in prices. The answer to that is the sliding scale of wages. We must now analyze the situation, recognize the situation as it is today, and advance the slogans that will meet this situation." (Verbatim from March 5 minutes.)

This may sound very profound, until one answers the simple question: what would the sliding scale of wages slogan do that is not done by wage raises without price rises? The answer becomes apparent as soon as one puts the sliding scale of wages in its correct context: it is a demand to be included in union contracts. As the transitional program states: "This means that collective agreements should assure an automatic rise in wages in relation to the increase in prices of consumer goods." Hence, so far as concerns all the unions which have just signed contracts -- auto, steel, electrical equipment, etc., i.e., most of the CIO -- the slogan of the sliding scale of wages, just like the slogan of wage raises without price rises, can apply only when the next contract comes up.

And at that time, why should we limit ourselves to the sliding scale of wages? That slogan does not exclude the slogan of wage raises without price rises. We can then demand both slogans.

Meanwhile, however, until the next contract comes up, the sliding scale of wages slogan provides no avenue of struggle for the workers. The workers want to know what they can do about stopping rising prices now. Reuther's slogan provides him with an approach to an answer. In his programmatic speech in the caucus preceding his election he warned the workers that their 18½ cents rise would be worth a nickel a year hence. At that time, he stated, the unions must fight again for wage raises without price rises, and meanwhile must demand that prices be kept down. Thus Reuther's approach -- price control -- does provide an answer after the new contracts and price rises whereas the sliding scale of wages, which M. Stein unthinkingly adduces as an answer for now, actually does not apply until contracts come up again.

Whereas M. Stein declared the slogan of wage raises without price rises belonged to a stage now past, E. R. Frank argued that it was a good-enough slogan but not essential for us to fight for at the convention because everybody in the UAW is for it. He said; "Your proposal on no price increases is an academic proposal because that is common to us all. That is the program of the UAW. That is the program of Reuther, that is the avowed policy of everybody in the auto union."

As we shall see, far from being the common program of the UAW, it turned out to be the heart of the dispute between the contending forces at the UAW convention. Even, however, if it were the common program, that would not be a reason for our not making a fight to implement it. E. R. Frank and his associates do not understand the elementary Marxist tactic of demanding of the reformists when the latter on occasion give lip-service to a progressive demand; CARRY OUT YOUR OWN PROGRAM!

For Reuther to carry out his own program would mean first of all to extend the fight for the program to the CIO as a whole; to condemn Murray for failing to fight against a price rise in the steel settlement. On this key question the UAW fraction spokesman, E. R. Frank, offered two diametrically opposite propositions. On the one hand he assured us that Reuther himself was doing just that; "Recently Reuther began launching a public attack on Murray for having let the GM strikers down in abandoning the struggle against the price increases in steel. That is the general tenor of the remarks in the auto union." (Minutes, p. 4) On the other hand, he argued that to carry the alleged public attacks of Reuther on Murray to the convention floor to their logical conclusion of calling for a new CIO leadership could not be done; "Obviously that is an impossible kind of assignment for our fraction today and not in the cards, given the present relationship of forces." (Minutes, p. 5)

This phrase -- the "present relationship of forces" -- has become for the PC majority an umbrella to cover everything under the sun. For E. R. Frank in particular it is a perennial substitute for

thinking. Anything he hasn't done or doesn't think of or want to do -- it is due to the "relationship of forces."

I could not see why a comrade of our fraction, if he got the floor of the convention on GM policy, or if not in the convention then in the Reuther caucus if the opportunity offered, could not tell the truth about the effect of Murray's steel settlement. But even granting that no UAW comrade could do so, why not The Militant? "There has gradually developed here in the P.C.," I said, "an attitude whereby no distinction is made between what the party says in its press, what the auto fraction says, or what some given spokesman may say on behalf of the party. So that nowhere do we say everything that has to be said."

At this point Comrade Frank, presumably in the light of accepting the distinction between what the delegates could possibly do and what The Militant could do, made the following motion as a substitute for mine:

"Our fraction at the coming auto convention can only accomplish limited tasks towards bringing out some of the major faults in the strategy of the CIO leadership in conducting the present strike struggles, and make the first modest beginnings toward solidifying the left-wing forces around our program. The program of the auto fraction is correct toward achieving these aims. The further points presented by Morrow can only be presented by The Militant; by discussions with individuals and groups of militants; and, where possible and advisable, by general educational speeches in convention caucuses, the floor of the convention or at other suitable gatherings."

To which I replied; "I don't consider this a counter-motion. I proposed to recommend a certain line of procedure to the auto fraction. The so-called counter-motion says that they will do this where possible. That is all I am asking, that they do it where possible. So I can vote for both motions."

What Happened at the Convention

E. R. Frank's motion, in form a concession to my views, proved, like all such concessions of the P.C. majority, to be an empty one. The one place where it was certainly possible to speak up for the GM program, including no price rises, was the issue of The Militant addressed to the convention delegates and distributed to them -- that of March 23. Neither in the convention nor in the Reuther caucus meetings did our fraction speak -- except on one issue connected with Negro representation -- so that The Militant was the principal place to explain our position to the delegates.

Yet The Militant editorial of March 23 refers but once to "wage increases without price increases" and then only in the past tense, to its having been raised by Reuther in the GM strike. But when the editorial gets to proposing a program for the Reuther caucus, it does not mention the demand for keeping prices down or the rest of the GM program. It does not say one word about Murray's undermining the GM struggle against price increases!

Far from the GM program being the program of the whole union, as E. R. Frank had insisted, it turned out to be the chief issue in the struggle between the Reuther and Thomas-Addes forces. It was the chief issue but Reuther did not help to completely clarify it. The one thing that had to be said was that the GM strikers alone could not win the demand for no price increases, and that Murray had broken the back of that fight by the steel settlement. It was not said by Reuther who (far from making the "public attack" on Murray which E. R. Frank had claimed had been already made by Reuther in Detroit, but of which he has yet to show evidence) campaigned with banners which read: "Vote for Murray Reuther." It was just this task of clarification which I had urged The Militant and our auto fraction to carry out, and which they failed to do despite accepting a formal motion to that effect.

Although the Thomas-Addes forces conducted a mud-slinging campaign, they also took the offensive in defending Murray's policy against that of the GM program. One leaflet, "The Facts About the GM Strike!" put the issue on a razor's edge:

"It's true that Murray didn't try to set prices for the steel industry by collective bargaining. His contracts contain industry-wide schedules of prices for steel products. The phony idea that prices can be set by collective bargaining between labor and industry was used to lead us astray in the GM strike.

"Labor can and must, as Phil Murray and R. J. Thomas have pointed out, fight for price control; fight to protect labor against price increases which would rob us of our wage gains. But that fight can be successful only in terms of national political action. That fight can be settled not by negotiations with a single corporation but by the political mobilization of all our people -- of all the American people -- to let Congress and the OPA and the administration know that the menace of inflation must be defeated."

The answer to this argument had to be that if all the CIO unions had demanded no price increases the struggle could have been far more successful and that Murray had prevented this. Reuther, opportunistically avoiding collision with Murray, couldn't give the answer. And we didn't give the answer.

After the Convention: More Evasion

We didn't give it before the convention or after. The April 1 Labor Action put the story excellently into a headline: "GM Program Elects Reuther." The convention account in the April 6 Militant correctly states:

"In electing Reuther, the majority of the auto workers were voting for the program which in their minds his leadership of the GM strike represented. They expressed in this fashion their approval of a policy of militant union struggle and their desire for a program, going beyond immediate wage issues, aimed at resolving those basic economic and political issues which emerged, . . ."

What, however, was that program represented by the GM strike? You will read that convention account -- a whole page in The Militant -- and you will not find out! Not one word about its key slogan -- wage raises without price rises! Thus the Political Committee's hesitancy about that slogan continues even after the convention forcibly demonstrated its central role.

Instead, carrying doctrinaire stubbornness to ridiculous lengths, The Militant concludes:

"The next period will see the continuation of the fight on the issues which this convention failed to resolve -- the elimination of company security clauses, the withdrawal of union representatives from all government wage-freezing and arbitration bodies, and above all the formation of a labor party."

Not one word here about price control, which was the heart of the GM program, the center of the UAW internal struggle, and which remains a major if not the principal preoccupation of the workers.

Obviously this situation should not continue. Let the Political Committee now take a clear-cut position on price control. If it now decides in favor of it, it will be necessary not only to popularize and explain the GM slogan, but to consider additional ways and means of calling for workers' struggles to implement and tighten up OPA. Or let the Political Committee say it agrees with M. Stein that the GM slogan (which it never really supported) has been outlived. In that case it will be necessary to organize a discussion on this question to demonstrate the erroneousness of the Political Committee's position.

April 6, 1946..

* * *

Postscript

In the April 11 Central Branch meeting, Comrade Warde denounced as anti-Marxist the very idea of seeking price control; hence, he said, it was not by accident but by design that Trotsky left out of the Transitional Program of 1938 the slogan "wage raises without price rises."

However, on re-reading that program, one finds (page 30) price control demanded. True, not as a demand in wage negotiations, but there it is:

"To the capitalists' lamentations about costs of production, of transport and trade, the consumers answer: 'Show us your books; we demand control over the fixing of prices.' The organs of this control should be the committees on prices, made up of delegates from the factories, trade unions, cooperatives, farmers organizations, the 'little man' of the city, housewives, etc. By this means the workers will be able to prove to the farmers that the real reason for high prices is not high wages but the exorbitant profits

of the capitalists and the overhead expenses of capitalist anarchy."

If price control can be thus demanded by the workers in their capacity of consumers, why not also in their capacity as wage workers?

April 14, 1946.

#

Resolution

IN SUPPORT OF THE SLOGAN "WAGE RAISES WITHOUT PRICE INCREASES"

(Submitted for the vote of the Plenum by Felix Morrow)

1. The trade union movement of this country took a giant step forward when the General Motors workers fought under the slogan "wage raises without price increases." For the first time in American history a major section of the industrial workers went beyond a mere demand for a wage increase and coupled with it the demand that the increase be paid out of profits and not be passed on to the consumer. In order to demonstrate that this could be done, the GM workers demanded that the company open its books and the union would show that the wage raise could be made without a price increase.

2. The revolutionary significance of "wage raises without price increases" was indicated by the way in which the entire capitalist class rallied to the support of the GM corporation against it. The capitalists understood that this slogan implies a major inroad into capitalist control of industry. They understood too that by this slogan the trade union movement had placed the onus for rising prices on the profiteering corporations.

3. The slogan became popular throughout the trade union movement. Workers in steel, electrical equipment and other industries joined the auto workers in wearing buttons proclaiming "Wage raises without price increases." They saw in it the way to fight so that the wage-raises they were winning on the picket lines would not be whittled down by price-increases authorized in Washington.

4. There was widespread middle-class support for the strike wave. Much of it has been correctly attributed to the fact that the GM slogan showed the middle-class that the workers were as anxious as they to prevent price increases.

5. The GM workers were conscious of their role as the vanguard of the strike wave, thanks to their slogan. Among them there was widespread understanding of the fact that the CIO top leaders had deserted their struggle, especially when Philip Murray declared "Prices are none of my damn business" and settled the steel strike without a word of resistance to the coupling of the strike settlement with a \$5 per ton rise in the price of steel.

6. The GM program, and especially the GM slogan of "wage raises without price increases," became the main issue -- and continues to be -- in the UAW-CIO. Thanks to it the progressives were able to elect Reuther. As the recent exchange of policy statements between Reuther and the Thomas-Addes group shows, this issue and its political and social implications remains central in the struggle in the auto union.

7. The slogan, "wage raises without price increases," is a transitional slogan. It is hardly conceivable that it could ever be granted under capitalism, any more than the capitalists would agree

to the sliding scale of wages as a universal system. It could be won only by a struggle of such magnitude that in the winning of it the workers would have gone so far toward breaking the power of the capitalists that the perspective of workers' power replacing the capitalist regime would arise as an immediate possibility.

8. In telling the workers to fight for "wage raises without price increases" we of course do not promise them that it is actually possible to stop price increases under capitalism, any more than we promise them that it is possible to secure the sliding scale of wages under capitalism. Indeed, the whole art of the transitional program consists precisely in this, that we point out to the workers what they must fight for and they, through the fight, proceed to learn that their needs are incompatible with the continued existence of capitalism. As the 1938 transitional program states:

"Property owners and their lawyers will prove the 'unrealizability' of these demands. Smaller, especially ruined capitalists, in addition will refer to their account ledgers. The workers categorically denounce such conclusions and references. The question is not one of a 'normal' collision between opposed material interests. The question is one of guarding the proletariat from decay, demoralization and ruin. The question is one of life or death of the only creative and progressive class, and by that token of the future of mankind. If capitalism is incapable of satisfying the demands, inevitably arising from the calamities generated by it, then let it perish. 'Realizability' or 'unrealizability' are in the given instance a question of the relationship of forces, which can be decided only by the struggle. By means of this struggle, no matter what its immediate practical successes may be, the workers will best come to understand the necessity of liquidating capitalist slavery." (p. 20).

9. It is false and absurd to counterpose the slogan of a sliding scale of wages to "wage raises without price increases." Both slogans can be fought for at the same time, the one does not contradict the other.

10. There is no such thing as "the" transitional program, handed down once for all. The one issued in 1938 was characterized by Trotsky himself as a first approximation, a first hint, one which should be changed, adapted and concretised differently for various countries -- not to speak of different times. To add the slogan "wage raises without price rises" to our arsenal of transitional slogans is in no way to "revise" or "reject" "the" transitional program. Those who stick to the letter of the 1938 program and resist any changes or additions to it forget that Trotsky got the material for that program where we got the slogan "wage raises without price rises" -- namely, in large part, from the unfolding class struggle. "The" transitional program, like everything else, has a past, present and future.

11. The 1938 transitional program calls upon consumers' committees to demand of the corporations: "Show us your books; we demand

control over the fixing of prices." If the worker as consumer can demand this, then the worker as negotiator and striker can also demand it.

12. OPA is a capitalist-governmental institution and it is necessary to break down the workers' illusions about it. The question is, how to do it? The workers' illusions are based on certain indubitable facts: that during the war, once OPA was established, prices rose far more slowly than before; that in certain fields, most notably in rents, OPA provisions do make a difference to the worker, etc. Under these conditions mere negative attacks on the OPA are insufficient. It is important also to mobilize the workers to make demands upon OPA, just as we make demands upon other capitalist institutions. For example, the May 1 announcement of the UAW-CIO that it is going to fight before the OPA against its grant of increased prices to General Motors: we should support that fight, and call upon every other union to make similar demands upon OPA against the corporations for which their union members are working. Another example is the demand of the Packinghouse Union that OPA deputize a thousand of its members in New York to act against blackmarketing of meat. Such positive demands upon OPA -- demands which we should urge be backed up by class struggle methods -- are worth infinitely more than mere negative criticism by itself alone.

13. Slogans are a dialogue with the masses. If the masses respond, if they are moved by a slogan to class-struggle action, that slogan has thereby proved its worth. No one can deny that the slogan, "wage raises without price-increases," has passed this acid test. Even the Political Committee's resolution admits:

"The GM strikers made an important contribution toward advancing the struggle by their big propaganda campaign against rising prices. Under Reuther's leadership the union conducted forceful propaganda to prove that huge profits, not high wages, are responsible for rising prices. By this significant campaign, setting a new precedent in modern American trade union practices, the union was able, to an important degree, to shift the onus for rising prices where it belonged -- onto the shoulders of the big capitalists -- and to deepen the social understanding of the workers."

All this was done by the slogan, "wage raises without price increases." More could hardly be asked of a slogan at this stage of the development of the class struggle in the US. It is therefore absurdly illogical for the Political Committee to end up by refusing to accept the slogan.

14. The Political Committee gives two reasons for rejecting the slogan:

1. "The erroneousness of this formula consists in the fact that it directly links together the struggle for higher wages with the fight against high prices."

This simply doesn't make sense. It was just this linking together of the struggle for higher wages with the fight against high prices which made this slogan able to do the things which the Political Committee resolution admits the slogan did.

2. "This formula likewise contains the false implication that it is possible to effectively stabilize commodity prices under conditions of capitalist anarchy and disintegration."

This is simply not true. No more than any other transitional slogan (compare: for the sliding scale of wages) does "wage raises without price increases" promise the workers that it can be done under capitalism. As we have already seen, the whole art of the transitional program consists in telling the worker not to pay any attention to the question of "realizability" or "unrealizability."

15. In failing to make this slogan its own during the strike wave, the party lost a priceless opportunity to politicalize the labor movement. If, to the GM workers' agitation, there had been added the systematic advancing of the slogan by the party's forces among workers in all industries, then at the very least thousands of workers would have known us as the party which was identified with the slogan to which they so readily responded. We were the only force in the labor movement which could have raised the demand in other unions that they also adopt the GM slogan (the Communist Party was against the slogan, the SP and WP too weak to do anything for it). But we failed to do so.

16. We must now correct the blunder: adopt as part of our transitional program the slogan "Wage raises without price increases;" explain in our press and in pamphlets the revolutionary significance of this slogan; explain now how this slogan became and continues to be the center of dispute between progressives and conservatives in the CIO and why all class-conscious workers must support it against Murray, Thomas and Ades.

17. In adopting the slogan, we give it the most radical interpretation. For us, "wage raises without price increases" do not depend upon whether there are sufficient profits in the coffers of the corporations to do it; a corporation which is unable to grant wage raises without price increases obviously should not be permitted to continue in private hands. At this point we part company with Reuther who, in his April 27 policy statement, conceded that some corporations would have to be permitted to increase prices in order to grant wage increases. We explain that such corporations are manifestly one of the anti-social manifestations of a decaying system and we demand that they be confiscated and operated under workers' control. Such nationalization, in turn, requires what Reuther shies away from -- an Independent Labor Party and a Workers' and Farmers' Government. Thus, in our hands, the slogan, "wage raises without price increases," becomes a lever for introducing our whole transitional program -- a lever precisely because the workers respond to it and can therefore be led from it to our other demands. Whereas to reject this lever means to deprive ourselves of the most effective slogan which has arisen out of the class struggle in America in many decades.

May 13, 1946.

REPORT OF THE NATIONAL CONTROL COMMISSION
ON ACTIONS OF INDISCIPLINE AND DISLOYALTY COMMITTED BY NC MEMBERS
GOLDMAN AND MORROW AND OTHER PARTY MEMBERS ASSOCIATED WITH THEIR FACTION

May 16, 1946

To the Plenum of the National Committee of the SWP:

Dear Comrades:

Nearly six months ago, at the request of the Political Committee, the National Control Commission began an investigation of disciplinary violations alleged against leaders and members of the Goldman-Morrow faction. Our investigation has established the following facts:

- (1) Comrades Goldman and Morrow and other party members associated with them in the faction have over a long period of time deliberately and systematically violated Section VIII, Article 8 of the party constitution, which reads as follows: "Political collaboration with non-members of the party must be formally authorized by the party committee having jurisdiction."
- (2) The Goldman-Morrow faction conducted its activities in direct collusion with the leadership of the Workers Party. The purpose of these activities was to disrupt the Socialist Workers Party and split away a section of the membership under guise of a demand for "unification" of the two parties.
- (3) The plan of operations was to provoke expulsion through a series of flagrant violations of discipline. In pursuance of this plan, Comrades Goldman, Morrow and other party members associated with them in the faction did commit a long series of acts of indiscipline and disloyalty.

These findings of the National Control Commission are based on voluminous and incontestable evidence, in part frankly admitted by the comrades in question, in part supplied to the party by former factional associates who disagreed with their course and withdrew from the faction, in part by disclosures contained in correspondence and other material published by the Workers Party, and in part by reports and information supplied by other party members.

Out of the mass of material accumulated in the course of the long investigation, we cite here a number of outstanding violations of discipline and acts of disloyalty which have been clearly established:

- (1) Goldman and Morrow began discussion and collaboration with leaders of the Workers Party on the question of unification even before they presented their formal resolution to the Political Committee on the question and without the knowledge or consent of the Political

Committee. (Minutes of the Political Committee, April 2, 1945; July 12, 1945. Bulletin of the Workers Party, Vol. 1, No. 6, March 8, 1946).

(2) Documents of the October, 1945 Plenum of the SWP were handed over to the Workers Party and quoted and commented on in their press even before they were mimeographed for distribution to the members of the National Committee.

(3) Joint meetings of the minority faction with members of the Workers Party were conducted in Chicago and New York under guise of "socials" without the approval of the respective party committees.

(4) Independent political meetings under guise of "classes" were conducted in Chicago and New York by Comrades Goldman and Morrow without the authorization of the respective party organizations.

(5) Comrade Morrow demonstratively attended the election rally and social of the Workers Party in New York while absenting himself, along with nearly all the other members of the faction, from the SWP rally in celebration of the Russian Revolution held a few days later.

(6) Comrade Morrow attended the Plenum of the National Committee of the Workers Party and participated in its discussions without the knowledge or consent of the PC of the SWP.

(7) The great majority of the members of the Goldman-Morrow faction have refrained from the payment of dues and contributions to other party funds over a period of many months.

(8) A copy of a document submitted to the Political Committee relating to the dispute on the question of wages and prices was supplied to the Workers Party and referred to in their press before the minutes of our PC meeting had been transcribed and mimeographed for the information of non-resident members of our NC. (Labor Action, April 29, 1946).

* * *

The deliberate program of the minority faction to bring about a split by provoking expulsion has been clearly established. We cite here a few extracts from the statements of numerous comrades who were associated with the faction and in a position to know the truth.

(1) "The purpose of this communication is to announce my formal resignation from the Minority faction. . . . on hearing Comrades Morrow and Williams elaborate their split perspective I found myself in profound disagreement with them and the majority of the faction." (Letter from Jerry Alberts, Internal Bulletin of the SWP, Vol. VII, No. 13, December 1945).

(2) "Under the fire of the Bayonne comrades and ourselves on exactly this point at the meeting, Comrade Goldman explained how this contradiction was to be resolved -- the faction was going to be expelled, and if it was not expelled for what it was planning to do in the immediate future, it would go further -- to the point of writing for and distributing 'Labor Action!' In other words the faction would not walk out of the SWP in form, only in actual fact! This expulsion subterfuge is indulged in in the belief that it will somehow look better to the International -- a vain hope, for the International is not blind. Why we cannot go along with such a policy of deliberate provocation to expulsion surely needs no explanation." (Letter of Dave Jeffries and Leo Lyons, Internal Bulletin of the SWP, Vol. VII, No. 13, December 1945).

(3) "From the beginning the minority intended to carry through a split, if its maneuver of 'unity' aimed exclusively against the leadership, ran up against difficulties. . . . Morrison (Goldman) devised a trick -- to 'provoke' the majority to expel the minority, and thus shield himself from the onus of split." (A Letter of the AK of the IKD, Internal Bulletin of the SWP, Vol. VIII, No. 4, March 1946)

(4) "Another method of achieving split is the utilization of a situation whereby Cannon can bureaucratically expel them. This appears to be the course upon which Goldman and Morrow are now embarked on." (Statement of Bayonne Branch, Internal Bulletin of the SWP, Vol. VIII, No. 2, February 1946).

* * *

We attach as supplementary material the following appendix:

"Report to the National Control Commission on disciplinary violations and acts of disloyalty by the minority faction in Chicago," by Mike Bartell.

* * *

The report of the Control Commission on the investigation of the charges preferred against Comrade Lydia Bennett by Comrade M. Bartell has already been sent to the party branches under date of January 24, 1946.

Fraternally submitted,

National Control Commission of the SWP

Report to the National Control Commission
on Disciplinary Violations and Acts of Disloyalty by
the Minority Faction in Chicago

The record of the minority faction in Chicago since the last national Plenum is one of continuous, deliberate, and systematic sabotage of all phases of party work, violation of the most elementary rules of conduct, and open, disloyal collaboration with a rival party, the Workers Party.

To list all the acts of disloyalty and violations of discipline on the part of the minority faction would be an almost impossible task, since it would entail a day by day account of its activities. I list here those actions which were most flagrant.

(1) On November 18, 1945, the minority faction held a social in the home of one of its members which it publicly announced at an open party class, for which invitations were distributed and mailed to a large number of non-party members, and to the Chicago Branch of the Workers Party. Thus it took the internal fight outside of the party, and enlisted the aid of non-party members and an opponent party in its fight against the SWP. A full report of this action was submitted to the Political Committee, dated November 21, and charges were formally filed against Comrade Lydia Bennett on November 26 by Comrade M. Bartell.

A number of similar socials have been held since, some under the auspices of the Chicago Branch of the Workers Party.

(2) In February 1946 the minority faction formed a public class independently of the party, with Comrade Goldman as instructor. This class was held in an outside hall without any control, direction or supervision of the party. This class was attended in force by members of the Workers Party as well as unaffiliated, non-party members, and was in reality a joint undertaking of the minority and Workers Party.

After a number of sessions, this "class", which in reality developed into a forum, was converted into a membership club entitled "The Current Events Discussion Club" which elected an executive committee composed of members of the minority faction, members of the Workers Party, and unaffiliated individuals. Thus we were confronted with a political organization independent of, and opposed to, the Socialist Workers Party.

(3) In connection with our May Day celebration the minority faction threw all pretenses overboard and worked openly for the Workers Party and against our party. The Workers Party held a May Day meeting on May 1 with the full assistance of the minority, which sold tickets for the meeting and attended in full.

Our party held a May Day celebration on May 4th. Not a single member of the minority faction attended, and not a single ticket was sold by any of them. Instead, the faction participated

in a social affair held by the Workers Party on the same night.

(4) For a number of months past the minority faction has cut off all financial support to the party. All their pledges to the party sustaining fund have been cancelled. By faction decision the minority has refused to contribute a single penny to the Militant Fund Drive. Most of the members of the faction are even behind in their dues many months. Not only have they refused to contribute themselves, but they directly sabotaged our Militant Fund campaign by soliciting funds from party sympathizers for their own private campaign.

(5) On a number of occasions the minority disrupted open party meetings by introducing disputed issues in a hostile and factional manner.

(6) The minority members have ceased all party activity. With one or two exceptions, the minority members refused to participate in the "White City" campaign against Jim Crow. Not a single member of the minority has exerted an ounce of energy toward decorating our new headquarters -- a job into which the loyal party membership has put a tremendous amount of effort.

(7) The minority faction has openly acted as an information agency for the WP, providing it with all of our internal documents and with all confidential information. They have refused, however, to inform our party, which is presumably also their party, on internal developments within the WP.

(8) Members of the minority faction have not recruited, or aided in the recruitment of a single member into the party since the party convention in November, 1944. For at least the past year, their deliberate policy has been to steer whatever contacts or friends that they had from our party and towards the Workers Party.

(9) The minority faction has been participating in the closed branch meetings of the Workers Party at the Workers Party headquarters.

Comrade Goldman has often called to our attention the difference between "form" and "essence." I can most easily sum up the status of the minority in Chicago by saying they are members of the SWP in form only; in essence they are members of the Workers Party.

Fraternally,

Mike Bartell

May 14, 1946

STATEMENT OF THE NATIONAL COMMITTEE OF THE SOCIALIST WORKERS PARTY

The Plenum of the National Committee of the SWP, at its meeting on May 22, 1946, established the following facts:

1. Comrades Goldman and Morrow and other party members associated with them in the faction have over a long period of time deliberately and systematically violated Section VIII, Article 8 of the party constitution, which reads as follows: "Political collaboration with non-members of the party must be formally authorized by the party committee having jurisdiction."

2. The Goldman-Morrow faction conducted its activities in direct collusion with the leadership of the Workers Party. The purpose of these activities was to disrupt the Socialist Workers Party and split away a section of the membership under guise of a demand for "unification" of the two parties.

3. The plan of operations was to provoke expulsion through a series of flagrant violations of discipline. In pursuance of this plan, Comrades Goldman, Morrow and other party members associated with them in the faction, committed a long series of acts of indiscipline and disloyalty despite repeated warnings and appeals that they cease and desist.

In order to restore party discipline and protect the party from disruption, while giving Comrades Goldman and Morrow one more opportunity to change their course and return to a party-loyal attitude, the National Committee resolves as follows:

1. To censure Comrades Goldman and Morrow and warn them that any further violations of the party rules will be met by further disciplinary action.

2. To instruct the Political Committee and the local and branch executive committees to take careful note of this resolution and see to it that it is promptly and rigorously enforced in case of any more violations of party discipline on the part of the above-named party members.

3. To publish this resolution.

National Committee, SWP

STATEMENT TO THE PLENUM
ON THE REPORT OF THE CONTROL COMMISSION

The report of the National Control Commission on the "disloyalty" of Goldman, Morrow and other members of the Minority proves not the disloyalty of the Minority but the police psychology of the leaders of the Majority. What is essentially a political problem they treat as a problem of disloyalty.

It should be mentioned, although it is of secondary importance, that neither Goldman nor Morrow were presented with any formal charges and asked for any statements. The only comrade against whom formal charges were made and who was called upon for a statement is Comrade L. Bennett. If a control commission "investigates" it should at least ask those who are being investigated for a statement.

We have never concealed the fact, indeed we are proud to admit it, that before we introduced the resolution on unity we discussed the question with Comrade Shachtman and other comrades of the Workers Party in order to convince them to favor unity. In a normal, healthy atmosphere such discussions would naturally be reported to the Political Committee but it should be remembered that the factional atmosphere had reached a point where friendly discussion of any problem was impossible.

One fact we want to make clear. We did not know what the reaction of the WP would be to the question of unity before we presented our resolution. We were in favor of unity regardless of the attitude of the majority or of the WP. The difference is that we could discuss the question in a friendly manner with the WP comrades and we could not do that with the leading Majority comrades.

The bill of particulars listing the various acts of the Minority which are designated as "disloyal" is approximately correct. We have never concealed or tried to conceal that we were fraternizing with the WP comrades. We never concealed that the Chicago Minority faction held socials to which they invited the Majority comrades as well as the WP comrades. The same applies to the classes held by the Minority.

We have previously explained our course of conduct and we repeat the explanation. After we were convinced that the WP comrades were sincerely in favor of unity and after the leaders of the Majority began their dishonest maneuvers against unity, the Minority decided on a course of political fraternization with the WP. Step by step this fraternization developed.

We considered the WP comrades as devoted revolutionists; after they indicated their desire to unite with our party we considered them a tendency in the Fourth International. Under all the prevailing circumstances, political fraternization with the WP became a revolutionary duty for us and obedience to a policy of the Majority based on the idea that the comrades of the WP were renegades would in our opinion constitute a crime against the revolution.

Our policy of independent action with the WP did not have as its purpose the provoking of expulsions. It is true that it was a policy which lent itself to such an interpretation; it is true that Goldman said to these comrades who wanted to leave immediately: wait, you will be expelled. The basis of the policy however was not the desire to provoke expulsion; it was openly to show that revolutionists must fraternize with other revolutionists, under the circumstances that existed, regardless of a majority motivated by dishonest factional considerations.

To the charge of disloyalty we answer; we have been loyal to the revolution and therefore disloyal to dishonest factionalists, opposed to unity for the most despicable of reasons.

Sincere and understanding Trotskyists, even though disagreeing with us, will not stoop to the degrading methods of prosecutors. They will either permit the Minority to fraternize politically with the WP or expel the Minority without any charges of disloyalty. We can expect the introduction of police methods to solve a political difference from Stalinists and other reactionaries but not from Trotskyists.

Albert Goldman
Lydia Bennett

On April 8 the Minority adopted a statement -- "on the intervention of the IS and comrade Natalia in the unity question" -- which stated that "we have decided to remain in the party and await the results of the intervention of the IS."

Independently of the results of that intervention, however, we have decided to remain in the party. We cannot follow Comrade Goldman and those who agree with him in limiting themselves primarily to the question of unity.

The political struggle which commenced at the October 1943 Plenum has gradually developed into an international discussion which more and more clearly poses the problem of the political rearming of the Fourth International: perspectives, program of action, methods of organization. Within this broad framework the problems of the SWP, and the question of SWP-WP unity, constitute despite their importance only a subordinate part.

Once the unity question is placed in its proper context, one must recognize the error made by the Minority when, in reaction against the anti-unity resolution of the October 1945 Plenum, it adopted the tactic of independent activity. Although it was an understandable reaction to the refusal of the Majority leadership to deal honestly with unity, the decision for independent activity was nonetheless erroneous. Providing a target for the accusations of indiscipline, it alienated the membership from the Minority and permitted the Majority leadership to preoccupy the membership with questions of discipline instead of enabling us to bring political questions to the fore. To persist in this path, as Comrade Goldman and his supporters propose, does not serve the progress of the political tendency which we hold in common. Their concept of independent activity means that they are integrated neither in the SWP nor the WP.

We remain united with Comrade Goldman and his supporters on the political questions, including unity and the struggle against monolithism. While we strive to convince them of their errors, we stand with them against those who are driving them out of the party.

For our part, we renounce without reservation independent activity. We shall function fully in the SWP and seek to win the majority of the party to our political views. On this basis we reaffirm:

1. The party must consider the WP as a revolutionary party, its members as Trotskyists, seek fraternisation and united action even before unity and go on to unity as soon as possible by means of joint bulletins, joint membership meetings, etc., that is, unity from top to bottom.

2. But unity is only one of the questions that the SWP must discuss in order to correct its political line and organizational methods. We shall bend every effort to carry out this discussion and remove the bureaucratic obstacles to it.

Felix Morrow, New York
Dan Shelton "
Eugene Shays "
Bill Kott "
Ben Walker "

Archie Winters for Bayonne Branch
Al Marken, Newark
Eleanor Tresca, Newark
William Martin
Dorothy Martin

May 10, 1946

STATEMENT OF MINORITY ON SHACHTMAN LETTERS

In their desperation to shift to the Workers Party the blame for the continuation of the split in the Trotskyist movement, the leaders of the Majority are now using two letters which Max Shachtman wrote to Goldman. They "discovered" these letters in the WP Bulletin, available to everyone interested in purchasing it.

The leaders of the Majority, on the basis of these two letters, claim (according to M. Stein) that for the leaders of the WP the question of unity was nothing but a maneuver for the purpose of (1) erasing their blame for the split of 1940; (2) utilizing the International as an arena for their propaganda; (3) creating another and larger split in the SWP.

Even if the WP leaders actually had the first two aims, it would be no bar to unity. The comrades of the WP are entitled to try to erase their blame for the 1940 split and to use the International as an arena for the propagation of their ideas. Only people who have no confidence in their own ideas and want a monolithic party and International would reject unity on the ground that those who want to unite will try to win the International to their ideas.

If the third claim were based on fact it would undoubtedly constitute a bar to unity. On the face of it, however, and without reading the Shachtman letters or any other document, such a claim is preposterous. To join a small party like the SWP for the purpose of creating a bigger split is an idea that could motivate lunatics or people who have nothing at all to lose. The WP leaders are experienced political people. They are willing to give up their organization and their press and accept the position of a minority in the SWP. In and of itself this is conclusive testimony of the sincerity of the WP leadership on the question of unity.

The truth, however, is that the Shachtman letters do not offer the slightest basis for the dishonest claims of the Majority leaders.

They give a straight-forward and honest presentation of Shachtman's ideas as to the correct policy he thought the Minority should follow. Not only was it his right to intervene and urge his viewpoint on the Minority but it was his duty to do so. It so happens that Goldman did not agree with and did not follow Shachtman's advice, but that is immaterial.

Shachtman's advice in his letters is based on the fundamentally correct premise that Cannon will under no circumstances permit unity with a few hundred revolutionists who are willing and able to think for themselves.

The crooked utilization of these letters is simply another piece of evidence of the complete dishonesty of the leaders of the Majority on the question of unity.

All that the letters "prove" is the fact, not concealed from anybody, that, after the rejection of unity by the SWP Majority leadership and after the acceptance of unity by the WP, the leaders of the Minority and of the WP consulted together on all political questions, especially on unity.

Felix Morrow
Albert Goldman

SOCIALIST WORKERS PARTY
116 University Place
New York 3, N. Y.

May 29, 1946

TO ALL LOCALS AND BRANCHES:

Dear Comrades,

GOLDMAN GROUP SPLITS FROM PARTY

The May Plenum of the National Committee of the SWP adopted a resolution censuring Comrades Goldman and Morrow and those associated with them for acts of indiscipline and disloyalty to the party. The resolution also warned them that a continuation of their course would lead to further disciplinary action. The full text of the Plenum resolution appears on page 4 of the June 1 issue of The Militant.

We are sending herewith a letter from Comrade Goldman proclaiming the split from the party of that section of the minority faction associated with him.

Fraternally,

Farrell Dobbs
Farrell Dobbs,
For the Secretariat

May 28, 1946

To the Secretariat,
Socialist Workers Party,
New York, N. Y.

Dear Comrades:

This is to inform you that the Minority faction of Chicago and part of the Minority in New York have voted to leave the Socialist Workers Party and join the Workers Party.

A statement will soon appear in LABOR ACTION presenting the reasons for our leaving.

Still with ardent hopes for unity of the two parties, I am

Comradely,

Albert Goldman

IS STATEMENT ON THE FRENCH REFERENDUM

The IS, after discussing anew the PCI's position on the referendum on the Constitution, states:

a) That the principled position of a revolutionary party on an issue that sanctions the bourgeois character of the state is -- strongly against.

b) That on the Constitution in question our opposition is determined all the more by the fact that this Constitution -- a product of the collaboration of workers parties with the bourgeoisie -- gives sanction not only to the bourgeois character of the regime but also to (a) colonialism; (b) nationalizations with indemnity; and, in the opinion even of the press of the French big bourgeoisie (Monde), contains provisions which allow the reestablishment of a bicameral system and the division of powers within the government.

c) The rejection of the Constitution will not result in the passage of another and more reactionary Constitution nor in the handing of the power of the Communists and Socialists over to the bourgeoisie, but simply in an elaboration of a new Constitution by a new Constituent Assembly.

d) Our party's answer must be a clear No, at the same time explaining to the masses the reasons for this vote, and simultaneously calling upon them to elect the largest possible number of worker deputies to the new Assembly which will be elected June 2 in order to draw up a genuine workers program in the interests of the working masses of France and the colonial countries.

e) The IS considers that the arguments in favor of voting for the Constitution constitute a typical opportunist deviation and has decided to bring the question up for discussion within the International and before the next IEC.

April 22, 1946.

RESOLUTION ON THE REFERENDUM IN FRANCE

(Adopted Unanimously by the Central Committee
of the Belgian Section)

The Central Committee of the PCI, Belgian Section of the Fourth International, emphatically condemns the new position of the CC of the French Section in the question of the referendum.

To vote YES signifies, whether one wishes it or not, approving a BOURGEOIS CONSTITUTION and thus sanctioning the bourgeois State, capitalist property, national defense and colonial oppression. It is not a question of tactics but a question of principles to remain under ALL CIRCUMSTANCES hostile to a bourgeois constitution of any kind.

To vote YES signifies substituting for the Leninist United Front of struggle against reaction THROUGH THE MOBILIZATION OF THE MASSES, a "United Front at the polls" which is the very negation of a Bolshevik position, discrediting the revolutionary party, preventing its appearance as an independent force and causing it to reinforce the parliamentary illusions of the masses.

To vote YES signifies falling for the game of reaction which hopes to discourage the militant workers and to demoralize the masses by unloading on the parties of the proletariat the governmental responsibility for the economic stagnation, the lack of food, misery, etc. The real offensive of reaction, a Bonapartist offensive, will try to profit from this discredit cast on the labor movement in order to mobilize the petty bourgeois masses outside the parliamentary arena. This offensive is prepared by maneuvers such as the resignation of de Gaulle and the refusal of the MRP to vote for the constitution, and cannot be counteracted except by showing the masses another way out beside that of Gouin-Thorez.

The Central Committee of the Belgian Section declares furthermore that the referendum has nothing to do with the question: WHETHER OR NOT THE WORKERS PARTIES SHOULD REMAIN IN THE GOVERNMENT -- which is what the new majority of the French CC tries to insinuate -- but concerns a constitutional platform, the product of tri-partyism, to which the bourgeoisie is opposed because it considers it too "liberal." The revolutionary party does not support one bourgeois platform against another, but opposes to them its own platform of democratic and transitional slogans as a bridge toward the Soviet platform.

The Central Committee of the Belgian Section regrets that the abrupt turn in the position of the French CC has injected confusion among the vanguard, considers the new position as an extremely dangerous opportunist deviation, and calls on the rank and file and the leadership of the party to return to a Leninist position.

It asks that this resolution, passed unanimously by the Central Committee of the Belgian Section, be printed in "La Verite."

RESOLUTION ON FRENCH CONSTITUTIONAL REFERENDUM

(Adopted by Plenum, SWP, May 20, 1946)

The Parti Communiste Internationale of France originally took the position that the PCI advocated boycotting the referendum on the proposed Constitution which "sanctioned capitalist exploitation."

On April 23 the Central Committee of the PCI reversed by a small majority the previous position of the party and called upon the workers to vote "Yes" in the referendum on the Constitution.

In our opinion this position is incorrect. It is impermissible, as a matter of principle, for a revolutionary socialist party to support, or to ask the working class to support, any Constitution which bases itself upon private property in the means of production. Capitalist private property, together with the national state resting on its foundations, is the main source of all the evils suffered by the masses of France: war, the loss of liberties, unemployment, the high cost of living, etc. The abolition of capitalism is the indispensable prerequisite for uprooting these evils and clearing the way for social, economic and political progress in France.

At the very time that the Anglo-American imperialists and their French satellite are preparing for World War III, the proposed Constitution upholds capitalist militarism and sanctifies in advance a new catastrophic blood-bath by the ruling class.

At the very time that the inhabitants of Indo-China are heroically fighting to throw off the yoke of French domination and the best fighters for freedom in Algeria are murdered and jailed by colonial officials, this Constitution provides for the maintenance of French imperialist rule over all its oppressed colonies.

The text of this Constitution, drafted and adopted by the Socialist Party and Communist (Stalinist) Party majority in the Constituent Assembly, continues the treacherous policies of class collaboration by which these parties have led the French working class into its present blind alley.

For these reasons, it is our opinion that the Trotskyists of France should unequivocally oppose this capitalist constitution and any new version of the same thing.

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RESOLUTION ON THE PCI'S STAND IN THE CONSTITUTIONAL REFERENDUM

We commend the PCI for having rejected the sectarian line of the International Secretariat which had called upon the PCI to vote against the adoption of the Constitution submitted to the French people by the Socialist-Communist majority of the Constituent Assembly. We commend the PCI for having rejected the equally sectarian and politically even more stupid position of those who proposed to boycott the referendum on the Constitution.

The PCI was entirely correct in proposing to the masses to vote "yes" in the referendum.

The problem posed by the referendum to the PCI was not one of principle but of advancing our transitional demands for a CP-SP government and a Single Assembly. The problem posed was not the principle of standing for socialism against capitalism, but the task of pushing further the division between the working class and the bourgeoisie which had developed on the question of the Constitution.

The vote on the Constitution had become a conflict between the working class and the bourgeoisie. The coalition of the Socialist and Communist parties with the bourgeois MRP broke up on this question, so that only the workers' organizations stood for the adoption of the Constitution while the entire bourgeois world stood against it. Thus the vote on the Constitution became a test of strength between the proletariat and the bourgeoisie.

In the center of the struggle was the question of the Single Assembly. It was on this question that the MRP broke and went over to opposition to the Constitution, when the Communist-Socialist majority embodied the Single Assembly into the Constitution. The capitalist class was against the Single Assembly because it meant the elimination of the Senate and the virtual annulment of the powers of the President of the Republic.

The sovereign Single Assembly, combining legislative and executive powers, has never ceased to be a part of the program of action of the proletarian revolutionists. For a still longer time it is part of the revolutionary tradition of the French masses. It constitutes an important step forward in weakening the apparatus of the bourgeois state. It is no accident that on this question the coalition of the workers' parties and the MRP parted company.

By itself the democratic demand for the Single Assembly would not be sufficient for us to vote "yes." In the unlikely event that the MRP had yielded to the majority of the Constituent Assembly on this question and the Constitution had been supported by the popular front coalition, it would have been necessary to give precedence to the struggle against the coalition and therefore to vote against the Constitution. But this is not how it happened and for good reason.

The PCI's advice to the workers to vote "yes" did not imply the slightest responsibility for the content of the Socialist-Communist Constitution, no more than voting for a government of the Socialist-Communist parties implies responsibility for its policies. In either case it is a question of starting out from the given situation

in order to carry the struggle forward; of linking oneself to the masses not by handing down to them abstract directives but of critically sharing with them their political experience. Thereby the Trotskyists, instead of appearing to the masses as seeking to impose ultimately the socialist program, demonstrate their readiness to help the masses go forward.

To have called upon the masses to vote no would have been to assume that they are moving beyond the framework of bourgeois democracy already while the bourgeoisie is on the defensive and attempting to keep the masses within the framework of bourgeois democracy by a political ruse. The real situation in France, and in Europe generally, proves the contrary. It is the bourgeoisie which is taking the offensive and seeking to regain its political apparatus from the collaborationist workers' parties while the proletariat is on the defensive.

In such a situation a revolutionary Marxist party does not determine its tactics from the abstract principle that we are opposed to a bourgeois constitution but from the basis of the struggle actually taking place between the working class and the capitalist class. It would have been a catastrophe for the revolutionary party if it had appeared to share the responsibility for defeating the constitution which the workers wanted and which only the working class organizations wanted.

The defeat of the Constitution is a victory for the bourgeoisie. The sectarians try to minimize this fact by claiming that the only result of the defeat is...to put France once more in the situation the country found itself in seven months ago! Here is revealed the politically criminal tactical blindness of the sectarians of the I.S. and the SWP Majority. The defeat of the Constitution marks a crucial point in the development of the situation: the bourgeoisie has made a forward step in its struggle to wrest from the workers' parties all control of the government; the bourgeoisie has succeeded in splitting away from the workers an important section of the petty-bourgeoisie and even sections of the SP workers whose fear of Stalinist totalitarianism blinded them. The defeat of the Constitution is a defeat for those who want a government of the Socialist and Communist parties, which is the necessary next step in breaking the impasse in which the French proletariat finds itself.

We take it for granted that our party gave only critical support to the "yes" vote, pointing out to the workers that the adoption of the Constitution cannot solve the problems that can be solved only if the workers take power, nationalize property and establish a real workers' democracy. By supporting the "yes" vote the PCI was in a position to urge the workers to demand of their parties that adoption of the Constitution should be followed up by formation of a government including only those parties which supported the "yes" vote -- that is, a Socialist-Communist government. By supporting the "yes" vote the PCI was able to call upon the workers to demand of their parties the program which would assure victory for the "yes" vote: an agrarian program to win the peasantry to the side of the workers; a program of nationalization of industry, of workers' democracy, to arouse the weary and hungry workers to bend every effort to assure victory for the Socialist-Communist majority of the Constituent. Thus the "yes" position became the vehicle for the PCI to advance a revolutionary program in terms which could appear realistic to the masses of France in the actual situation existing today.

RESOLUTION ON THE WORLD CONFERENCE OF THE FOURTH INTERNATIONAL

(Adopted by the Plenum, SWP, May 20, 1946)

This Plenum of the National Committee, May 20, 1946, hails the recent International Conference of the Fourth International. The convening of this Conference, with a larger representation than that of the 1938 Founding Conference, under the present difficult conditions, represents a signal achievement. It testifies to the virility of the parties of the Fourth International and to their continued devotion to the principles of revolutionary internationalism. It is proof of the viability of the World Party of Socialist revolution, the Fourth International.

We fully recognize the authority of this Conference and the leading bodies elected by it. Only this Conference, and the leading bodies issuing from it, have the right and the authority to speak in the name of World Trotskyism.

We express our full agreement with the general political line of the Manifesto and Theses adopted by the Conference and instruct the Editors of our press to militantly present and defend this line in our publications.

We furthermore declare our complete solidarity with the Conference resolution condemning and rejecting the revisionist "Three Theses" and undertaking the reorganization of the German section on the basis of the program of the Fourth International.