

POINT

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Editorial Board: Ralph Furt, Ellwood Griest, Martha Samuel
Ted Seemin, and Louis Julia

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THE MARSHALL PLAN

I-What Is The Marshall Plan? Aspects of the Cold War

American imperialism is currently conducting a cold war of great intensity and on many fronts, ostensibly against the Soviet Union, actually against an idea, Socialism, which is spreading like wildfire throughout the world. If their sole concern were with the Soviet Union rather than with socialist ideology, the departments of State and Defense would scarcely give way to such uncontrolled hysteria and rage when the peoples of Hungary or Czechoslovakia, or now China, decide to set up Communist Governments. If the Soviet Union were alone the potential enemy, instead of hounding and persecuting American Communists, the FBI could reassign its thought police to the detection of crime, instead of loyalty tests, the Civil Service Commission could devote its energies to the maintenance of efficient public service, and the Voice of America would not need to cry "Soviet expansionism" whenever the natives of far away Burma, Viet-Nam or Indonesia rise up against their white masters.

One of the great lessons of history is that you can't beat an idea with force, but only with a better idea. It is a commentary on the desperation to which capitalism has been driven by the continued advances of Socialism that they now seek to reverse this verdict of history. As Virgil Jordan, Chairman of the National Industrial Conference Board of the NAM put it in a speech before the Union League: "If anyone complains that the dilemma implies or drives us to a type of imperialism which must end as all others have ended, let them make the most of it, for this time we have no other choice."

In a shooting war, the imperialists plan to make the air force, guided missiles, and the atom bomb their chief reliance. So in the cold war they depend upon the Marshall Plan as the most effective weapon in their arsenal, which includes also the Truman Doctrine, the

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reconstitution of Western Germany as a powerful neo-fascist ally to help us in an anti-Soviet war, and the system of American military bases throughout the world. Also included is the proposed Western Union, arming the Marshall Plan countries, repression of all progressive movements, the denial of civil liberties, not only in the U.S., but through our puppets, in South America and elsewhere, and the North Atlantic Military Alliance between the U.S., Canada and as many of the Western European countries as can be dragooned into it on pain of Marshall Plan funds being withheld. Also, the 14-billion dollar armament budget for U.S. armaments alone, refusal to end the Berlin impasse on terms we originally agreed to because, as Foster Dulles says, "The present situation is to our advantage for propaganda purposes", and of course the ceaseless barrage of poisonous propaganda, in Europe thru the Voice of America, and in this country thru the controlled press and radio, in an attempt to create a hysterical atmosphere favorable for launching a hot war if and when the war mongers so decide.

What the Marshall Plan Seeks to Achieve

The Marshall Plan sets for itself four main objectives as follows:

1. To contain and roll back the tide of Socialism. Its role is to bind the economies of the "beneficiary" nations to the wheel of American imperialism, depriving them of their economic and hence of their political independence. They can then be forced to accept the political dictation of the U.S. and they will have no choice but to join the North Atlantic Military Alliance and become our front line pawns should we decide to make the cold war hot. The present governments of Italy and France are examples of the result desired.
2. To insure American capitalists of super-profits, to postpone the threatening economic crackup by increasing our export trade by several billions of dollars a year, and to black-jack the Marshall Plan countries into surrendering permanently to the U.S. their most lucrative trade including the cheap raw materials from their colonies.
3. To cooperate with the American Military Government to speed the rebuilding of Western Germany, under reactionary ownership and control, so it can resume its pre-war role as a bulwark against the Soviet Union.
4. To supply sufficient food and industrial equipment to the "beneficiary" countries so their bourgeois governments can somehow patch up their capitalist economies and temporarily lift the misery of the masses just enough to prevent the workers and peasants from taking state power.

As we shall see, these objectives for the Marshall Plan are both overlapping and contradictory. The Truman Administration, and accordingly the ECA, is primarily concerned with the first three, and only secondarily, and with progressively less emphasis, with its ostensible purpose of raising the unbearably low living standards of the workers and helping to rebuild the war-torn economies to a self-supporting basis. It will be seen indeed that as frequently as not this stated objective is inconsistent with the State Dept's more pressing concern to boost profits and stop Communism, and that these contradictions are

almost invariably resolved in favor of the real objectives. The imperialist and anti-Communist content of the Marshall Plan and the virtual suppression of its alleged altruistic aims have now been generally accepted by administration spokesmen and editors, who, a year earlier were bitterly denouncing any suggestion that the Marshall Plan proposals were actuated by anything but disinterested benevolence. The interim report of the Organization for European Economic Cooperation (OEEC), European organ of the Marshall Plan, published in January 1949, says baldly that there is no perspective of higher living standards for Western Europe during the life of the Marshall Plan, and that recovery is not even in sight. Neither this nor a recent report of the United Nations Economic Commission for Europe that Western Europe is becoming more and more dependent on the U.S. has caused more than a ripple of press and radio comment. Nevertheless this not-to-be-achieved objective has played an important part in the imperialists' plans. It was the nun's garb or turn-about collar of professional solicitors for unknown charities to divert suspicion that the gifts they ask are for themselves.

The Real Marshall Plan Vs. the Phony Marshall Plan

When Marshall first unveiled his Plan at Harvard on June 5, 1947, he promised: "Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation and chaos". Certainly all men and women of good will can subscribe to that. Americans are a generous people, the masses that is, who don't like to think of other people starving. That's it, the State Dept. schemers plotted, we will tell the workers that the Marshall Plan is just a plan for good old Uncle Sam-arity to help the starving people of Europe get on their feet. They'll lap it up, ha, ha. Of course big business won't go for that line. A sly wink, we'll let them in on the joke. It means higher prices and profits, expanded markets, cheap and sure supplies of critical raw materials and a club to beat the hell out of any government that gets the idea of playing ball with the damn Communists.

And there were other clues to the real designs of the State Dept. Late in May 1947, the Wall Street Journal had run a front page editorial on the dollar shortage abroad, commenting, "As one State Dept. official put it, 'If that keeps up very long, our customers will have no money left to buy with'." H'mm. And a month before Marshall's speech, Dean Acheson, then Under-Secretary of State was quoted as saying (NY Times, May 8, 1947): "The U.S. must push ahead with the reconstruction of the two great workshops of Europe and Asia—Germany and Japan—upon which the recovery of the two continents ultimately depends."

The Times continues: "In a speech outlining a five-point foreign policy program, including implementing of the Truman doctrine, Mr. Acheson also called for extension of the administration's authority to embargo exports to certain foreign countries and to prevent 'undesirable foreign buying' in the American market." On the same day, James Reston, the Times political writer, quoting both Marshall and Acheson as his authorities observed: "The administration is not happy about the emotional response here and abroad to the military and ideological aspects of the Truman Doctrine. The administration still has the same objective... Soviet expansion and infiltration must be stopped, if necessary by arming other nations in key strategic areas such as Greece and Turkey."

What does this insight into State Dept. celebrations four weeks before the Harvard speech tell us? That a new foreign policy was under consideration, a policy with the same objectives as the Truman Doctrine but one less offensive to the sensibilities of those who are squeamish about the coarser aspects of imperialism. That dollar credits are needed abroad to sustain our profitable export market on which continuation of the business boom largely depends. That means are under consideration to speed the rebuilding of German and Japanese industry, and to hinder Eastern European recovery by an embargo on shipments of many types of goods. Obviously Messrs. Marshall and Acheson never had any serious intention of offering help to the Soviet Union or the Eastern Democracies, as they so smugly pretended when those countries refused to send representatives to the Paris Conference in July 1947. This then was the great humanitarian program which Mr. Marshall was soon to announce to a peace-starved world. By means of this double-take the conspirators planned (and, in America at least, largely succeeded in putting across) the mirage of a beneficent Marshall Plan to the workers and masses, and the real McCoy to the business and banking community which would profit by it and to the Congress which must authorize it and appropriate the funds.

But the Soviet Union was not to be fooled. Three weeks later, at a conference of the foreign ministers of the Big Three, Bevin and Bidault, after conversations with our State Dept., submitted proposals to set up a European economic organization with a steering committee controlled by the British and French. In rejecting these proposals, Molotov noted that "it is now suggested that the possibility of American aid being received by this or that country involves an obedient attitude on its part vis-a-vis the above mentioned organization and its 'Steering Committee'... Under these conditions how would the small countries and in general the less powerful states be able to safeguard their national economies and independence?" And again he continued: "When...it is stated...that the decisive hold on the rehabilitation of the economic life of European countries should belong to the U.S. and not to the European countries themselves, such a position stands in contradiction to the interests of European countries since it might lead to a denial of their economic independence, which denial is incompatible with national sovereignty... The Soviet Government, while favoring the development of international collaboration on the basis of equal rights and mutual respect for the interests of the contracting parties, cannot lend its assistance to anyone in arranging his affairs at the expense of other countries of less strength or size because this has nothing in common with normal cooperation between states."

Most of the other eastern European nations followed the Soviet example in rejecting the Marshall Plan, and the great labor confederations in France and Italy, basing themselves on Molotov's analysis, organized a powerful opposition among the workers in those countries. In this country there was a sharp division of opinion among the workers. Secretary of Commerce Harriman testified before a House Committee (DW, Nov. 13, 1947) that in case a country that was aided, later became Communist, "We would lose interest in it - in that particular country - and deal with it as we are now dealing with countries in that situation". No political strings, Mr. Harriman?

Plainly the campaign to put across the Marshall Plan by deceiving the workers as to its real nature was in danger of bogging down. Then the imperialists went into high gear. They called on their reserves among the social-democratic intelligentsia, and the Lerner, the King-sons and their ilk sprang to the defense of the Marshall Plan and denounced Soviet obstructionism. They called upon their reserves among the clergy, liberal politicians, etc., and the summer soldiers, eager to win back their masters' graces while basking in the phoney humanitarianism of the Marshall Plan, praised the benevolence of the bi-partisan conspiracy and damned the Soviet barbarians who dared to expose it.

But they had their greatest success in the seduction of labor leaders. One after another, AFL unions, right-wing and so-called "centrist" CIO unions and their leaders announced their support of the MP. Then came the climax; without consulting his executive committee, Murray invited Marshall to speak at the CIO's Boston Convention. Brazenly Marshall lied again that his Plan was directed against no country, no political faith, had no strings attached. He received a rising ovation from the Convention, including the left union delegates and many Communists, and a dishonestly worded endorsement of the Marshall Plan was adopted unanimously. That unanimous vote gave Murray his cue. He lost no time in making a recording for the State Dept. in which he boasted of the unanimous support of all American labor for the Marshall Plan. He "proved" its non-political, humanitarian character simply by saying: "If this were a program of enslavement of free peoples we would not support it" (PM Dec. 8, 1947). These poisonous lies of Murray's were beamed to Europe by the Voice of America in 23 languages in its campaign to represent the Marshall Plan to European workers as its very opposite. Meanwhile, James Carey of the CIO and Irving Brown of the AFL were travelling up and down Europe spending large sums of American workers' money to disrupt the trade unions and buy support for the MP.

The Soviet Union and her allies were fully aware not only of the real purposes behind the wolf-in-sheep's clothing proposals of the MP, but also of the danger that the workers and peasants of Western Europe and even in some eastern European countries, might be lulled into accepting them by the insidious and lying propaganda of American and European social-democrats on whose "Socialist" banner the double-cross of the dollar sign betrays their real allegiance. It was therefore no accident that the Communist Information Bureau was organized only two months after the western European powers in dollar-drooling obeisance had bound their peoples over to the Moloch of American imperialism by agreeing to Marshall's terms for the surrender of their sovereignty.

The Communist Information Bureau's Manifesto unmasked the tactics of the cold war and especially of the Marshall Plan. It stated: "The arsenal of tactical weapons used by the imperialist camp is very complex. It combines direct threats of force, blackmail and intimidation, all sorts of political tricks and economic pressure, bribery, the using for its own ends of conflicting interests and disagreements with the aim of strengthening its position, and all that is camouflaged by a mask of liberalism and pacifism in order to deceive and befuddle people not too dexterous in politics."

The Manifesto also pays its respects to those like Murray and Carey equally with Blum, Schumacher, Bevin, etc. who gain the worker's confidence only the more effectively to betray them. "A separate place in this arsenal," the Manifesto continues, "is reserved for the reasonable policy of the Right Socialists... It is not an accident that the imperialistic British foreign policy has found in the person of Bevin its most consistent and arduous spokesman."

Incidentally, this same Bevin, who surely has a reasonable claim to being the greatest liar since that unfortunate accident to Mr. Schickelgruber, arose in the Parliament as late as Jan. 22, 1948, and said with a straight face: "There is no political motive behind the Marshall offer other than the overriding motive to help Europe to help herself."

Economic Conditions Imposed by the Marshall Plan

Events have amply justified Molotov's and the CIB's scepticism as to the good faith of the Marshall Plan proposals and their analysis of its real purposes beneath the hypocritical sham of alleged humanitarianism. Before each of the "beneficiary" nations could receive a single dollar's worth of MP allocations it was forced to sign a treaty of capitulation, placing its entire economy at the mercy of the American imperialists, as well as surrendering its political independence. The economic conditions imposed include the following:

(1) Production targets in every industry are to be decided on by the American dominated Organization for European Economic Cooperation (OEEC). This tremendous leverage is being consistently employed for the enrichment of American industry rather than for that of the alleged beneficiaries.

(2) For each dollar's worth of Marshall Plan goods received the recipient government must deposit the equivalent in its own currency in a "Counterpart Fund", the disposition of which is decided on by the ECA. Complete subservience to the interests of American business, if not secured by Condition No. 1 can be enforced by Condition No. 2. Upon the allocation of these "Counterpart Funds" largely depends the rate of industrial recovery by the recipient nations to the stage where they can hope to compete with American industries. One of the chief sources of friction between the ECA and the Marshall Plan governments has been the ECA's refusal to allocate more funds for plant construction.

(3) The "beneficiary" nations agree to provide raw materials for American stockpiling and to give "the right of access of any citizen of the U.S. of America or any corporation...in the development of such materials." Stockpiling of strategic raw materials is of course a phase of the cold war. But the demand for priority on these materials from the "beneficiary" nations and the right of American corporations to develop unexploited reserves of such materials is more than that. It is at once a threat to the economy of the countries we insist we want to help rebuild (since their industries have been largely developed for processing these same materials) and notice that American industry intends to penetrate and exploit the colonies of its "beneficiaries".

(4) Like American exporters, Marshall Plan countries must obtain State Dept.-approved export permits before they can sell their products

-7-

in Eastern Europe. By denying these permits for goods which might conceivably have war-time use our government hopes to lessen the military potential of the "iron curtain" countries. ECA administrator Hoffman admitted a year ago that hopes for the Marshall Plan to succeed in making Western Europe self-supporting were predicated on the East-West European trade being at least doubled. Yet due to the drastic stop-Russia embargo imposed by the MP itself, "imports to MP countries from Eastern Europe", according to the recent interim report of the OEEC, "are now \$1,500,000 lower than before the war," and American exports to eastern Europe have been reduced to an anemic trickle. This is one of almost innumerable possible examples of how the imperialist military and economic designs, which are the real MP, contradict and cancel out the pretense of helping Western Europe to its feet. So strong is the opposition in the MP countries to this stifling East-West embargo, that the ECA has been forced in some cases to relax its export ban on machinery etc. as witness the recently concluded trade pact between Great Britain and Poland. Mr. Hoffman nevertheless has repeated his blunt warning that "dollars can be cut off from any nation that sends war goods - whether American or home-produced --- across the iron curtain."

"No Political Strings"

Aside from the onerous terms of the MP agreements by which the MP countries surrender their economic independence, these governments have placed their peoples in political bondage to American imperialism. They are quite aware of what Mr. Harriman meant when he said "We would lose interest in that particular country" if it got Communist ideas. They know that in order not to have MP funds cut off they must satisfy ECA administrator Hoffman, the State Department and the Congress, of their anti-Soviet and even anti-Socialist intentions. It is not enough that the Communists be prevented from coming to power, or that no Communist be included in the government, or that no rapprochement or even gesture of friendship be made in the direction of Eastern Europe. Hoffman frowned that nationalization of the British steel industry might not be the most productive use of funds, and American monopoly advocates of "free enterprise" breathed easier as Britain's "Socialist" government conceded the point.

In a statement that by its political ineptitude scandalized even the rabidly anti-Soviet Joseph Alsop, who reported it (NY Herald Tribune, Jan. 28, 1949), Gellerbach, head of the Italian ECA mission stated that he "could not countenance any land reforms (in Italy) which would result even in a temporary drop in the land's productivity", meaning of course that the ECA is opposed to land reform period. Now land reform is precisely the most insistent demand of the Italian people. Despite the unprecedented blackmail employed by the U.S. in the March elections, the only way the De Gasperi Government was able to secure its return to power was by giving its unwilling promise to divide the large estates among the landless peasantry. Thanks to our continued intervention this promise seems likely to be dishonored, or at best reduced to a mockery. Alsop further charges that State Dept. representatives in France, dissatisfied with the sycophant role of the "Center Force" government are spreading alarm among French moderates by their chummy gestures toward leading De Gaullists. Mr. Alsop is not of course concerned about our unwarranted interference in the internal affairs of the Italian and French peoples, in defiance of their needs

and demands, but rather with the political reaction of those peoples to blundering actions which he believes are stoking the fires of Communism.

Another example of political interference at the expense of recovery is ECA's insistence that MP countries continue their huge uneconomic expenditures for their armed forces. France for instance is spending a million dollars a day on its armed forces in a losing fight with the Viet Nameese. Meanwhile French living costs have doubled since 1947 and the living standards of the workers and peasants have been reduced more than one half from those of 1938, and are now on the approximate level of 1884. The ECA's interest in smashing the independence of the Viet Nameese so that American capital can exploit their rich natural resources is understandable, but it has nothing to do with the pretense of helping the French people.

Two days after the Chinese Communists took over Peiping, the ECA announced that it was closing its North China offices. It seems the Communists were distributing the MP wheat and flour to the people, making it "plain that the Communists have no desire or intention to cooperate...on any basis that might be acceptable to the American government." (A.T. Steele, N.Y. Herald-Tribune, Feb. 3, 1949) On the other hand, when the Dutch flout the UN by warring on the Indonesian Republic, the ECA is "powerless" to restrain them, despite hypocritical wrist-slapping by the State Dept. Chief of the Dutch ECA mission, Valentine told newsmen (N.Y. Herald-Tribune, Feb. 3, 1949) that no threat had been made by the U.S. to cut off MP shipments to the Dutch. "To cut off aid to the Netherlands would impair recovery for all of Western Europe," he pointed out.

European "AID" vs American Super Profits

As we have seen, the terms of the Marshall Plan agreements require unconditional compliance of the "beneficiary" countries with demands of American imperialists. It is instructive to examine the use made by the ECA of its plenary powers in a number of instances and to note how consistently they are used to bolster the American economy at the expense of Western Europe.

Marshall Plan shipments are determined not by what the recipient countries need and ask for, but by the requirements of our American economy. The markets of France, Italy and Belgium are flooded with American goods which stifle their home production. In France, many large garment factories have been forced to shut down because of this competition. We send them goods they can produce themselves, charging them in dollars, thus aggravating the dollar shortage, and throwing French workers out of work to boot. Last summer, we forced Italy to accept huge stores of dehydrated vegetables and powdered eggs of poor quality which could not be sold, causing the government a loss of 850,000,000 lire. Italian markets meanwhile were loaded with fresh vegetables which were going begging. Despite Italian protests, the ECA has decreed that 30,000 additional tons of dehydrated vegetables must be accepted by Italy during the present fiscal year. Unemployment has risen, in considerable part thru American competition, to 3,000,000 or one-third of the entire labor force. ECA policies have aggravated or

precipitated a crisis of over-production, which is already gripping France, Italy and Belgium. Under the Marshall Plan, the U.S. is exporting not only its surplus production, but economic depression to Western Europe.

At the World Wheat Conference, last year, ECA representatives blackjacked the other conferees into an agreement which provided that the U.S. should export 180,000,000 bushels of wheat a year for five years to the Marshall Plan countries at or near the then prevailing inflated price in the face of prospective good crops and a falling market - a colossal swindle. Fortunately the 80th Congress, caught in a neat contradiction, failed to ratify the agreement. They feared that this agreement, by eliminating potential losses for the administration's farm price support program, which they regard as socialistic, would lessen political opposition to that program and make a return to "free enterprise" (read: irresponsible gambling) in the grain markets more difficult. It is to be hoped that the World Wheat Conference presently in session will not give the Congress an opportunity to reconsider its decision.

Another interesting angle of the wheat picture is the provision in the European Assistance Act of 1948, which lobbyists for the millers are now seeking to have reversed, that one quarter of all Marshall Plan wheat must be shipped in the form of flour. In order to swell the profits of American processors, the MP countries must thus accept wheat in an unnecessarily expensive form which is subject to excessive spoilage and loss, and pay for it in scarce dollars to boot, while their own milling facilities and workers go on part time. To make matters worse, the ECA at the behest of the shipping lobby insists on shipping this flour at double rates on American passenger liners as a subsidy, to help capture the trans-Atlantic luxury trade from Britain. Oh, Charity, sweet are thy uses!

At the same time, the ECA either refuses allocations for heavy machinery and engineering equipment of which the MP countries are in urgent need to restore the industrial potential of their war-torn economies, or makes them in piddling quantities amounting to no more than a few per cent of the total. No allocations whatsoever are permitted by ECA for machine tools, the most basic of production goods, on the ground that they are in short supply and must be conserved for home use. Machine tool manufacturers deny this, and according to the NY Times (Jan. 3, 1949, Page 52), "Machine tools can be bought (for foreign account) in the U.S. if the buyer has the ready cash and can get an export license, but ECA money is not available for the purchase." Naturally it is to the advantage of U.S. exporters of consumer goods to perpetuate their super-profitable markets by preventing their customers from becoming competitors. This is the traditional pattern of colonial exploitation. Instead of helping to make the MP countries self-supporting, the ECA is deliberately increasing their dependence.

The Marshall Plan is doing all right by the American oil monopoly too. "In the opinion of leading government oil experts", reports I.F. Stone (NY Star, Dec. 27, 1948), "excess profits of at least a quarter billion dollars a year are currently being earned (sic) by Anglo-

American oil companies on Marshall Plan petroleum shipments from the Middle East and Latin America... The world oil market is based on Gulf of Mexico prices and buyers of... Arabian oil pay those prices, irrespective of production costs... Texas crude now sells at about \$2.65 a barrel in the Gulf ports. Arab oil delivered at Persian Gulf ports costs about 34 cents a barrel, including royalties to Arab potentates. This Arab oil is sold on virtually the same price basis as Texas crude, and the margin between its 34 cent cost and the \$2.65 Gulf price indicates the profit possibilities opened up by ECA financing of Middle East oil exports to oil-starved western Europe... Latest figures available for September showed more than 20,000,000 barrels a month passing through the Suez Canal on its way to Europe.

"In addition, profits termed 'fantastic' are being earned on tankers owned by subsidiaries of these same companies. There are records here of tanker rates on Middle East oil shipments to Europe which were 290 percent above Maritime Commission rates. Both tanker overcharges and exorbitant oil profits are known to the so-called ECA watchdog committee, the Joint Congressional Committee on Foreign Aid, but no mention of either was made in its recent public report."

Sir Stafford Cripps stated (May 5, 1948) that Britain would "have to agree under the Marshall Plan not to manufacture certain types of goods that might compete with other ERP countries." Yet when at the Big Three Foreign Minister's Conference in 1947 Molotov had charged that, "Today pressure might be put on Poland to produce more coal at the expense of other branches of Polish industry; tomorrow it will be said that Czechoslovakia must be required to increase her agricultural production and reduce her engineering industry..." it was Bidault speaking as the lackey of the American imperialists who gave him the lie.

"Harry Pollitt, writing in FOR A LASTING PEACE, FOR A PEOPLES' DEMOCRACY, Dec. 1, 1948, of MP aggression against Britain's economy says: "Direct pressure to remove Imperial Preferences is only one way and not the most important for America to get a chance to expand in Dominion markets. Even more effective is to direct Britain's exports of scarce goods largely to Western Europe, where she cannot be paid in kind, but only in borrowed dollars and where the markets are in any case abnormal and temporary. Repeatedly the State Dept. has declared Britain's targets for steel production and for steel-using industries, to be excessive and has demanded that they be scaled down." In particular the U.S. has demanded curtailment of production goods, thus underscoring the American perspective of a colonial status for Britain once the American export market has appropriated the more lucrative tid-bits of the Empire trade. American economic ambitions for the other MP countries are characterized by the same unrestrained cannibalism.

While the ECA urges and cajoles the MP countries to find new markets for their products, increase their exports and obtain their raw materials from sources not requiring dollar payments, it is clear that this is merely window-dressing since it is American policy and the ECA itself which prevent them from taking these steps to make their economies self-supporting. How can they buy raw materials from Eastern

Europe for instance if the ECA forbids them to sell to Eastern Europe? How can they sell in the world's greatest market, the USA when they have not only to compete with the capitalist world's most powerful and aggressive economy, but are forced to surmount the high tariff barrier we have set up for the precise purpose of keeping them out? To add insult to injury the ECA advises the Marshall Plan countries to purchase more of their requirements from each other, but again it is the ECA which prevents this. When England proposed last July that the Marshall Plan countries clear their accounts among themselves before settling with the U.S., thus greatly reducing their dollar payments, Wall Street wasn't fooled. The big boys knew this would permit the Marshall Plan countries to supply each other with goods they otherwise had to buy from the U.S. for dollars, so ECA vetoed the move with a threat to suspend MP deliveries.

Each MP country seeking to reduce its dollar deficit naturally seeks so far as possible to supply its needs from other MP countries, and to sell its products only for dollars. Many of them use government subsidies to accomplish this. These subsidies tend to encourage uneconomic production. But the worst of it is that every other MP country is also trying to buy its needs with soft money, and sell its goods for dollars. These efforts cancel out with the net result that the total trade between MP countries in 1948 was only one-half of their prewar trade with each other, while their dependence on the U.S. has greatly increased.

The MP grants and loans have had an inflationary effect on the world's economy. But the price of exports of MP countries competing against the highly developed American industrial machine have increased much less than the price of their imports due to the monopoly position of the American suppliers. The demand of American capitalism for ever increasing profits has frustrated its announced purpose of helping Western Europe become self-supporting. The practice of selling dear and buying cheap thru superior power, political or economic, is a hallmark of colonial exploitation.

In his recent book, "The European Recovery Program", Seymour E. Harris, a firm supporter of the MP has offered some valuably frank comments in the course of defending it. He admits that "self-interest, rather than charity inspired the ERP... No competent observer of the ERP," continues Mr. Harris, "will gainsay the fact that it is in part an organization for dumping surpluses; and that the support for the ERP stemmed partially from those who viewed it as a source of additional markets. It is significant that the attempt to transfer ships to foreign nations or charter them under foreign flags at a potential saving of a few hundred million dollars for the ERP failed; that the machine-tool builders operating at 50 percent of capacity begged Congress to be generous in the offer of tools under the ERP; /As we have already pointed out, their pleas were rejected as inconsistent with our longer-term objective of denying MP countries production goods in order to retain them permanently as profitable markets for our surplus consumption goods -- Editors/ that the naval stores associations, with failing export markets, exerted similar pressures for special listing; that the fruit growers, suffering from large excesses, asked for payments in

local currencies abroad, with the ERP to guarantee conversion into dollars; that the participating countries are offered more tobacco, dried fruits, and other agricultural products than they have requested. Europe asked for scrap and semi-finished iron and steel, of which it will receive little; but this country is to send much more finished iron and steel than was requested. Is the reason the protection and favoring of markets of United States producers? It is not surprising then, that farm groups, and even some business groups, fearful of surpluses, gave their enthusiastic support to the ERP." Thank you, Mr. Harris, for your frank statement!

The Marshall Plan Helps Rebuild Western Germany

Even before the Truman Doctrine and the Marshall Plan were formulated, the cornerstone of the bipartisan foreign policy was the plan to reconstitute western Germany as the economic backbone and arsenal of Western Europe and the main potential striking force against the Soviet Union as well. After World War I we built up Germany with the Young Plan and the Dawes Plan hoping she would destroy the Soviet Union. Now we are at it again. Excellently-informed Johannes Steel concludes in his "Report on World Affairs", Jan. 1949, that "To say that history is repeating itself (in Germany) ... is a dreary understatement, describing as it does a policy which is a compound of business cupidity, political stupidity and historical ignorance". Quietly, almost clandestinely, the Potsdam safeguards against the military resurgence of a vengeful, unrepentant Germany have been withdrawn. Control of the Ruhr, with half the heavy industry and war potential of western Europe has been handed over to a Council of the Ruhr Authority composed of representatives of the world's corporate giants, with the American imperial representatives in the driver's seat. The cartel agreements have been quietly resurrected; dismantling and delivery of industrial plants as reparations has been discontinued. Under the MP, western Germany is receiving nearly as many dollars as England or France, but unlike other MP allocations most of this money goes to build and restore industrial plants. The U.S. has spent in addition another billion and a half in subsidies for German reconstruction. Western Germany is the favorite "charity" of American big business. The original ceilings on steel and automotive equipment to prevent aggressive designs have been lifted and are about to be discarded. American capital has acquiesced control of key plants, with long-time Nazis administering many properties. But the German people are not profiting by all this. Wages are only half those in Britain. No wonder the British are worried when the ECA favors Germany over Britain in its allocations, not only because they suspect Germany has a greater industrial and military potential for an anti-Soviet war, but because our State Dept. prefers a U.S. controlled capitalist Germany over a "Socialist" Britain. Already, Laborites complain, German cheap labor products in the steel, auto, engineering, optical, and precision instruments and watch-making fields are driving British goods from the markets.

In summary, it is clear that the Marshall Plan was not and is not a break with the American foreign policy pursued since Potsdam, but rather the logical outcome of that policy on a greatly expanded scale. Despite the paeons of praise for American altruism by the Murrays, the

Lerners, the Bevins, and the Blums, it is the same policy that caused our State Dept. to scuttle UNRRA when its work of relief and rehabilitation was most needed, because working through the United Nations we dared not openly condition our help for the destitute and starving upon their acceptance of our political code. It is also the policy of the hard-bitten, ungenerous loans, crammed with conditions which only the most desperate borrower would accept which we made to Britain and France. And it also continues side by side with the Truman Doctrine as a logical development and enlargement of that doctrine to continental proportions. "The administration still has the same objective", as Mr. Reston quoted Messrs. Marshall and Acheson as saying. A little more camouflage to fool the people, and a lot more of the taxpayers money going down the drain.

The North Atlantic Pact

This brings us to the next logical step, the North Atlantic Pact. The Marshall Plan camouflage has pretty well worn off. Certainly the workers and peasants of Europe are not being kidded, and the ECA no longer even pretends that the MP can improve living standards. Moreover, in spite of the large outlays for MP goods, U.S. exports have been declining drastically month by month for more than a year. Deprived of this support our economy is teetering dangerously on the brink of a crack-up. The collapse of farm produce prices normally heralds a severe economic decline. Since January 1948, these prices have dropped by nearly a half, crashing through supposedly impregnable government support levels early this month as though they were eggshells. Installment credits are dangerously high, inventories are at an all-time peak. Prices and profits have far outstripped wages, and as a result, consumer goods sales keep falling week by week. The huge backlog of orders in steel, auto, etc. has disappeared. Although retail prices have scarcely begun to reflect the downward trend, the auto workers are already being asked to accept wage cuts as the capitalists prepare to saddle the workers with the cost of the depression. In fact, they are already doing it; even official admissions already place the unemployment level at 3,000,000. With these storm warnings flying, the Journal of Commerce (Feb. 14, 1949) tips off the Administration to its proper course. "There is little doubt", it opines, "that rabbits can still be pulled out of the hat and that the tired and aging business boom can be kept going for a little while longer". What to do when it can't be kept going is left unsaid.

In this situation the State Dept. now proposes to solve the dilemma of American capitalism temporarily at best, to be sure, by carrying its cold war a long step toward culmination in the anti-Soviet atomic war it is planning by sponsoring and coercing Marshall Plan countries into joining with us, on pain of stopping their MP allocations, in a military alliance whose policies we would dictate. We would finance this enormous conspiracy for world-annihilation, and finance, arm, and equip it with standard arms and equipment "Made in USA", in the hope (at least that's the way the big brains of Wall Street and the Pentagon Building are planning it) that such a war can be fought and won by Marshall Plan dupes in western Europe, without risking the destruction of the American bases of their power.

At least some of the tycoons and generals estimate that the 20 billions of dollars required for this operation will provide a shot in the arm to postpone our economic collapse for four to five years.

This alliance is directed as much against the peoples of Western Europe as against the Soviet Union. Its instigators know full well that the Soviet Union is not going to attack the Marshall Plan countries. So they brazenly assert that an attempt (by whatever means) by Communists to take power in any country adhering to the pact would be considered Soviet aggression and a causus belli. The Western DEMOCRACIES, huh?

But meanwhile what of the Marshall Plan? Responsible economists agree that even without such greatly enlarged expenditures for armaments (and assuming no new economic crisis) the success of the MP is dubious at best. With them it is impossible, if for no other reason than that a high proportion of western Europe's productive manpower would be siphoned into the armed forces.

A year ago, it was confidently predicted that the Marshall Plan would accomplish its prime objectives of confining (if not destroying) Communism, and of shoring up the American economy for a period of four years. Yet less than twelve months later, a frenetic State Dept. warns us that a new 20 billion dollar program is urgently required in order to accomplish precisely the same purposes. It would be unreasonable for us to expect any more explicit admission from its authors that the Marshall Plan is not succeeding and cannot succeed.

II - The Failure of the Marshall Plan

The Marshall Plan has failed in its political, economic, and military thrusts. In some respects, it has already failed; in others, it is failing at a good tempo. In all respects, its goals are hopeless. Our venereal press, nevertheless, unfolds a daily success story accompanied by a statistical elephantiasis. But, somewhat obscured beneath imposing charts and tables, lie the endless failures and insoluble contradictions of the Marshall Plan. The Marshall Plan, the press instructs us, is an overall success -- despite many acute problems. When we analyze this overall success, we are struck with capitalist "dialectics" -- overall success as a sum of failures. As for the modest admission of problems -- we find that the only possible solution to these problems is a refutation of the Marshall Plan itself.

The more restricted capitalist press (available to the public but forbidding in many subtle ways) tackles the facts of the MP more and more conscientiously -- because brother boss must know the truth (there is a time and place for truth, said Alexander Pope) for his private business calculations, if not for dissemination. One doesn't have to crack his wallet on the Wall Street Journal; a well circulated newsstand magazine like U.S. News and World Report has recently been offering nothing less than a complete course on the failure of American capitalism. Even newspapers like the N.Y. Times and the Herald Tribune uncontrollably indulge in a dual policy of offering the brutal Facts of the Pax Americana alongside the routine propaganda-tripe.

(This confused dualism probably results from the attempt to simultaneously equip its stocks-and-bonds-readers with facts and its want-ad-readers with fictions.)

A Washington report from Felix Belair Jr. in the N.Y. Times carried the subtitle: "Program Has Not Proved the Windfall Many Here Expected -- Chief Benefit Seen as Prevention of Communism". Taking the Times at its word -- for a while -- let us consider what the State Dept. declares an essential function of the MP: to "contain Communism" (i.e. to control all threats against American imperialism). A simple inventory will indicate the success of this "chief benefit".

1. CHINA. We need hardly prove with painstaking research that Communism is not being "contained" in China. The Chinese people have recognized the Communists as their leaders and have run "the running dogs of American imperialism" out of China. Foreign domination of China is about over. Obviously, this is a great failure for the U.S. "war production" plan. The failure is greater than China. When we mention the names China, Indo-China, Burma, Indonesia, etc., and when we add the name Soviet Union, we realize that Asia and the islands in its sphere are lost irrevocably to American imperialism (which so nobly undermined the competing imperialisms of Great Britain, France, the Netherlands, etc.). So, the charitable MPeters have lost merely a continent -- with the greatest population, the greatest area, and the greatest untapped riches in raw materials in the world.

Our State Dept. cannot console itself too comfortably with the new MacArthur dynasty in Japan because, as it openly admits on occasion, Japan depends on industrial Manchuria -- Communist controlled Manchuria. It cannot even utilize the painstaking preparation of North Korea as a second Japanese Manchuria since North Korea is also "red". Certainly, the MP cannot seriously base its "containing" of Japanese Communism on precisely the Communist planned production of Manchuria and North Korea. (It is only a humorous by-product of historical defeat that a Trumantic State in a Traumatic State considers this possible if only Mao would become Tito.) Politically, the MP couldn't keep its lackeys in power; economically, it lost a terrific market for subjugation and exploitation; and militarily, its soldiers and expert military advisors were booted out of China, and its excellent armaments were taken from Chiang by the Chinese liberation armies for better use in the "containing" of American imperialism.

2. EASTERN EUROPE. From inception, the MP failed in that it could not buy "for American dollars" the New Democracies of Eastern Europe. So final is this failure, that few people remember that this was one of the original, important objectives of our government. The MP had a wishful and comforting thought to promote (in the day-dreams of its diplomacy) for each of the New Democracies. Our MPeters hoped for enough residue of anti-Semitism and fascism in Poland to see the "western light". Czechoslovakia was certainly "civilized" enough to break out of the eastern orbit because -- well, because Czechoslovakia was simply a "western" country. Temperament of the people, you know! According to MP visions, Balkan just had to eternally keep fighting Balkan. Temperament of the people, you know! And such poverty! Such an

un-American standard of living! Eastern Europe simply could not resist selling out for the (partially beef) American frankfurter!

To insure all of Europe as an operating base, the MP needed a few Titos. The one Tito it got cannot be used extensively for fear of exposing his hand before his own anti-imperialist people. The misleadership of Tito is shortlived and destined to a failure which will disperse the MP dream of using Yugoslavia as a wedge in cracking the unity of eastern Europe.

Not only didn't the MP "convert" the New Democracies, but they are the living refutation of the MP theory: prostitute for the American dollar as a "beneficiary" of the MP or live in poverty and hunger. Politically, the MP got nowhere in eastern Europe; economically, their tough boycott boomeranged inasmuch as eastern Europe made great strides with the help of the Soviet Union, and the western "beneficiaries" went deeper into MP trade paralysis. So desperate are MP countries that they are forced to break the MP rules and re-institute trade with the very New Democracies they recently so studiously boycotted. Militarily, the MP did not produce one counter-revolution; it only accelerated the exposure and liquidation of its own spies and fascist helpers in eastern Europe.

3. WESTERN EUROPE. The bastion of the MP is western Europe: first, England; then, France and Italy; and after that, Benelux, etc. But how solid is this bastion built of black market-priced American exports?

Politically, the MP didn't have to do a job in England; the Labor Party had already done it, and the working class leadership was weak. (Also, in the smaller countries of Belgium, the Netherlands, etc., Communism was as yet no threat.) The British Communist Party has suffered from opportunism for a long time, and the net result of this is always that the working class is unprotected. However, there are indications that the British CP is returning to Marxism, although we have come across no self-criticism on the part of its leaders. According to our meager information, British Communists have declared that they would never fight the S.U. (as have the French and others with the notable abstention of the American C.P.), and they have organized a powerful anti-Marshall Plan peace movement. If the British Communists follow the example of their French and Italian Comrades, the "containing of communism" in England will also degenerate into another day-dream of our government.

In the Labor Party, the MP found willing tools for the perpetuation of capitalism. The Labor Party, with its socialist "affectations", has gone the imperialists of the U.S. one better on many occasions. But even here, a strong left opposition in the L.P. causes the MP great alarm. England has been such a priority victim of American empire building that the British people as a whole cannot be safely considered "contained" within the MP. The English people bore so much of the brunt of the war and so clearly appreciated the role of the S.U. in the war that they cannot be depended on to fight the S.U. The MP cannot take credit for "containing communism" in England; if

anything it helped to expose the role of the fake socialist government and awaken the British people to the recognition of the bankruptcy of capitalism in its own country and in the world.

The great quantities of money concentrated on Great Britain raise the interesting question broached by a supporter of the MP, Seymour Harris in his recent book, "The European Recovery Program". Mr. Harris confronts those who say "the ERP is merely a program to stop the spread of Communism" with: "Those who support this position will have to explain the large assistance to be given to the United Kingdom, surely relatively safe from the communist threat, as compared with the amounts to be made available to Italy and France, where the struggle to stop Communism is at its height."

The Marshall Plan's main "containing of communism" task was in France and Italy. Using bread blackmail (of an inedible humanitarian type designed for export under the MP), the U.S. was able to influence some reactionary electoral victories. But these were incomplete, temporary, and self-exposing ones. Communism was not "contained". The French and Italian CP's have gained more of the confidence of the oppressed people and have become stronger ideologically. The electoral victories are being reversed. In refusing to prostitute their countries for the American dollar, these CP's taught their peoples a lasting lesson -- and became less "containable". Against every anti-communist offensive ordered by Wall Street, they returned such telling counter-offensives under the leadership of such "uncontainables" as Thorez, Duclos, Togliatti, and Longo, that the MP electoral victories could not develop as scheduled into the destruction of the CP's and democracy. The positions that were lost are being won back, along with new ones. Most important, the working people of France and Italy, and their unions remained under the open leadership of the Communists. The "third forces" of Jouhaux, Saragat, etc. were duds.

On a world scale, militarily, the MP has little success to chalk up. The U.S. lost a war in China, it lost (with Jr. partner Britain) a war in Palestine, it has advertised its impotency in Greece where the Communists grow stronger, and it can't depend on Turkey to start the war with the Soviet Union. So it turns to the Atlantic union -- a frantic piece of paper nonsense destined for burlesque. The "beneficiary" countries blackmailed into the Atlantic pact will sign any paper for dollars, and the U.S. draws the questionable dividend of boasting of a military bloc against the S.U. The weakness of this Atlantic brainstorm (which now includes the waters of the Mediterranean in order to include North Africa -- and soon maybe Greece and Turkey?) was exposed in the Norway incident. The U.S. invited Norway in and the S.U. invited her out. Result: the Atlantic Pact goes back for face-lifting. The rearmament serves the special purpose of taking away the last pretense of "aid to the needy"; everyone admits that the ERP and the Atlantic armaments can't both be financed.

In a N.Y. Times Paris dispatch (11-12-48), Harold Callender wrote: "...both European and American officials were filled with doubts about how far the policy of economic aid to Europe would be impaired by the contemplated rearmament program for both the United States and Europe."

... "Another expert said the U.S. might supply Europe either with tanks or tractors but not with both in adequate quantities.

"This dilemma has had a discouraging effect upon those working on the Marshall Plan just at the moment when they have struck the greatest European obstacles -- the rival national economic interests and aspirations that made the national four-year plans so incompatible that experts despaired of reconciling them without prolonged and difficult negotiations."

"Some leading European experts have said the dilemma is such that rearmament on the scale expected would destroy hopes of continuing U.S. recovery aid in sufficient measure to achieve the goals set for 1952. Thus there has arisen the question whether -- as some officials express it -- the U.S. should underwrite European recovery as a way of insuring peace or abandon this policy in favor of a rearmament plan which in Europe can yield substantial results only after several years!"

The rearmament exposes the one-way game of the U.S. in demanding that the European nations band together to fight the S.U. while the U.S. refuses to commit itself to military participation in such a mutual aid pact.

It is in the hypocrisy of economic aid that the MP exposes its own bankruptcy most clearly. We have considered this in detail in Part I. Here, we want to indicate the connection between the failure of the economic thrust of the MP and the failure of Capitalism all over the world today. This is especially important because it is on the economic level that the MP has had the most success in confusing the American people as to its achievements.

In combination with its political and military thrusts, the MP is attempting the creation of a new American empire which will swallow up all colonies and make colony "foremen" out of all former empires (e.g. France will manage Algeria for it, Belgium will manage the Congo, and England will manage the federation in preparation of the Rhodesias, Nyassaland, etc.). But, there are irreconcilable struggles between the charitable oppressor and the beneficiary victim which doom all "arrangements" for war against the S.U. and for the building of the American empire to failure. What, briefly are these contradictions, based on the facts offered in Part I?

The greatest individual contradiction within the MP sphere exists between the British empire -- or what is left of it -- and the U.S. empire. American investments have been pursuing Great Britain like the furies after Orestes. Under the hex of the American dollar have come British investments in India, Canada, Australia, New Zealand and South Africa (and according to the latest American pressured plans the rest of British Africa). The U.S. has shoved Britain out of Iraq, Iran, and Saudi Arabia for oil, out of Malaya for tin, and out of Rhodesia for copper. It took advantage of Britain's burdens in the war to acquire some of her responsibilities in the colonies and most of the loot. We have been taking her export markets from her and then dumping unwanted imports on her. English bankers and their papers have nastily pointed

out that so bad is Britain's import-export balance (due to the MP) that she could have saved the amount of the American grants by avoiding the Marshall Plan.

America has pursued the other MP countries with the same technique. As a "counterpart" to our charity, we chisel in on The Netherlands in Indonesia, on France in North Africa and Indo-China, on Belgium in her African possessions, etc. Although the world was long ago divided among the imperialist powers, we see the struggle within the "fraternity" of the MP countries continuing for the redivision -- the retention of empires versus the grabbing of empires. It is as necessary for the perpetuation of capitalism that the U.S. grab new markets as it is for MP "beneficiaries" to resist the grab. The longer the MP continues, the more impossible the position of the cornered "beneficiaries" becomes and the closer we get to a series of explosions which will blow the MP to bits. The weakening empire members of the MP can act as Jr. partners to their own liquidator just so long. While they conjure up a "red imperialist Russia", they know very well which menace is steadily eating away choice bits of their colonial wealth.

The export-import discrepancy flashes into the open more and more. At international trade conferences, produced and directed by the U.S. (Latin American Conference, Geneva, etc.), the delegate of the "beneficiary" nation has no alternative but to fight the U.S. trade policies. He exposes the high American tariffs which impede his country's exports; he exposes the American attack on the "most favored nation" protection of his own country's trade. He exposes MP restrictions that impede and control trade between MP countries. He fights to get aid his country needs from the U.S. and not the dumped, unwanted surpluses. He fights with careful diplomatic words to tear American tentacles off his country's foreign investments. And when he has said too much, the American business delegate rises imposingly and threatens that the U.S. also knows how to get tough. Such talk might result in the suspension of American aid. After this, the MP international lackeys subside and appear in the next morning's newspapers as the charming devotees of MP unity.

The European "experts" of the MP are always relaying through the newspaper reporters their imprisonment within the MP. In discussing the European report to the U.S. on the MP last Dec., Harold Callender (in the N.Y. Times, 12-22-48) reported dissatisfaction among the British, French, and Belgian experts. He referred to the "French and Belgian insistence upon tempering the rigors of that British doctrine of austerity so that the public on the Continent will not regard the recovery program as one of pure sacrifice upon the part of the populations concerned."

Practically no MPeter disputes the fact that the MP nations will not be self-supporting when the U.S. gets through with them. In fact, it has been generally pointed out that the more the MP helps them the less can they help themselves. Galbraith is for the MP even if it doesn't work. He, however, wants the MP as part of a full-fledged western union. He offers some valuable admissions, however. "There is no doubt as to the facts. Western Europe has been recovering -- and it

does need help. There is even a possibility that further recovery, so far from ending Western Europe's dependence on the outside aid, will leave it nearly as dependent on assistance as at present. Western Europe, in short, may be incapable of self-support. Why?"

This is interesting in the light of Harris' forthright statement that "The unique factor of the ERP is that the grants and loans are to be conditional upon Western Europe helping itself." Add Galbraith and Harris together and then marvel at Harris' agreement (and Galbraith would not disagree) "With Secretary Marshall's view that the ERP is a prudent risk..."

The MPeters are rather sad in their loyalty to the MP. Galbraith says: "The sad truth is that Europe, since the war, has borne a discouraging resemblance to an industrial concern that is expanding operations but losing a little money with each increase in business. To shut down the plant would be unthinkable -- there would be unemployment, unrest, and probably violence. The Communists would surely go to town. But the sad fact remains that the plant can only keep operating as long as someone pays the bills." This is the success of the economic policy of the MP and its "containing of communism."

The sages of the MP often find the faults, but dare not attempt the solution for fear of destroying the MP. The Wall Street Journal is afraid that curing MP faults "will involve, in O.E.E.C.'s own terms, some 'drastic efforts'", and the "changes may prove politically explosive." (The Journal of Commerce displays the same impotence.)

In the face of such problems, the U.S. News states one of the futile functions (and failures) of the MP clearly and bluntly. It finds that "Dollars being earned by foreign nations amount to only 38% of the dollars being spent by these nations. Yet only dollars can buy the goods needed for recovery in Europe." And: "If world buying power is exhausted, world markets for U.S. goods disappear. The real idea behind the program, thus, is that the U.S., to prevent a depression at home, must put up the dollars that it will take to prevent collapse abroad." The U.S. News is also aware of the state of imports from the U.S. Britain for one, is making it known that, rather than liquidate her gold and dollar-earning assets, she will get along without some of the goods she now buys in the U.S." (7-4-47) Actually, during 1948, Britain did revolt to a degree and improved her export-import balance-- to the dismay of the U.S. MPeters.

This whole economic dilemma is made clear in a speech of Clarence Streit, president of Federal Union, Inc. (World Gov't) at a dinner of the Union in Town Hall. He made the following pair of irrational points: 1-the danger of economic crash is closer to the U.S. than the danger of war from Russia; 2-put greater armed and productive power behind the Atlantic community.

Quite obviously, the U.S. is out to contain, not only communism, but American depressions -- at the expense of the working people of the whole world. Such "idealists" as Streit show an awareness of the dialectical unity of "containing Communism" and capitalist collapse.

*insert: revolt of the beneficiary nations: "The answer would be to cut

Every angle of the MP is beset with inescapable contradictions. The MP plan for the reconstruction of the Ruhr for war against the S.U. forces France into open opposition. She cannot too easily accept the idea of rebuilding her many-time aggressor, and at the same time denying herself reparations guaranteed at Potsdam. The MP plan for the removing of obstacles from Germany's international trade forces Britain into open opposition. Her investors cannot sit by while American-backed German industries undercut the markets England assumed during the war. The severe MP trade controls has crippled French, Italian, and Belgian industries and caused dangerous unemployment situations.

The attitude towards the U.S. becomes one of hate -- globally. A U.S. News reporter who toured all of Asia sent in a comprehensive report on hatred of the U.S. in all of Asia by all of its people. Reporters for the capitalist press have been sending back reports from Western Germany regarding the skeptical attitude of the German youth, who learn more and more that the U.S. is rebuilding Germany only for attack on the Soviet Union -- that is, for Germany's destruction.

The air lift, which is supposed to be the tour de force of the MP has actually proved to be such an insane drain on finances and air reserves that the U.S. army admits that its global forces have been depleted as a result. On page one, the air lift is a great success; on page 15, it's a great expensive laugh.

The capitalist press, mainly through its foreign reporters, admits that American MP propaganda is ineffective, that the S.U. steals the show every time. Of course, since they can't attribute this to the correct foreign policy of the S.U., they merely admit Soviet brains, cunning, and timing.

On occasion the MP brags that production has risen in Europe. It omits the important fact that usually this production has increased despite the efforts of American business tactics. It omits the fact, in other cases, that it is seriously worried about where in deuce this production is going to be sold. When hard pressed, the MP brags of England's advances, but omits the fact that these are a result of a major offensive against all the regulations and directives of the MP.

An insoluble contradiction for the major strategy of the MP is the general question of Germany. How can the U.S. disunify Germany in order to fight the S.U. in Germany and at the same time unify Germany to fight the S.U. in the S.U.? This sounds like a tongue twister, but for the MP, it's a brain twister -- and never mentioned. How can France resolve the re-militarization of Germany against the S.U. with the prevention of re-militarization against France? What is more eloquent than Bevin's disparaging remark that free enterprise America fights planning at home and insists on it in Germany. More eloquent is Eden's rejoinder to Bevin that socialist-planned (?) England insists on no planning in Germany. These two quips carry the common motive of prostrate capitalism: America pursues its planning in Germany to control trade for its benefit; England fights this controlled planning in order to squeeze in a little of its own trade. This mess of cross purposes we leave to the capitalist class to solve -- in order to "contain" their

How can the MPeters of Britain and America resolve the lucrative question of Palestine? They must side with Israel in order to squeeze in British and American investments. Besides, Israel is important to their war plans. But, what happens if the MPeters don't stick with the Arab world and lose those wonderful oil and airfield concessions?

In the short time that the MP has been in effect formally, it has successfully exposed itself as a failure that must be perpetrated at all costs (to the world oppressed). Yet the capitalist press has still the occasional gallantry to quote the sharp edged truth about itself with a weak smile. What could be more eloquent than the following routine, fill-in item on page 5 of the N.Y. Times of Feb. 17, '49 (quoted in full):

"Moscow Still Paints Gloomy U.S."

"Moscow, Feb. 16 (AP) -- Moscow newspapers continue to paint a dark picture of the U.S. economy. Nine times this month the Communist Party organ, Pravda, has carried news items that seemed to indicate to it an onrushing economic catastrophe in the U.S. The stories usually tell of falling wholesale prices, rising unemployment, wage cuts, and general alarm in the U.S."

What is so eloquent about this? Merely that Pravda has reported "nine times" what the N.Y. Times is forced to report thirty times. Can the Times deny that with "authoritative" opinion, analyses, charts, tables, and government reports, it has told of "falling wholesale prices, rising unemployment, wage cuts, and general alarm" -- that it has retold this story every day? Hasn't the Times' own gloomy picture been one of numerous sources of Soviet analysis? If the capitalist press of America may tell the truth on occasion for its own class information, what international ethical standard prevents the Soviet government from acknowledging truth?

This gloomy picture, the Marshall Plan is supposed to change. Since it can't, what will the workers of the Marshall Plan countries think when the America of 1929 blossoms and still parades ridiculously as the giver of the "blues" and the container of the "reds"?

* * *

The capitalist countries of Western Europe are bankrupt. There is no remedy for this bankruptcy under capitalism, and nothing the MP can invent will help. The only solution is socialism, and this solution, the Marshall Plan can neither countenance nor prevent. Nevertheless, the only reason for the existence of the MP is the prevention of this solution -- in other words, the containing of capitalism's disintegration and the containing of communism. Even the idea of at least perpetuating one part, the U.S., at the expense of the whole capitalist sector of the world, cannot work for the simple reason that the Marshall Plan, at this point in history, cannot make the rest of the capitalist world work as an American empire. There is no American empire if the capitalist countries succumb to Socialism. Hence, the slogan: "contain communism".

The American empire will never be because the contradictions between the MP countries and Uncle Sam-eritan are too advanced and violent

If the U.S. capitalist class merely faced a foreign capitalist competitor, it could control it by force. But, the determination of the European workers to protect their national independence complicates this picture, because such open measures would encourage communism, not contain it. This indicates the delicate balance involved in the problem of containing communism on the one hand and grabbing competitor's markets on the other.

The harder the MP rides the victim beneficiaries and the lower into colonial status it forces them, the bolder will the working classes of those countries become. As the workers of the world move closer to socialism, the workers of the U.S. face the worst trials in their history as the working class of the most powerful imperialist nation. We will pay heavily for the Marshall Plan. Lenin explained that the workers in imperialist nations tend to become bourgeoisified on the basis of the leavings of imperialism's successes. The American (as once the British) workers have been content with the leavings. But now they face another 1929.

The workers of America will now begin to understand the dilemma of the MP. They will understand that the U.S. fights for its new empire in order to perpetuate its capitalist system; that it builds this empire by crippling rival capitalist countries; that in accelerating the decline of its rivals, it finds itself promoting new threats of Communism; that it has therefore to contain communism in order to proceed with its plans of empire building; and that in the act of containing communism it is forced to lend assistance to the very competing capitalist countries it has been trying to cripple. This is the endless rigmarole of the contradictions of MP strategy. The capitalist class has no other solution for survival, and if this won't work, it knows it can't survive. So it continues along its insane routine of destroying capitalist rivals as it helps them contain their communist threats.

In other words, and this is the point we have tried to explore in this article, two mutually destructive factors mold the Marshall Plan and the war planning of the U.S.: 1 - The MP accelerates the bankruptcy of its capitalist rivals to facilitate their inclusion in the dollar empire of the U.S. 2 - The MP attempts to retard the bankruptcy of its capitalist rivals to facilitate the containing of Communism. The MP has found to its sorrow that one factor undermines the other. That is the dilemma of the MP and the definition of its futility.

III - The Fight Against the Marshall Plan

No important part of the American working class supports the real objective of the MP, the subjugation of the world for the benefit of Wall St. These workers who do not understand the real function of the MP do know that there's a lot of unsavory "politics" involved. Although they get glimpses of the crafty-graft hand of big business, they nevertheless harbor the vague feeling that the European workers must get some benefit out of all these billions of MP dollars. It's this totally incorrect impression that we have to dispel in the U.S.

That part of the American people which consciously and completely opposes the MP is, unfortunately, a leaderless opposition. Its anger and power cannot effectively destroy the MP because the CP leadership does not allow it to fight--not in a down-to-earth way. The CPUSA leadership supported the MP in the unions: it rose with the Careys and the Murrays to applaud Marshall at the Boston CIO Convention; it endorsed MP candidates in the 1948 elections (Celler, Delaney, Hollifield, Douglas, etc.). Only undercover enemies of the working class, working in the CPUSA leadership would engineer such betrayals. The CP member has no right to remain loyal to such leaders; he becomes, in this act of loyalty, disloyal to the working class of the world.

As he fights for a real CP in this country, he needs a simple and direct program, implemented by deeds, for fighting the MP. Even in the course of pressing for such a policy, he will find himself suspect in the eyes of the leadership. If the "vigilant" leadership should discover in him too much concentrated activity, an explanation may be demanded, and the comrade, finally, may be rewarded with expulsion as an enemy of the Party. Clearly, it is not easy to be a real Communist in America today. The workers' movement can't make any strong advances or attain any stability without a real CP to guide it. On the other hand, the spontaneous movement of the workers is not going to take a "leave of absence" while we produce a real CP. Therefore, an American Communist needs a two-lane perspective: he must aid every progressive drive; he must, at the same time, realize that he must help produce a real CP in order to insure a systematic advance of the whole progressive movement in the U.S.

What should be our insistent tactic in fighting the MP? The CPUSA leadership made a fetish of separating the MP from domestic issues during the '48 election campaign. It decided that too severe an attack on the MP would alienate people who were ready to support the correct fight on "purely" internal problems. The CP and the Daily Worker assured the leaders of the trade unions that the fight against the MP was not such a dividing line; it could be removed and all labor would be united on something like the T*H Law. This brilliant opportunism paid off, as usual, in telling defeats for the American workers. Actually, none of the domestic struggles of the American workers can be separated from the fight against the MP, against American imperialism. This separation is one of the signs of the confusion of the progressive movement in America today. In our fight, every action and its slogan (notice that we have no slogans at the moment) must point to the choice between a Marshall Plan America or a peaceful, democratic America.

THE MARSHALL PLAN PLANS WAR

We have to drum this idea into America. The American people don't have the salient facts of the MP at hand; they are swamped in misleading and contradictory figures and tables. Communists should expose every new gag the MP pulls until the people are wise to all gags. We need a mass campaign of thousands of demonstrations of all kinds in every part of America. Since such activity seems a strange, utopian notion to most of our comrades in the CP, we might hark back to the days of the fascist invasion of Spain when our Party (in its better days then) was at least a real CP and produced action and results. Perhaps comrades can remember the rallies, the "work" meetings, the

canvassing, etc., that went on day after day and produced material aid for the Spanish Loyalists. Now, once in a "blue moon", we are offered a token meeting divorced from any organized fight. With organized activity of the MP opposition, we could bury the cold war sooner than later and save the other workers of the world the bloody troubles of doing it for us.

REPLACE THE WAR PARTIES WITH THE PROGRESSIVE PARTY
FOR PEACE, DEMOCRACY, AND SECURITY BUILD THE PP

In considering the anti-MP fight organizationally, it is obvious that most of America's progressive organizations have been liquidated. One of the few available, the most important non-party mass organization, is the Progressive Party. Despite its election showing (via the confusion and bad leadership of the N.C. of the CP), it proved how welcome to the people its ideas were. The PP could tie together all the individual organizational fights against the MP. The PP has an anti-MP program, but it has not been used enough. the secret is to

IMPLEMENT THE PP PROGRAM ON THE MARSHALL PLAN

One of the most serious setbacks for democracy and peace has been the draft. There was little opposition to the draft. No organized opposition came from the CPUSA. Why is the draft so important? Some say, look--the quotas are filled anyway, so why beat a dead horse? The army, however, has already expressed dissatisfaction with the draft limitations, and nothing more than another allocation from Congress is needed to make the army dreams come true. The draft represents the mental and physical reserves of the war plan and the fascization of the youth. It will hang as a threat over the involvement of the youth in progressive movements (remember Truman's threatened use of the draft against the R.R. strike in 1946). What was needed was a DRAFT BOYCOTT, organized by the CP. Instead, the CP left such an idea and its perversion to the most backward elements in America--the Randolphins, etc. To smash the draft would be to upset the whole equilibrium of the war plan. It is more important than ever, despite CP advice, to

REPEAL THE DRAFT

Communists must expose the Mp to labor and organize the destruction of American war efforts. We can't do this in Boston CIO Convention style or in Portland CIO Convention style. The CPUSA thinks that a political stoppage, strike, or--perish the thought--general strike is a hangover from "Wobbly" days and below the dignity of the CPUSA. But Communists should admit openly their intention of introducing the political factor into all the economic struggles of the workers (or don't we want to prepare the working class for the fight for Socialism?) At every opportunity, the American workers should

STRIKE AGAINST THE MARSHALL PLAN

The maritime unions in the U.S. have been left-controlled for a long time (although the CPUSA leadership has lost its respect and support in some completely--like the NMU). If the CP worked up enough

courage to go openly to the maritime workers with a forthright anti-MP program including an organized boycott of war shipping, the MP would feel it "where it hurts". Comrades in the maritime unions have the duty to interfere with war shipments; they should line up the workers in their unions.

AGAINST THE FREEDOM OF WAR SHIPPING
DON'T LOAD OR SAIL MARSHALL PLAN CASKETS

As an example, even the recent "unpolitical" IIA strike backed up millions of dollars of MP shipping into the R.R. yards. The workers abroad have demonstrated their opposition to the MP. They have struck against it. All that is missing is the proof of international solidarity from the American workers.

The imperialist agents leading American labor have unsuccessfully attempted to torpedo the WFTU. The overwhelming majority of the workers of the world are still in the WFTU, however, and it is the American leaders who have isolated themselves--and unfortunately American labor--from international labor. Until now, the WFTU was considered a purely academic subject by the leaders of the CPUSA, and no fight was put up in our unions to prevent the actions of the Careys, Dubinskys, and the Murrys. We have still to organize labor to

SECEDE FROM THE MP; REJOIN THE WFTU

All the needs of the working people that Congress can't find money for can be financed from a small part of the war debauches. What does the government dish up for our housing needs--in its generous moments of planning? Truman's suggested budget offered 150,000 dwellings a year for seven years at a cost to us of \$16,000,000,000 (part of the graft included). Of course, even this won't materialize. This outlay is supposed to be paid back in 44 years. What a drop in an imperialist bucket this is can be seen from the \$14,000,000,000 suggested U.S. military budget for the coming year (and it will be much more). One year of war contract profits just about equals 44 years of housing generosity that will reach a few slum dwellers, but not many of them. The solution is simple:

MORE HOUSES HERE-- FEWER GRAVES IN GREECE

The issues are clear to the American workers. If Communists offer the correct slogans, if these slogans end up organizationally in demonstrations, picket lines, strikes, and boycotts, we can stop the drive to war. This means drawing in all the oppressed people on the basis of their critical needs. The fight against the MP should encompass all the progressive struggles in America today:

TAX THE RICH FOR HOUSING, HEALTH, AND SCHOOLS...TAKE THE COLD WAR OFF OUR TAX-RIDDEN BACKS...NO NEW VETS--HELP THE OLD ONES...BUILD SCHOOLS FOR THE REAL VOICE OF AMERICA...END THE MP'S DAILY VETO OF THE UN...EUROPEAN AID THROUGH THE UN--NOT THROUGH WALL ST... LET WASHINGTON BRING DEMOCRACY TO THE NEGROES FIRST..."CONTAIN" THE POLL TAX;"CONTAIN" LYNCHING...NO WAGE CUTS...PRICE CONTROL AND RENT CONTROL;NOT THOUGHT CONTROL...DESTROY THE ATCM BOMB...

CUT THE NEWSPAPER CURTAIN IN AMERICA WITH A WORKERS' PRESS...
 INVESTIGATE THE STATE DEPT. FOR SUEVERISIVE ACTIVITY AGAINST PEACE.

Such slogans should flood America and reflect organizationally the offensive of the American people for a program to "CONTAIN" WAR AND FASCISM, SLUMS, DISEASE, POVERTY, DISCRIMINATION; for a program to attain PEACE, DEMOCRACY, and SECURITY.

IV - The Fight for Socialism

Which is winning today -- the camp of imperialism and war, or the camp of democracy and peace? The answer is as simple as the word, China. Imperialism is doomed by an incurable disease. For every failure in empire building, the "bulwark" of capitalism draws up the blueprint for a bigger and better failure. The bulwark becomes a haven for "refugees from democracy" from all over the world. Today, when a loyal international servant of Wall Street gets the "heave-ho" in his own country, he immediately presents his credentials to the U.S. State Dept. and joins the counter-revolution squad here. We are host to a veritable diplomatic "DP" corps -- displaced by Socialism and People's Democracies. First came the ex-Russian. Then came the ex-Rumanian, ex-Hungarian, ex-Bulgarian, ex-Polish, and ex-Czechoslovakian. Now the ex-Chinese will feed into the current melting pot of the Marshall Plan.

As every new bit of collapsed intrigue brings American imperialism closer to its last convulsion, the MP leaders have a special problem to solve: where do American MP leaders take refuge when they become ex-Americans? Until now, a Wall Street servant in Europe transferred whatever banked blood he could to American banks before he got the "heave-ho" and later scampered after his dollars to America. But America is the last bulwark, and after it there is nowhere to go; when America goes, the world capitalist system goes. To the orthodox opportunists leading the CPUSA this is an unwholesome and utopian thought. But that's what's wrong with American Communists today. They sit in the bulwark of world capitalism, suffering its inability to plan anything but war; and yet, they dare not think that America could be a Socialist land -- not in their lifetime! As a matter of fact, in America today, the word Socialism and the fight for Socialism are used least and avoided most by none other than the Communists.

The MP is the most elaborate plan in the history of capitalism for its perpetuation -- and the least successful. With all its dollar bills and two-bit lackeys in science and culture, it can do nothing better than speed-up the digging of its own grave. Yet, witnessing all this, witnessing the "bulwark" undermining itself "for protection", American Communists flaunt their Marxist "maturity" in a refusal to descend to the "impractical" thought of winning Socialism in the U.S.

The fight against the Marshall Plan is more than a fight against war and fascism, it is more than international solidarity with the oppressed all over the world. For Communists, the fight against the MP is also the fight against capitalism -- "where it hurts". Communists should consider the organization of the American working class and its allies against the MP as a preparation and training for the final fight against capitalism itself. And certainly, if we get a real Communist

-- a real Marxist-Leninist Party in this country, that day will not be so far off. The American Communist looks at the Chinese Communists and applauds. But he should feel ashamed, in the light of the Chinese victory over all obstacles, that to him every obstacle means the justification of retreat.

The victory in China means a new stage in the destruction of capitalism, a stage in which the greatest responsibilities fall on American Communists. To meet these responsibilities, American Communists need the perspective of Socialism. Before World War I there was no Socialism; after World War I, there was Socialism -- but a Soviet Union encircled by capitalism; after World War II, the capitalist encirclement of the Soviet Union was broken; and with the coming to power of the Communists in China, the real Socialist encirclement of capitalism begins. That is China's glory. With the destruction of capitalism in the U.S., capitalism as a power in the world ends; there will only be a few vestigial fragments of capitalism strewn about the world rapidly being stuffed as museum pieces. That will be America's glory.

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NEXT ISSUE: We will deal with the trial of the 12 Communist Party leaders and the question of Communists and force and violence.

SUBSCRIPTIONS: A yearly sub to Turning Point is \$1.50. TP will send you, @ \$1.00 per month, New Times, Soviet international affairs weekly; For A Lasting Peace, For A People's Democracy, bi-monthly organ of the Communist Information Bureau in Bucharest; and Turning Point, monthly.

CONTRIBUTIONS: Postage has gone up, and TP has increased its mailings. We will appreciate your financial help.

NAMES: TP will mail sample copies of the above literature to new names.

CORRESPONDENCE: We welcome your criticisms, suggestions, experiences.

NOV.-DEC. ISSUE: "The Future of the Progressive Party".

JANUARY ISSUE: "The Marshall-Murray CIO Convention"; "Defiance by Compliance?"--a letter from a UOPWA member; "Youthful Dialectics on the Ninth Floor"--YCL to AYD to YCL; "Still Stuck with Knickerbocker and Davis"--a letter from a CCNY student.

VERN SMITH DEFENSE: Funds are needed to appeal Smith case to Supreme Court. Send contributions to: Vern Smith Defense Committee, P.O. Box 2653, Sta. B, San Francisco, Calif. Vern Smith, former editor of the west coast Communist paper, the Daily People's World, refused to take oath or testify before the infamous Tenney Committee. He was cited for contempt, convicted and fined. The Smith Defense considered the fine (\$300) an easy-off bribe to facilitate a legal precedent and decided to appeal. Smith's conduct in court was that of a real Communist.

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