

September, 1941

# THE NEW INTERNATIONAL

*A Monthly Organ of Revolutionary Marxism*

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## EDITORIALS

### *A New Allied Front*

LINDBERGH: SWASTIKA WAVER

MANIFESTO: . . . . AMERICA'S WAR ECONOMY

FRANK DEMBY: . . . . . THE WAR IN RUSSIA

HENRY JUDD: . . . . UNCLE SAM AND JOHN BULL

### A Discussion of the Russian Question

J. R. JOHNSON

JOSEPH CARTER

*Archives*

*Features*

*Book Review*

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## Editorial Notes

In spite of the most trying circumstances, we have managed to continue publication of THE NEW INTERNATIONAL for more than a year and a half. It was possible only because of an unwavering determination on our part to keep in existence the best Marxist theoretical magazine in the country.

Naturally the world-wide character of the Second World War has been the single, most powerful obstacle to the continuation of the once large circulation of the NI. At one time our international circulation was the bright spot. The magazine was sent to all part of the world, the Far East, South Africa, Australia, Europe and South America. The war blockade has prevented the NI from reachings its former subscribers and readers.

Even so, we haven't given up trying and still manage to maintain a fair international circulation. The magazine still gets through in one country or another; its value has been increased a thousand-fold because of the limitations on publications, censorship and other bourgeois instruments of suppression.

Only a few weeks ago, the NI was advised by the United States Post Office Department that the publication has been barred from Japan. The communication from the postoffice in Tokyo, Japan, addressed to the American postoffice reads as follows:

Please note that two ordinary articles mailed by New International Publishing Co., 114 West 14th Street, New York, N. Y., addressed to E. K. Nobushima Komagome, Hayaskicho, Hongo-Ku, have been retained by the authorities here, in accordance with Article 46, Section 1, of the Universal Postal Convention, as their contents (THE NEW INTERNATIONAL, Vol. 7, No. 4) fall under the prohibitions of Section 1 (d) of the same article.

The article referred to in the above censorship is as follows:

The sending of the articles mentioned in Column 1 of the table below is prohibited—(d) Articles whose admission or circulation is prohibited in the country of destination.

The Japanese censorship notwithstanding, we are going ahead. The best way to insure breaking such restrictions is to guarantee the issuance of THE NEW INTERNATIONAL. This is most important. The Editorial Department will do its part. We ask our readers to do theirs by subscribing to the magazine and insuring a wider circulation.

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The next issue is already in preparation. Among its contents will be: The Theory of Bureaucratism, by Max Shachtman; The Anatomy of Jim-Crowism, by David Coolidge; Roosevelt Reformism, by Albert Gates, and a review of Louis Fisher's Men and Politics, by Irving Howe.

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## THE NEW INTERNATIONAL

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# THE NEW INTERNATIONAL

*A Monthly Organ of Revolutionary Marxism*

VOLUME VII

SEPTEMBER, 1941

NO. 8

## The Editor's Comment

**Roosevelt and Churchill Have Met to Outline the New Allied Strategy—It Is an All-Out Campaign Against the Axis—The Soviet Union as a New Element in the Situation—The Development of a New Counter-Revolutionary Front—The Isolationist Front**

THE REAL SIGNIFICANCE of the Roosevelt-Churchill sea conference off the Newfoundland banks emerges with increasing clarity as the German drive into Russia continues. It is the mobilization of all the resources of the Anglo-America camp for a long war against the Nazis. The leaders of two of the most powerful capitalist nations meet to outline their joint strategy in this war, yet the stronger of the two powers is not actually at war with Germany. Having outlined the Allied war strategy, the real content of which was shrouded in secrecy, the United States, which assumes greater control over the destinies of the "democratic" camp was not present at the subsequent conference of the belligerent nations endorsing the "principles" of the sea meeting! The truth is that it need not have been present. Great Britain, as a result of the exigencies of the war and the peculiarity of her strength or weakness has become a subordinate partner of the United States. The interests of the latter were, therefore, well represented at the conference of the Allies.

In any event, American participation in the war as a military factor is only a matter of time. Roosevelt proceeds with caution principally because the great majority of the American masses remain opposed to such entry. Thus every step taken by Roosevelt is a gradual one calculated to create the kind of relations with Germany as to make war essential to America's imperialist interests. There is nothing secret about this intention. It has been the aim of the Roosevelt Administration from the very beginning of the war.

### Measures Already Taken

Several important steps leading to America's entry into the war have already been taken. The first was the exchange of fifty aged destroyers for naval bases on British possessions. This was followed by the Lease-Lend Act permitting a continuous and increasing flow of war supplies to England. The occupation of Iceland has drawn American military forces closer to the arena of the war. Since the meeting of Roosevelt and Churchill, the President has announced that the Navy is to patrol the high seas to seek out German submarines, warships and sea raiders with the purpose of sinking them on sight, without warning.

All these measures can lead only to an American declaration of war, since any attempts at retaliation by Germany or the Axis Powers would bring the United States into the conflict swinging.

American foreign policy has become exceedingly belligerent. A little toughness displayed against Japan, threatening the invocation of the joint power of England, the Dutch Netherlands, the USSR and the American Navy, has served to neutralize the Nipponese, at least momentarily. But it has permitted the American Navy a certain independence of action in the Atlantic. Roosevelt, by his conduct, has made it clear that at least one branch of the American service is ready for war: the Navy. America can enter the war with this force alone and maintain a war front on this basis for a considerable time, until the army is whipped into shape, as is undoubtedly being done. By the end of next summer there will be a sufficiently large and well-trained army to begin land operations against the Axis. Let no one err on this point. It was unquestionably one of the points of discussion and agreement between the President and England's Prime Minister.

### Allied-Russian Relations in the War

From the military point of view, the involvement of the Soviet Union in the war was a great boon to Great Britain. The main strength of Nazi arms is completely involved on the Eastern Front, and while the German armies have made great headway they have so far failed in this essential aim of crushing the Red Armies. The break-up of the Russo-German alliance bringing about a new turn in the war, had, naturally, to bring about a complete change in the diplomatic front. As a junior member of the Axis camp, the Soviet Union was regarded as a non-belligerent enemy. Diplomatic reasons forestalled a complete break between the Allies and the Soviet Union.

Now, everything has changed. On the theory that anyone who fights Hitler is a "friend of democracy," Great Britain and the United States proceeded to work out plans for joint action with Stalin. In the beginning it was the opinion of the general staffs in England and the United States that the Red Armies would be smashed in a few weeks. Their hopes were otherwise, but they had no great faith in the ability of the Red Armies to fight the kind of battles that would, despite losses, withdrawals and retreats, and the surrender of important areas of Greater Russia and the Ukraine, keep intact the armies as fighting organizations. The Red Armies, however,

have fought beyond all expectations. In spite of enormous losses, they are taking a heavy toll of the Germans and making Hitler pay dearly for every advance.

### Allied Needs in Russia

The struggle of the Red Army brought about an immediate change in the attitude of the Allied camp, and from a faithless attitude toward the Eastern Front has now grown up the determination to establish such a front in permanence. The Red Army has demonstrated fighting ability and considerable strategical resources. But they have lost great numbers and, more important than that, they have lost enormous quantities of war machines and materials which they cannot easily replace. The loss of important industrial centers and the immobilization of others has created the grave danger that the Red Armies will be unable to wage the kind of war they have carried on heretofore.

Roosevelt and Churchill were and are keenly aware of this fact. That is why, shortly after their meeting, immediate and effective aid to the Soviet Union became one of the principal occupations of the two governments. The problem is not one of means by which such aid can be transported to Russia; it is rather one of producing sufficient war goods to supply both the Soviet Union and Great Britain on their widespread and multiple fronts.

The situation is somewhat desperate but very clear. Great Britain cannot and does not produce sufficient materials for its own armies and navy. It cannot therefore produce anything for the Red Armies. If it does send materials to Russia, it must be at the expense of the British armed forces. So acute is Britain's industrial position that without American aid, it cannot prosecute the war. It would seem, after all that has transpired in the past two years, that anyone would understand this simple situation. But apparently this isn't so.

### The Workers' State Again

The very eminent, but amateur, war strategist of *The Militant* of September 27 (Cannon group), Felix Morrow, has discovered the essential reason why no real material aid is given the Soviet Union and why Great Britain does not open up a new Western Front and thus compel the German armies to really carry on a war on two separated sectors. Says Morrow:

Churchill and Roosevelt will not do for the Soviet Union what they would have done for the Czarist Empire. They accept the Soviet Union as an ally—but only on their own terms. They look upon the Soviet Union not as an ordinary imperialist ally, but as a WORKERS STATE, and they would not dream of doing for that worker's state what they would do for the Czarist Empire. Renegades from the revolutionary movement may call the Soviet Union imperialist or fascist; Churchill and Roosevelt know better." (Emphasis in original—Ed.)

This is a specious argumentation in the main idea it professes. The theory behind this thought is the following: England and America desire that the German and Russian armies tear themselves apart, waste each other's reserves and thus bring about a military collapse for both camps. What is contained in Morrow's theory is a resurrection of one part of the pre-war Stalinist analysis of the war. Morrow's view is false because it does not conform to what is the real situation. Such an opinion is possible because it springs from the false and outlived theory that Russia is a workers' state. Adhering to this theory, neither Morrow nor his comrades have been able to understand the war from the very beginning. They have hopped from one analytical error to another.

While there are small elements of truth in Morrow's article, the main line of thought is preposterous. In its larger aspects, it does not truly see the line-ups in the war, that is to say, it does not see the situation in its dynamic aspects.

Under any circumstances, no matter the degree of aid given to the Soviet Union from the very start, no matter how many fronts were opened up by British-American action, the Soviet Union could not extricate itself from the situation it was propelled into by the Stalin-Hitler pact. Hitler's purpose in attacking Russia was governed by larger aims in the war: preparation for American entrance into the war by the occupation of the Ukrainian granary and the Russian oil territory, and the destruction of a possible threat from a mass army on his eastern front. Action by Hitler on other fronts would be purely subordinate and defensive actions to mark time until his armies inflict a final and decisive defeat upon the Red Armies. His main military strategy may be reduced to nothing by failure, but this in no way affects his daily conduct of the war.

### British Inability to Establish a Western Front

It does not appear likely, no matter how exhaustive the Russian campaign may be, that Germany will thus be pitched into a condition where it will be unable to wage large-scale warfare on any other front. At least the military staffs of Britain and the United States are not of the opinion that Hitler is destroying himself in the Russian campaign. Quite the contrary, it is their expressed feeling that a victory for Hitler in Russia would be calamitous in many ways.

Why, then, doesn't Britain establish a Western Front? We do not know what plans are being developed by the Allied staffs, but it seems apparent that a Western Front is not established because the British are unable to do so. The British Army is notoriously lacking in the necessary over-all training and arms to establish such a front. This was clearly evident in the Libyan and Middle East campaigns. American production has not yet reached the state where supplies are available for grandiose military actions by the Allies. The attempt to establish a Western Front by Britain now would undoubtedly end disastrously for them.

Nothing would better suit the "democratic" camp than the establishment not only of a Western Front, but of an African front as well, in the midst of the Russian campaign. This winter may well see the beginnings of such skirmishes. But to say that Britain and America do not want to establish such fronts because Russia is a workers' state is the height of idiocy.

### Do the Allies Fear Russia?

The United States and Great Britain do not fear the Soviet Union because it is a workers' state, or for any other reasons. Unlike Morrow, they really do not believe that Russia is great shakes as a workers' state. They have nothing to fear from Russia militarily. And above all, they have nothing to fear in the way of a Stalinist world revolutionary resurgence. Whatever fears they may have entertained prior to the outbreak of the Russo-German war have been quickly dissipated by the conduct of the Soviet Union, the moribund Communist International and the Stalinist parties throughout the world. Their policies are determined entirely by Russia's war needs and not those of the international proletariat and the world socialist revolution.

Moreover, Russia's diplomatic and political conduct since the Roosevelt-Churchill sea conference has been such as to

cause no worry to the ideological-military front of the Allies. The pragmatic Stalinist régime, in the interests of its bureaucratic survival, has fitted in completely with the larger endeavors of the Anglo-American front. More than that, it has become an integral part of this front and exerts its own measure of influence, simply because it is at war with Germany.

### Anglo-American Aid to Stalin

For these reasons the United States and Great Britain have already agreed that, in the coming period, the British will have to do with less war supplies than hitherto in the interest of keeping up the Russian front. This was one result of the sea conference. If no great amount of supplies has as yet been sent, it is because there are none in large quantities to send. But war materials are going to Russia and they will be increased, for, even if Stalin should lose the Ukraine and western Russia, the war will continue in the East. Britain and America want it continued until the final victory over Hitler.

Not only are American supplies beginning to go to Russia, but the British themselves are sending materials. One week's production of tanks has already been sent to the Soviet Union. One British air squadron is fighting on the Russian front. The British are prepared to aid in the defense of the Caucasus. And now that the early difficulties in Allied-Soviet relations, arising from the Hitler-Stalin pact, are overcome a new cementing of relations follows. Trade commissions from England and America are already in Moscow; Russian commissions are in Washington and London, and there is a constant interchange of military information and plans.

The war, in addition, goes beyond mere military conflict. The Allies are developing an all-around strategy which concerns itself with the ideological and diplomatic struggle against the Axis. This is no less important than the war fronts. Here, too, the Soviet Union has become an integral part of the Allied camp.

## The Ideological Struggle

In answer to Hitler's "new order" and the strong fascist propaganda against plutocracy and the viciousness of the Versailles Treaty, Roosevelt and Churchill have laid down plans for an ideological war against the Axis to supplement the military campaigns. The reason for this singular development in the war is the realization on the part of the "democratic" camp that it will take more than arms alone to vanquish the fascist hordes.

Yet the ideological campaign outlined by the leaders of the two democratic powers is miserably empty of soul-stirring content that might instill the masses of the world in a death-defying struggle for freedom. What is it exactly that Roosevelt and Churchill have worked out on a quiet rolling sea? A fight for four freedoms! All of them are empty shibboleths in a world divided into classes, where oppression, class oppression and national oppression, are the rule in the fascist camp as in the democratic camp.

In each instance, freedom of press, freedom of speech, the right of national independence, the right of peoples to select their own governments, are qualified freedoms which can never, even under the most peaceful world conditions, be realized in a class social order. It is true that as between fascism and democratic capitalism, the latter is preferable. But is that the only choice? There remains an alternative to both, the only alternative which offers the possibility of a genuine

realization of that which is now only platitudinous in the mouths of Roosevelt and Churchill. It is socialism. There's the rub.

### Back to 1939

The hordes of liberals, semi-socialists, democrats, lacking determination even in a struggle for what they themselves believe, always compare existence in the United States and England to that in Germany, Italy and the conquered countries. Naturally, they prefer life in the big democracies. But what of the peoples of Europe? Why should they exalt bourgeois democracy which has brought upon them the curse of their present existence? What has bourgeois democracy done for the Balkans? What kind of freedom has it brought to vast India, to China, to the colonial possessions in Africa? Speak to the great masses of the colonial oppressed and find out what it is they desire. Freedom of speech? Freedom of press? National independence? The right to choose their own governments? Yes, every one of these. What has stood in the way of their realization? What stands in the way today? England, France, the Axis, the United States—in a word, capitalist society.

Freedom for the Jews in Poland? The right of self-determination under England? Equal rights to fields of raw materials and equal economic opportunities with a hungry American imperialism? Roosevelt takes in a lot of territory, but like his inglorious predecessor and teacher, Woodrow Wilson, he cannot succeed. To expect the kind of capitalism outlined by the President and Churchill is gross utopian reformism.

The pressure of the war has brought forth these new promises. England promises much to her dominions and to her colonies. Poland of the landlords promises a new era for the Polish Jews and the Polish proletariat and peasantry—after the victory over Hitler. The Scandinavians beat their breasts once again for a "new social order" in Europe. Everything is promised for after the war, after the defeat of the Axis.

To top off this program, the Allies are agreed on the necessity of smashing, not Hitler, the Junkers, the monarchical vestiges, but Germany—that is, to take it out on the German masses once more. The Versailles Treaty will appear as a model of decency and national respect compared to what awaits Germany in the event of a defeat in the present war. Upon the close of World War II, in the event of an Allied victory and the absence of proletarian revolutions which would upset the eight-point program, European and world capitalism would be back where it started from at the inception of the World War. Then would begin again the same struggle for world domination between the capitalist powers.

### The Soviet Union and the New Utopia

Where does the Soviet Union, the "workers" state," fit into this Roosevelt schema? An integral part of it! Nine allies have met; they have endorsed the eight points and the four freedoms. Not the least enthusiastic partner to this new bourgeois alliance is the Soviet Union. It too is fighting for a Rooseveltian utopia. To be sure, this grows out of its desire for self-preservation. It no doubt does not believe a single word in the program—no more than do the other signatories to the program. But by identifying itself with the new shibboleths it does not distinguish itself by so much as a hair's-breadth from the democratic imperialist powers. If it does not deceive itself, it helps considerably to deceive millions of workers and peasants.

We reiterate what we have said so many times. The one hope for humanity lies in socialism, in the overthrow of class oppression, in the uprooting of imperialism, in the abolition of capitalism which has brought about world chaos and destruction.

The initiation of the "V" campaign in Europe by England and her allies did not give rise to sharp conflicts now arising on the European continent in German occupied territories, but sought to give them a specific direction. It was logical that this struggle would emerge and remain constant under given European conditions. The absence of employment, except forced labor, lack of food, clothing and shelter, the approach of winter and danger of famine, epidemics and untold suffering, all these are creating an enormous ferment in all countries, among all classes and groupings. The most powerful, most active and most conscious force in the brewing struggles on the continent is the European proletariat. They are the most courageous.

### A Counter-Revolutionary Weapon

But what is it they are fighting for? A return to their pre-war status or, in short, deliverance from Nazism, will not satisfy these struggling masses. They are not fighting to regain what the democratic bourgeoisie has lost. They are not interested in whether the unemployed kings and queens shall be restored to their thrones. They are interested, above all else, in a new world, a world free of oppression and exploitation, a world in which the hideous specter of fascism will never again be able to lift its head. What we observe, in short, is the embryonic growth of the Third Camp, the camp of the oppressed proletariat and peasantry, of oppressed national

minorities, of the oppressed colonial peoples. They alone are capable of abolishing the enormous inequalities of bourgeois society. They alone are capable of establishing true freedom, through the world order of socialism.

We understand that this movement has yet to blossom out in all its fullness. We understand, too, that it will require leadership and direction and that this leadership is presently absent. It is not to be found in the Anglo-American war camp, even with the Soviet Union as an integral part of it. But it will arise in and through the struggle now emerging.

In any event, that is the movement which holds the greatest promise. For nothing will come of the Rooseveltian utopia, nothing but the reestablishment of the conditions which led to the First World War and laid the basis for the second.

The newly formed Allied camp represents more than just the proponents of the eight-point program. It represents an incipient counter-revolutionary headquarters for deposed governments and governments in danger of never retrieving their losses. The prospect of a revolutionary socialist wave strikes mortal fear in their hearts, even as it does to Hitler and his jackal, Mussolini. Socialist revolutions in France, Poland, the Soviet Union and Scandinavia will find the Allies their bitterest opponents. The same is true of socialist revolutions in the Axis countries, for then we shall find the democratic powers repeat their performances of 1917 in the post-war revolutionary wave, as counter-revolutionary marauders seeking to replace in power the anti-fascist, semi-fascist and monarchical bourgeois governments. The world oppressed must watch carefully the conduct of London and Washington, for the emancipation of all humanity is threatened from that direction, too!

# Lindbergh: Swastika Waver

**A**MONG THE MORE IMPORTANT events of the past month was the speech made by Charles A. Lindbergh at Des Moines—the first explicit anti-Semitic utterance of any authoritative isolationist, "America First," spokesman. There is slight need here to consider the actual content of the Lindbergh speech. It contained the stock phrases about the Jewish bankers, Jewish war-mongering, Jewish influence in the press, movies, etc. It was a polite, polished version of the race hatred spread by the run-of-the-mill fascist or Coughlinite street agitators. What is important, however, is to assess the significance—if only in a preliminary manner—of the speech.

The America First Committee is a reactionary capitalist organization whose major social base is that section of the capitalist class which, for various reasons, does not want to go to war against Hitler at present. While it is correct to speak of basic interests which are common to the entire capitalist class, it is also true that within it there are various groupings and strata which have clashing interests, often of great momentary importance. Thus the basic differences between the "interventionists" and the "isolationists" stem essentially from the following facts: The basic section of the capitalist class, which has its main stake in the British Empire, the Far East and South America, supports the foreign policy of President Roosevelt and is in favor of aggressive war moves against Hit-

ler today, because it sees its existence as a major imperialist force imperilled by a Hitler victory. The isolationist section of the capitalist class, which has its roots essentially in domestic economy, does not see in Hitler Germany such an *immediate* threat to its existence, although admitting it to be a general threat. It is this section, represented by the editorial policy of the Chicago Tribune and the New York Daily News, which desires a policy of semi-appeasement toward Germany.

It is, of course, not to be supposed that the sole cause of the split between bourgeois interventionists and bourgeois isolationists is the difference in economic interest. While that is a decisive factor, that are numerous others, of varying importance, which motivate the isolationists: profound impression of the strength of Hitlerism and of the necessity for appeasing it; a belief, in some cases, that the interests of the capitalist class would best be served by a bloc with Hitler to carve up the world markets and the Soviet Union; a distrust of the Roosevelt Administration's domestic policy, etc.

### What Is the America First Committee?

It is this multiplicity of causal factors which has given the America First Committee its heterogeneous character and composition. While the committee represents the inter-class interests of a section of the American bourgeoisie, it has at-

tracted to its banner a whole variety of elements. It has attracted, first of all, an entire group of Mid-Western senators, who have been in main spokesmen and figurheads.

These senators had their political origin, for the most part, in the reminiscent tradition of the middle class Populist movement; recently, a number of them have exhibited fascistic tendencies. They are characterized by their acceptance of the isolationist foreign policy and their lack of any domestic policy which is uniquely their own. It is this dilemma which makes them an unstable element in the America First combination—they must eventually adopt some form of fascist demagogy as their domestic program if they are actually to persist in opposition to the Roosevelt war program, or they will capitulate to the interventionists once the war begins in earnest. Both tendencies are already discernible.

The committee also has attracted to itself two fringes which are of no basic importance. First is the liberal-socialist bloc, led by John T. Flynn and Norman Thomas, who have thoroughly discredited themselves by association with the Lindberghs and the Nyes. And second is the foreign fascist and crackpot fringe—the Bundists and Joe McWilliams, neither of which are presently of great importance.

### The Real Nature of the Isolationist Bloc

But the most consistent, important and sinister grouping in the America First Committee is that which is led and personified by Walter Castle. Castle is an extremely shrewd and reactionary former aide of Herbert Hoover, who, it is said, writes Lindbergh's speeches. This group has a sufficiently thought-out program for a long range struggle against the interventionists, not merely or even primarily on the question of war entry but rather on a whole series of future problems. This group is playing with fascist or near-fascist ideas; it is responsible for the America First advertisements which ask that the country be kept out of war because Roosevelt fights for a "new order"; it fosters the line of appeasement of Hitler and a possible war against either or both Japan and Russia; it is responsible for the political line of Lindbergh's speeches. While America First is not yet a fascist organization, it is definitely a breeding ground for a future fascist movement; and while the Castle group is not yet a fascist grouping, it is the intellectual precursor of one.

And it has been blessed with a spokesman whose name was a household word throughout the country. Lindbergh has every qualification for the American fascist leader. He is popular, appealing, mystical, solemn. While Wheeler may at most solicit cordial agreement from the America First audience, Lindbergh evokes fanatical, eye-shining demonstrations. In his absorption with the need for "discipline and order," his respect for the technical and military achievements of the Hitler régime, his mystical and reactionary concept of race, Lindbergh shows his qualifications to serve as the American Führer of tomorrow.

### Lindbergh's Des Moines Speech

That Lindbergh did make his Des Moines speech and that the speech has been officially endorsed by the national committee of America First, should by now be a decisive indication that there is something more to America First than mere traditional isolationism. The breeding ground of American fascism—that is the America First Committee, or at least the most consistent and important section of its leadership. Flynn

and Thomas may protest—may even threaten to resign—but the Lindbergh group determines the policy. It has even gotten a section of the senators to swing along (Nye, Holman).

It must have been clear to those who wrote Lindbergh's speech that it would evoke a wave of protest and indignant reaction. It must likewise have been clear to the leaders who afterward endorsed his speech. The tongue-in-cheek denial of anti-Semitism by the committee officially and by Nye in a speech are merely the necessary tactical retreats to ward off the wave of counter-attacks. They are of a piece with Father Coughlin's denials of anti-Semitism in which he stated he was merely against the bad Jews and didn't want to molest the good ones.

If, as seems incontestable, the anti-Semitism of Lindbergh's speech (or the endorsement of it) is the result of a deliberate policy, *then it is obvious that it is part of a long range perspective for building a fascist movement in America. It is part of the preparation for tomorrow, when, during the war weariness and cynicism, anti-Semitism will be the common stock in trade of every reactionary demagogue. It is clear then that the Lindbergh section of America First has made the decisive step.* It has decided to carve out an independent political destiny for itself, even if the pressure of events force it, once the war is formally entered by America, into either formal endorsement of the war or silencing of criticism against it. Regardless of defections or deviations, regardless of retreats or denials, its appears incontestable that American fascism has at last found its nesting place—and with a genuine Aryan type as the Führer!

Is it then, in view of the above paragraphs, necessary to say that the working class and revolutionary movements can have nothing in common with America Firstism or Lindbergh or his cronies? Is it not clear what terrible damage that arch confusionist, Norman Thomas, does to the socialist movement when he allows his muddle-headedness to be associated with America First?

### Too Hot to Handle

The capitalist press, for the most part, has been extremely gingery in its treatment of the Des Moines speech. The august New York Times, for example, has paid little attention to it in its news columns and even less in its editorials. The bourgeois press is not exactly sure as to what attitude to take; the issue is too hot to handle.

Two responses to the speech, however, are worthy of comment. In her hysterical column, Dorothy Thompson has essayed to answer Lindbergh by pointing out that most of his specific charges of Jewish influence in the press, radio, movies, etc., are untrue. Most of them, she tells us, are run by good Christian gentlemen. But this method of argumentation proceeds on precisely Lindbergh's premises that it *does* matter if these or the other capitalists are Jewish or not, that it *does* matter what percentage of the war-mongering committees are Jewish or not. Her argument clearly implies that if Lindbergh's charges were true—that if there were, for one reason or another, a considerable number of Jewish capitalists in the "public opinion industries"—why, then there might be a point to what Lindbergh says. It is this type of racial nose-counting that is the most reactionary form of "reply" to Lindbergh and a very disturbing omen of things to come.

The second reply to Lindbergh which merits comment is that of the frantically pro-war and pro-Roosevelt newspaper, PM. Both for reasons of policy and circulation, PM has car-

ried on a heated campaign attempting to smear the entire America First movement with anti-Semitism. It cleverly insinuates that there is some connection between isolationism and anti-Semitism. It is thereby, however, caught in this interesting dilemma: Some time ago, it printed sensational dispatches describing anti-Negro discrimination and terrorism in the army. These dispatches were so vivid that a number of Negro readers wrote in questioning the wisdom of supporting President Roosevelt's crusade for the Four Freedoms, if this was a concrete example of any or all of them. PM answered by trying to deny that there was any integral connection between the interventionist capitalist government and Jim-Crowism in the army. Now that PM connects, not without considerable justification, anti-Semitism with the isolationist movement, we should be very interested in seeing how it would avoid noticing the very real connection that exists between the Jim-Crow deeds of the U.S. Army and the interventionist administration.

### It Is Necessary to Prepare Now

While there is slight possibility of an immediate fascist mass movement (it waits for New Dealism to play out its historic rôle) there is every reason for the working class to maintain strict vigilance in relation to the Lindbergh movement. Its every action must be analyzed and attacked; the genuine anti-war masses must be convinced that not fascism or ultra-conservative capitalism, but socialism and socialism alone can satisfy their anti-war desires. Above all, we must not repeat the tragic error of so many European socialists of underestimating the fascist and incipient fascist movements, even though they have not yet assumed mass proportions. It is far better, that instead of lulling the militant workers with the idea that fascism is still a long way off in America and is no immediate threat, that we point out the poisonous growth at the very beginning, even when it is not yet completely formed, so that we may crush it all the more readily.

## Support Minneapolis Victims

**T**WENTY-NINE working class militants, some of them members of the Socialist Workers Party and others leaders of the Minneapolis Motor Transport Workers Union, CIO (Local 544), have been indicted on charges of "seditious conspiracy." This case is of more than passing importance; it is more, even, than the usual attempt by local politicians and bosses to frame up local trade union militants. This case is of definite national importance. It is of national importance because it is part of the nation-wide drive against civil liberties and workers' rights—and, what is more, the most flagrant and vicious instance of that drive. And it is of national importance because it is clearly a case of the Roosevelt Administration cooking up a charge against the militant leadership of the splendid Local 544 at a time when the local is involved in a deadly struggle against the choking, conservative leadership of Daniel Tobin and his AFL Teamsters Union from which Local 544 split when Tobin threatened to remove its militant leadership by a bureaucratic ukase.

The government is now repaying Tobin a little debt which accrued to him for his work in the Democratic campaign, besides also persecuting a section of the labor movement which is not merely its docile servant. But the indictment is also a part of the Roosevelt war program which requires complete control over the labor movement and meets the Administrations need to end all militant struggles of labor for an improvement of their lot. THE NEW INTERNATIONAL calls upon all militant trade unionists, socialists and radicals to lend every possible support to the leaders of Local 544 and those members of the Socialist Workers Party under indictment.

# America's War Economy

**A**FTER MORE THAN two years of the Second World War, and after more than one year of the "Defense" Program, the single outstanding fact which emerges in any study of the economic situation in the United States is that America has entered upon a period of war economy. Already, approximately 25 per cent of the national income is being spent for purposes of armament. This amount will steadily increase until, before long, the major proportion of American resources, both human and material, will be devoted to the production of means of destruction. The American public is still almost blissfully unaware of what this will mean in terms of the daily routine of normal life. Rising prices, increased taxes, shortages of consumers goods, fast-increasing government controls—all, however, point to the inescapable fact that the "honeymoon" period is over. From now on, as the war economy develops further, the mass of the people will become well aware of what a war economy means. The standard of living will go down. The routine of normal life will be seriously interrupted due to the increasing dislocations produced by the insatiable appetite of the war machine. The atmosphere of crisis will become chronic, for war is but an expression of far-reaching social crisis.

The developing war economy brings in its train a series of important questions—political, social and economic in nature. I am particularly concerned, in this article, with some of the economic questions raised by the entrance of the United States into a period of war economy. Two basic questions immediately arise: Who pays for the war economy and how do they pay? Who profits from the war economy and how do they profit? These questions, in turn, give rise to a third basic summary question: What will be the effect of the war economy, in its short-term and long-run aspects, on the future development of American economy?

Early this year, in one of his fireside chats, the President warned the people that they would have to expect sacrifices. While the full implications of these sacrifices remain to be unfolded, the broad outlines, as well as some of the details, are already quite clear. The 1940 and 1941 revenue bills, for example, unmistakably reveal the intention of the government to make the working masses bear the brunt of the burden of financing the imperialist war effort of the United States.



## The Tax Bill

At this writing, the final form of the 1941 revenue bill has not yet been established. The bill is "in conference," as a result of several very important changes made by the Senate in the House version. However, it appears that the more drastic Senate version will more nearly approximate the final form of the Bill than that of the House. This will mean a sharp increase in the income tax on the lower income brackets, for the Senate has lowered the exemption for married persons from \$2,000 (until 1940 it was \$2,500) to \$1,500, and for single individuals from \$800 (until 1940 it was \$1,000) to \$750. By this measure 5,000,000 persons who never previously filed a federal income tax will now have to do so. Due to exemptions, it is expected that only about half this number will actually have to pay an income tax in 1942. Altogether, more than 20,000,000 people will now pay an income tax. This does not appear to be very drastic when it is recalled that about 60,000,000 people in the United States receive some form of income. But it must be remembered that the income tax was originally hailed as a progressive form of taxation because it was presumably based on *ability to pay*.

An income tax which broadens the base as the current bill proposes, begins to violate the "principle" of ability to pay. It definitely imposes severe hardships on those who can least afford to pay. Consider, for example, the case of an unmarried worker making \$20 a week (\$1,000 a year)—and there are many in this category. Before 1940 he did not pay any income tax. Under the 1940 act, he paid an income tax of \$4.00. Under the Senate proposal for the 1941 act, this worker, who has great difficulty maintaining a bare subsistence level, *will have to pay an income tax of \$21—more than one week's pay and an increase of 425 per cent in his income tax*. A married worker with no dependents earning \$2,000 a year previously paid no income tax. Now he will have to pay an income tax of \$42. Remember that this is only the income tax. The TNEC has estimated that approximately 25 per cent of the income of those in the lowest income brackets is already taxed indirectly through various forms of excise taxes.

The indirect tax burden is also to be increased—by more than one billion dollars. This will add tremendously to the tax load borne by the working class and the middle classes. *Virtually the same percentage of income received will be paid by the worker and the millionaire, when all forms of taxation are considered!*

## Who Will Really Pay

I do not have the space to analyze the various types of excise taxes proposed. Moreover, this field of taxation is much more subject to change than the income tax before the President affixes his signature. One example will suffice, however, to show the colossal injustice involved. Both the Senate and House have passed a provision calling for a \$5 a year "Use" tax on owners of motor vehicles and boats. It is expected that more than \$160,000,000 will be raised through this entirely new tax. This is one of the most vicious examples imaginable of a violation of the ability to pay principle in taxation. Firstly, in many cases, automobiles have assumed the proportions of a necessity to their owners. Why include boats (which category presumably covers yachts as well as motorboats) in the same provision with automobiles? Secondly, of the approximately 30,000,000 automobiles subject to this tax, there can be no doubt that the owners of the majority of these cars will find it difficult to pay this tax, whereas

a \$5.00 tax on the owner of a Packard or Cadillac will hardly put a dent in the owner's pocketbook. The same is true for virtually every type of excise or miscellaneous tax proposed.

The workers and the middle classes—those who work for a living—will finance the imperialist war. They are the ones who will make the real sacrifices under the war economy. In contrast, take the case of a man with an income of \$1,000,000 a year, having two dependents. His tax is raised from \$717,036.40 to \$735,972.40—an increase of almost \$19,000, *but it still leaves him more than a quarter of a million dollars on which to struggle along!* The excise and miscellaneous taxes hardly figure in the tax burden of the wealthy at all. Nor does this take into account the well known fact that one of the biggest frauds in the present tax structure is the ability of the wealthy to dodge a considerable proportion of their tax burden through the many clever devices that their expensive lawyers have worked out. It was undoubtedly in response to pressure designed to eliminate one of the favorite tax-dodging methods of the rich—making property "gifts" to their spouses—that prompted the House Ways and Means Committee to propose the highly controversial joint returns. This would have compelled all married couples to file a single joint income tax return. The real burden of this device, too, would have fallen, as I pointed out in *Labor Action*, on the middle income groups and the upper strata of the working class. This is not the way to prevent tax-dodging by the wealthy. Higher estate and gift taxes would be a much more stringent proposal.

## Profits Insured by Congress

If there still be any doubt that this tax bill is class legislation in favor of the bourgeoisie, a brief glance at the corporation income and excess profits taxes should dispel any lingering illusions. The present corporation income tax rate is 24 per cent of net profits. Slight increases in the surtax rate on corporations have been proposed—5 per cent on the first \$25,000 of net income and 6 per cent thereafter by the House, and 6 and 7 per cent respectively by the Senate. The Senate more than made up for its slight increase in the corporation surtax rate by eliminating the special 10 per cent tax on corporations not earning enough profits to come under the excess profits tax schedule passed by the House.

If taxation is to be based on ability to pay, what is obviously required here is a corporation income tax with progressively higher rates, corresponding to the personal income tax. Why should a Corporation like General Motors, with a net income around \$200,000,000 a year, pay the same *rate* of income tax as a small corporation with a net income of \$200,000 or less? And if the argument is made that the large corporation does pay a higher rate of tax because of the excess profits tax provisions, the answer is that fundamentally this is not the case since the excess profits tax remains a pure swindle. The proposed increase of 10 per cent in the excess profits tax schedule (making the tax run from 35 per cent to 60 per cent) is no more than a drop in the bucket, as a glance at current corporate earnings will show. Due to the maintenance of alternate methods of computing the excess profits tax by either the average earnings method or the capital investment method, most of the large corporations have been able to keep their excess profits down to very modest sums. Consequently, they pay a very small excess profits tax. Moreover, the new provision allowing a credit of 125 per cent for all new capital investment will actually lower the excess profits tax in some cases. An excess profits tax of anything less than 100

per cent, and without all the "liberalizing" amendments that have been introduced, cannot be considered a genuine excess profits tax.

The tax burdens outlined above represent only the beginning, severe though they are. As the war economy develops, taxes will continue to increase. Their pattern, however, is established, so long as the capitalist government remains in control of the situation. The motto in Washington is: Soak the poor; Go easy on the rich.

### What Big Business Demands

The real program of the bourgeoisie is always that presented by the National Association of Manufacturers. In the field of taxation, the NAM has stated its reactionary program in unambiguous terms. Its representative, Livingston W. Houston, chairman of the finance committee of the NAM, testified last month before the Senate Finance Committee in favor of a general sales tax, as well as approving the broadening of the income tax base. The NAM, as well as other organizations representing industry and finance, have already indicated that their basic tax program for next year will not only include a general sales tax (the most reactionary type of tax possible) but also a payroll tax. Volumes of propaganda will be forthcoming during the next year in an attempt to show that the only way to prevent inflation and to preserve the credit of the United States is to tax more heavily the 75 per cent of income earners who get less than \$5,000 a year. The surest way to tax this overwhelming majority of the population, in a manner which will make it "almost unnoticeable" to them, is through the sales tax and the payroll tax. So the propaganda will run. It will not mention, however, the really vital point—by levying a sales tax and/or a payroll tax the big bourgeoisie will be utilizing the emergency represented by the developing war economy to accelerate the process of wiping out the middle classes and to saddle the working class with a yoke which will make it impossible for them to breathe.

The answer to the question, Who pays for the war?, gives us already a pretty good picture of what a capitalist war economy looks like. It is hardly one which is designed to appeal to the broad, popular masses, whose support is so essential for the carrying out of the imperialist war program. But, as long as the masses are willing to delude themselves with the utterly false notion that Roosevelt can somehow or other stop fascism, the masses will make these sacrifices, even though with much grumbling.

If the masses can stomach the tax program, it does not at all mean that the remainder of the war economy picture appeals to them. The dislocations caused by the war economy are already becoming quite irritating. At the moment, though, these irritations are mere pin-pricks. What is really getting the goat of the masses, particularly the factory workers, is the absolutely fabulous profits which the big corporations are making—profits which are rolling in despite every attempt to conceal them and at a time when the workers are beginning to feel the pinch of a rising cost of living brought about by steadily rising prices. These huge profits cause an instinctive reaction on the part of workers. They violate their innate sense of fair play. "Why should the big bosses make millions while we sweat and slave for long hours and through an intensive speed-up, while we march and drill until we are utterly worn out in the conscript army, and while our wives are having an increasingly more difficult time making ends meet on account of prices going up practically every day?" These

are becoming the daily thoughts of the workers. They are behind almost every strike that takes place. The workers feel that if the actions of the bosses represent good patriotism, they might as well get their "cut" of this temporary prosperity. Who knows how long this war boom will last? These sentiments are not the product of our imagination or wishful thinking. They are repeatedly testified to by eminent representatives of the bourgeoisie. The admittedly low morale of the army and the general apathy of the civilian population to the war are eloquent, if silent, confirmation of the deep-seated existence of this sentiment.

### The New Prosperity

A war economy without huge profits, however, is simply something that is absolutely inconceivable to the rulers of America. Take these huge profits away and 99.9 per cent of their enthusiasm for war disappears. Reports of corporate earnings that appear daily in the financial sections of the newspapers make it appear that the good old days of 1928 and 1929 are here again. Led by the aircraft industry and munitions manufacturers, and closely followed by chemicals, steel, auto, rubber, petroleum, mining and construction, the boom in profits extends all the way through the consumers' goods lines, like food, textiles and department stores, to that most bankrupt of all capitalist industries, the railroads. Even the public utilities show substantial increases in profits. Industry as a whole is expected in 1941 at least to equal the fantastic profits of 1929. In any cases, they will undoubtedly be exceeded.

To assume from this that the situation is fundamentally similar to the "Golden Age" of the late 1920's would be to make a fatal error. There are significant differences. This profit boom is occurring in a war economy. This means that the principal market for the products of industry is the government. Without "national defense" orders, which have already passed the huge total of \$50,000,000,000, industry, particularly heavy industry, would collapse instantaneously. Along with this increasing dependence of industry on government goes a steady invasion of government by industry. The dollar-a-year men have overrun Washington like a swarm of locusts. Many of the leading and most capable representatives of big business have resigned from their official posts in their respective corporations to assume key posts in the OPM and other Washington bureaus. By sheer coincidence, since most of the dollar-a-year men come from the large and well established corporations, their corporations have received the lion's share of government contracts. In other words, the market, which becomes increasingly the government, becomes increasingly monopolized by a handful of super-giants.

### Big Business Gains

The tendency toward concentration of industry and profits which appears as a part of the normal development of capitalism in the epoch of imperialism—a process which clearly set in here in the United States during World War I—is thus reinforced and accentuated as the American war economy develops during World War II. Almost any industry becomes a good example of this tendency. Naturally, the war industries are the best examples. Let us take, for example, the chemical industry.

A review of twenty-two leading corporations indicates a combined net profit of \$41,091,152 after income and excess profits taxes in the second quarter of the current year, against \$36,396,207 correspondingly in 1940; net profit for the first quarter was \$39,458,825, against \$40,262,327 in 1940. (*New York Times*, September 14.)

The second quarter of 1941 thus represents the highest profit ever made by the chemical industry in any year. For in the first six months of 1941, twenty-seven companies showed a combined profit of \$82,180,703. This compares with \$78,997,654 in the first half of 1940 and \$72,500,859 in the second half of 1940. Eleven large companies (this excludes the income that duPont receives from General Motors dividends) earned \$43,755,445 in the first half of 1941, as against a net profit of \$45,075,800 in the first half of 1940. However, when duPont's dividends from General Motors are included, the figures become \$61,255,445 and \$62,575,800 respectively. Whether duPont's General Motors dividends are included or not (and General Motors, of course, is one of the six corporations that has received more than 50 per cent of all "defense" orders), the fact is inescapable that a small portion of the number of firms in the field receives the bulk of the orders and the bulk of the profits. If figures were available for the really big chemical concerns, like duPont, Allied Chemical and Dow Chemical, the concentration of profits would be much more startling.

As a matter of fact, the profits of the giant corporations are even greater than these figures indicate, for I have presented the official figures for net profits, without considering the earnings before provision is made for taxes. The following table (again of eleven leading chemical companies, excluding General Motors' dividends to duPont) represents a typical picture:

First half	1941	1940
Earnings before taxes .....	\$112,909,619	\$64,673,449
Federal taxes* .....	69,154,174	19,597,649

\*Income and excess profits taxes and contingency reserves against future tax increases.

Earnings before taxes are thus 74 per cent higher in the first half of 1941 as compared with the first half of 1940. Many industries will show an even higher percentage increase in gross profits. The aircraft industry, for example, is well over 100 per cent. It is true that taxes have increased, but not nearly as much as appears from the figures presented. The joker, of course, is in the phrase, contingency reserves. Just what these are or how much they amount to is never revealed in statements of this kind. Corporation directors always explain to their stockholders that putting aside of such huge amounts for taxes on the ground that they don't know just what kind of a tax bill Congress will pass and they have to be prepared, as good managers, for any emergency that may arise. Moreover, they usually add, we live in a period of uncertain times. Sound and conservative business practice dictates to us the necessity of storing up surpluses for the "rainy days" that may lie ahead. This may be sound business practice—if not on the grounds indicated by corporation directors—at least from the point of view of concealing fabulous profits. It might be added that profits statements never make any mention of huge salaries and bonuses paid to officers and directors. The tendency, however, is for these to increase and this becomes another effective method of concealing huge profits.

## Government and Business

The profits picture is not complete without at least mentioning that the dependence of profits on government contracts brings with it a feature that can hardly be disagreeable to the corporations. Government contracts are always so worded, either through a cost-plus provision or some other device, that the huge profits of the big corporations are guar-

anteed by the government. There is no risk attached, except the risk that the war may end. The defenders of free private enterprise and "private initiative" may find the trend toward increasing government intervention in industry rather alarming—as indeed it is from some points of view—but they always conveniently forget to mention the one factor which endears state monopoly capitalism to the hearts of big business: profits are guaranteed and competition eliminated by the government.

The elimination of competition is essential for a smoothly functioning war economy. In a period such as this, anti-trust laws, which were always a joke, become an absolute farce. A by-product of this process is the rapid development of the tendency to eliminate the small business man. Not all the "defense clinics" or the appointment of Floyd B. Odum of the huge investment trust, Atlas Corporation, to the task of increasing subcontracts, can conceal the fact that small business men are having increasing difficulty in getting the necessary raw materials. The operation of priorities necessarily means that the big corporations get bigger and the small ones are wiped out. To remain in business today, a manufacturer increasingly finds it necessary to have a private wire to Washington. But this the small business man cannot do, except in rare cases. The big manufacturer, however, has no difficulty at all in getting a hearing in Washington. He is already represented there by the dollar-a-year men.

Already, hundreds of small businesses have been forced to the wall. In the next six months, the figure will run into thousands. Even many large corporations are forced to close, at least temporarily, as the transition from a peace economy to a war economy is made. Government experts predict an increase of two million unemployed from this source alone during the next year.

In short, a war economy, while it may solve temporarily some of the problems of a dying capitalist order, only accentuates the basic contradictions inherent in capitalism. Lack of space alone prevents a detailed examination of all the economic effects of the developing war economy. Organizationally, the structure of capitalism is being changed in the direction of a far more complete development of state monopoly capitalism. The rapid rise in prices, the astronomical proportions of the government debt, the beginnings of rationing, the introduction of credit controls, the huge expansion of credit through increasing bank loans (accompanied by a decline in excess reserves), the rise of money in circulation to an all-time high—these are some of the indicators of the approaching storm.

## Inflationary Dangers

Face to face with the threat of an uncontrolled inflation of gigantic proportions, the bourgeoisie stumbles around in its efforts to prevent it like a drunken man on a tightrope. Voluntary measures cannot bring a halt to rising prices. Bootlegging and quality depreciation continue apace. Tax anticipation notes and voluntary savings are a mere soporific. The American bourgeoisie must make up its mind in the course of the next few months to institute rigid price control and forced savings or the inflation will be beyond control. The American ruling class, this means, is squarely confronted with the dilemma: inflation or totalitarianism. There is no escape from this dilemma under capitalism. It is merely a question of time, and the time becomes increasingly short when the American bourgeoisie will be fairly stuck on one of the horns

of this historical dilemma. And the worst of it is, from the capitalist point of view, that a pronounced trend in either direction will produce a revolutionary crisis.

At present we are confronted with a war economy running, at best, at 0 per cent efficiency. Production still lags way behind the demands of the war situation. Red tape and bureaucracy clog the wheels far more than is necessary under capitalism. The American war economy will become more effective. Of that there can be little doubt, although it may well require actual participation in a shooting war to bring this change about. By 1943-44, perhaps a bit sooner, the dénouement should be reached. And if, by some miracle, American capitalism weathers World War II without any fundamental changes having taken place, it will find that organizing the economy of the western hemisphere and of the entire world is a far more difficult task than that of organizing the domestic economy of the United States.

The thought of the transition to a peace-time economy makes the bourgeoisie shudder. And well they may, for a dis-

illusioned and undefeated working class will hardly put up with the only solution the bourgeoisie can offer—a permanent war economy. The war economy cannot be made permanent without the establishment of an American fascism. And this requires far more than defeating Hitler. It means crushing the American workers.

Society has come to an absolute impasse, even in the richest and most highly developed of all capitalist countries, the United States. The fetters which bind the forces of production and condemn the overwhelming majority of the population to steadily increasing misery must be cast off. The only road that can avoid chaos and barbarism is the road that Marx outlined as the historic mission of the proletariat—the socialist emancipation of society. Much will undoubtedly happen before the issue is finally joined, but the decade of the 1940's will be decisive in determining whether mankind will march forward toward socialism or continue its relapse into barbarism.

FRANK DEMBY.

# The War in Russia

## Manifesto of the American Committee for the Fourth International

**T**HE DIE IS CAST. Hitler approaches the gates of Moscow. Stalin's criminal contortion and maneuvers, which have led to the annihilation of the greatest revolution in history, are coming to an end. Year after year, Stalin has followed a continuous policy of concealed or undisguised treasons against the interests of the workers of Russia and of the world. His sole aim has always been that of his perpetuation in power. To impose upon the Russian people the rule of a bureaucratic oligarchy divorced from the masses, he committed all sorts of crimes, trampled upon the noblest feelings of the socialist workers, and courted every capitalist régime and government. In 1927 he sacrificed to the feudal lords of China the oppressed Chinese masses; shortly after that, he abandoned the German working class, delivering them to Hitler with hands and feet bound; fearing the consequences of this self-destructive policy, he proceeded to force the French workers into submission to Laval, Daladier & Co., thus demoralizing the French and the western working class and soiling the banner of communism. Finally, in a last and deliberate treason, he destroyed physically the best leaders of the Spanish revolution and so drowned in blood the first great revolution that came near to victory after the Russian Revolution of 1917. As a result of all this, we now have Franco in Spain, Pétain in France, Paris under the boots of Hitler's soldiers, and the European proletariat defeated and demoralized.

Seeing all the possibilities of a revolution in the West wiped out and Russia completely isolated, squeezed in the grips of Japan and Germany, Stalin began to court the Führer's good graces. This abomination reached its climax with the shameful German-Russian pact of 1939, which was the signal given to Hitler for the beginning of the Second World War. At that time Hitler seemingly paid a high price for the treason, but as it always happens, the treason money was earmarked and of no use. In order to obtain a few evanescent territorial advantages, the Kremlin's gloomy despot sacrificed the solidarity of the Polish, Finnish and Baltic masses, thus

preparing the ground for invasion. And when Russia saw herself menaced these masses refused to participate in the defense, giving Hitler a free hand. If today the Finnish workers do not oppose the policy of their ruling class, which is sold to Hitler, this is due to the bureaucratic aggression against Finland in 1940, which was carried on with Berlin's acquiescence. If the Baltic masses did not rise against the Nazi invaders and facilitate the conquest of these countries, having even coöperated with the aggressor in a few cases, helping them to capture some cities, this is due principally to the bureaucratic tyranny.

### Why Stalin Wars

That is how all this series of crimes and treasons are winding up in the most complete disaster. Stalin will definitely become known to posterity as the organizer of defeat for the international working class. Unable to appease the covetousness and the wrath of Berlin's victorious dictator, he submitted beforehand to everything, and if even today he is not "at peace" with Nazism and subordinated as a Quisling to the Führer's sovereign will, the cause of this lies in the fact that the Führer refused to accept Stalin's capitulation and thought it better to conquer by the power of his guns what was once the Soviet fatherland, to shatter the Red Army, and to eliminate all possibility of future resistance on his eastern front.

Driven to the wall, the Moscow dictator now has no one to appeal to but the same governments of the United States and England which even yesterday, to please his Berlin boss, he accused of being unfriendly to Russia, of being imperialists, warmongers, fascists and so on. Forced by circumstances to speak on the radio, addressing to the people of Russia and the world an appeal against the brutal aggression, Stalin loses his dictator's arrogance and stammers, speaking like a defeated man. Not the slightest reference is made in his speech to the world proletariat's solidarity; this force ceased to exist for him a long time ago. He did not dare to appeal to the revolution-

ary instincts or to the glorious traditions of the Russian working class. His only appeal was to the defense of the land and to patriotism, which he covered with an artificial layer of chauvinist and Pan Slavic nationalism. Outside of Russia, he only saw Churchill and Roosevelt.

We are now witnessing the end of his régime. For ten years the usurper has been destroying one by one the conquests of October; mercilessly he mowed down the revolutionary vanguard, and their remnants lie scattered, half destroyed, in the immense deserts and plains of Siberia, of Asia and the Polar Circle. Only a year ago the only great survivor of October—the last and most glorious living tradition of the Russian Revolution, Leon Trotsky—was infamously slain by direct command of Stalin.

### Anti-Fascism of the Russian Masses

However, in spite of Stalin, in spite of the totalitarian bureaucratic régime, in spite of the misery and oppression under which the Russian masses are held—under the impact of the bombs and tanks of the Nazi hordes the deep-rooted energies of the masses spring again to the surface. The anti-fascist hatred that lay smothered in the heart of the Russian workers, the old traditions of a proletariat who made three revolutions in one generation, come to life again, with heroic warmth, against the pestilential breath of the fascist beast. The muziks' ancient love for their soil awakens again in defense of the Russian land already razed by Hitler's dark legions. With fanatic courage, the best soldiers of the Red Army are sacrificing their lives against the Nazi tanks and cannons, in defense of what still remains of the October Revolution, or, rather, of a tradition. The Stalinist régime is thus given an appearance of cohesion and strength. The new Czar's adorers take advantage of this fact to boast about the people's response to the Leader's call. But this is only an appearance. It is not confidence in the false leader or love for the totalitarian régime oppressing them that moves the Russian masses. What moves them is their desire for liberation, their preservation instinct, the rekindled flames of the glorious traditions of October.

However, it is no time now to foster dangerous and fictional illusions. With the Red Army beheaded of its best leaders, the working class oppressed by many long years of reaction and also beheaded of its vanguard, the numerous peasantry fatalistically passive but unresigned to the exploitation of the bureaucratic totalitarian state, even the greatest heroism of the masses is insufficient. Thanks to Stalin's maneuvers, the German attack against Russia was launched at the precise moment chosen by Hitler. Even if the political and military situation had been incomparably better than it is, even if the international working class had not suffered and were not still suffering from the consequences of a continuous series of defeats and catastrophes, even if the European proletariat were not, as they are today, subjugated by Hitler's totalitarian tyranny, even so the Soviet Union could never triumph in a war against foreign enemies as the result exclusively of strategic and military operations. In the Soviet Union, more than in any other country, victory in case of war will be assured mainly by the power of its ideals, by the international solidarity of the workers, by the revolutionary prospects in other countries, and not by the Russian guns, tanks or planes alone. And these ideological weapons have all been squandered by Stalin.

### Stalin's New Friends

Now that Hitler's bayonets are against his breast, Stalin has lost the last vestige of independence. It is his fate to become an obedient instrument in the hands of the London and Washington governments. That is how the man whom the paid officials of the CI call "the leader of the world proletariat" finds it his fate, if he wants to survive, to become a Quisling in democratic or fascist attire, whatever turn war events may take. Stalin is now nothing else but an Asiatic despot forced to submit to the will of the Western imperialist governments in order to maintain his power. The agreement or, in Churchill's words, the "alliance" signed in Moscow by Molotov and the English ambassador, is nothing more than a compromise assumed by Churchill to maintain Stalin in power, trying to protract the existence of his government, hopelessly endangered in case of defeat; in return for this, Stalin promises to continue at war even if he will have to wage it from London or New York, at the service of his new bosses. Soviet diplomacy is already dictated by London. His principal aim is to defend his own régime by all possible means. Stalin may fall, however, and yet the struggle against the fascist invader may continue; Stalin may fall and yet the October Revolution will blossom again on the Russian soil.

The Stalinist bureaucratic gang now exploiting Russia's toiling masses both in the cities and the country, long ago forsook the aim of establishing socialism or defending the workers' interests, to adopt that of creating a new totalitarian régime in which this same bureaucracy would become a permanent new ruling class. This capital and transcendental theoretical historic question is going to be decided in fact by the present war.

### Prospects Upon Victory or Defeat

Russia is now face to face with destiny. If the bureaucratic gang were able to go through the whole process of the present war uninjured, then the establishment of a new social class, based on a collective form of property, would be the clearly visible culmination of Russia's political and economic evolution. This would be the blazoned régime of bureaucratic totalitarianism in its final form. On the other hand, if Hitler wins or defeats the Stalinist régime, this same blow will destroy precisely his own future, the only possible and satisfactory conclusion to his adventure. With this victory, he will have wiped from the face of the earth the gloomiest prospect now darkening the horizons of the approaching proletarian and socialist revolution, that is, that of the victory of his "new order," the Iron Heel régime, a "new" order of bureaucratic, obscurantist and neo-feudal totalitarianism, made possible only in case of symbiosis of the two régimes now closer to this "ideal"—the régimes of Hitler and of Stalin.

As the return or triumph of bourgeois capitalist "democracy" is a decrepit dream and a reactionary utopia, and as the present war will not come to its end if and when Hitler enters the Kremlin's gates, the only hope emerging from the ruins of the bourgeois civilization, the only spark that shines over humanity, is the banner of socialism.

Whatever may be the end of the Russo-German war, the régime of the Stalinist bureaucracy is doomed. Russian victory against Hitler would only be made possible by a profound revolution of the masses and the consequent restoration of the conquests of October and of the rights and benefits to the Russian working class that the Bolshevik revolution sought to give them in its beginning. If this fails to come, what the So-

viet Union may expect is defeat by Hitler's guns or, possibly, dismemberment even in case of an Allied victory.

There is therefore no place in this war for defense of the present Soviet régime under Stalin's dictatorship. In the land of the Bolshevik Revolution, the struggle for national independence is tightly linked with the struggle for social freedom of the masses. This is due especially to the fact that there is no Czar, no prince, no descendant of the old dynasties, who can appear to the people in the Soviet Union as a symbol of this struggle. Neither can the future leaders or organizers of the country's defense against the invaders come from the circle of White Russian *émigrés*. Nor is this a task for Kerensky & Co., or for other remnants of a defeated class inevitably doomed to be the agents of foreign powers, or for the present Russian military leaders like Timoschenko, who was boasting not long ago that his country was the only really and completely totalitarian country in the world; still less can it be a task for the military leaders of England and her allies, even if they are the victors in this war.

### Future in Hands of Workers and Peasants

Preservation of Russian national independence will be the work of men coming from the people and bringing with them not only the idea of national independence but also the program of social liberation. They will come from the proletarian ranks of the Red Army, and from distant Siberia, an academy for revolutionists since the Czarist remote epochs. They will come from the inspired and oppressed layers of the young people; from the isolators, the concentration camps replete with those who have escaped death and who were thrown there by Stalin, or in other words, they will come from the heroic Old Guard of Bolshevism, the best part of the new generation, the authentic disciples, the real successors of Lenin and Trotsky. To them must go the solidarity of the workers of the world, for only they can lead the people to victory in their legitimate and sacred struggle against the fascist invader.

Stalin urged the peasants and soldiers to destroy everything in their way before retreating under the impact of the fascist blows, and to wage a guerilla war of partisans at the rear guard of the invaders. But the conditions today are not the same as in the first years of the civil war. At that time the peasants could wage a war of partisans against the White Russians and the capitalist invaders, because they had something concrete to defend: their land recently conquered by the October Revolution. In spontaneous uprisings, the workers of the cities marched to support the struggle in all fronts, and faced all situations, in a prodigious explosion of initiative from below, because they were impelled by the ideals engraved on the banner of Bolshevism and not defamed then by the Stalinist degeneration. They felt that they really had a new world to conquer, that they were really engaged in crushing the old world of oppression and misery and avoiding its return with the victory of counter-revolution.

Today the peasant, under the oppression of the totalitarian state, hates the Kremlin lord and feels that he is robbed of his labor's fruits on behalf of a privileged caste. The workers understand that they have been expropriated of their revolution and in the same factories taken by them in 1917 they now feel themselves under a new yoke, under the ferocious discipline of a new exploiter, the bureaucracy.

The surprising fact, however, that gives us all hope, is that even under these circumstances these heroic masses, refusing to accept the yoke of the new fascist invaders, resist them with

great courage. They are moved by two profound and progressive feelings: an old natural patriotism of people who have only such elementary and legitimate things to defend as their bread and their land, and the anti-fascist hatred originated from the workers' old instinct of liberation.

### Hitler Is Not Warring on Socialism

The prolonged degeneration of the Soviet state has taken from Hitler the possibility of satisfying one of his great ambitions, as he offered himself too late to be the super-Wrangel of the international bourgeois class in an anti-communist crusade. When Stalin, ahead of Hitler, crushed the October Revolution, he made it impossible for Hitler's victory over Russia to be a victory over communism. By defeating Stalin, the gloomy Berlin Don Quixote will not defeat the follower or disciple of Lenin, but, on the contrary, the usurper of Lenin's banner. If the Nazi hordes find their way to the Kremlin, they will no longer find the banner of socialism unfurled over its walls. With their guns, they can conquer in the battlefield a corrupt totalitarian bureaucracy, or a decadent bourgeois class like that of France. Socialism, however, will not succumb to Hitler's bombs and cannons.

War will not end with Hitler's entry into Moscow. The decisive victory that he seeks flits on more rapidly than the advance of his *Blitzkrieg*. The sinister bandit of Berchtesgaden is continuously running after new victories that soon vanish as mirages of the desert. With the fatality of a stone rolling from a mountain, the capitalist world tumbles down day by day. It is not Hitler who makes history; on the contrary, it is the course of history that leads him inexorably to the abyss. Every day he is forced to improvise new issues, to invent new aims, to change directions, to make new attempts, the same as any impotent bourgeois government of a "democratic" country. Blind as a doomed man, he goes on undermining the ground under his own feet at every new "victory" and initiative. Carrying along misery, war and devastation wherever his reactionary legions tread, he saps the old capitalist order, but he does not establish any order, new or old: the only things he establishes are slavery, terror and chaos, masked with a tragic caricature of "revolution. In fact, what he carries along with him everywhere is a permanent counter-revolution.

Assaulting Russia, the most he can do, besides getting some immediate material advantages in case of an overpowering but transient victory, is to destroy a decayed régime and crush Stalinism. But the Russian land in its immensity will absorb his exclusively military victory and meanwhile the people, who are tempered by the traditions of their great revolution and brought up in anti-fascist hatred, are immune from internal poisoning by means of assimilation of the conqueror's ideology. By destroying with his guns the Stalinist totalitarian régime, Hitler, like the sorcerer's apprentice of the fable, will have set loose the forces of history, bringing forth the torrents of revolution. Socialism and the Russian proletariat will stand firm, and the future is theirs. Russia of October will resurge.

### Socialism—The Hope of the Future

Stalinism, or what is still known as the Communist International, will thus disappear opprobriously under the heels of the fascist victor or under those of the "democratic" allies. It is now more necessary than ever to tell the truth to the millions of workingmen who are still deceived by Stalinism. It is necessary to keep them from being, through disillusionment or deception, led out of the struggle or into prostration or resig-

nation in view of the triumph of the mortal enemy—fascism. Stalinism is doomed precisely because it betrayed the October Revolution. Socialism will not be crushed with it. The logic of history is often obscure. In the final crisis of the capitalist régime, the forces of reaction and of treachery are the first to be wiped from the scene by the social whirlwind. Stalinism, as a dead and decayed branch of Bolshevism, could not resist the lash of the war tempests. It is time now for unification of all the proletarian forces of the world to prepare for the final assault, when “democrats” and fascists, conquered or conquerors from the bourgeois camps, will have torn each other up in the war that they themselves unleashed. The thousands of Stalinist militants who are still misled by the tremendous machine of Moscow propaganda must now prepare to unite with the conscious revolutionary elements in order to reorganize the phalanxes of the revolutionary army of the workers of the world and to continue the glorious historical task only begun by the October Revolution in 1917. The banner of Marx, the banner of Lenin, the banner of Trotsky, will not fall with Stalin’s defeat. Millions and millions of hands must now unite to hold it in order to unfold it over the ruins of the capitalist world. Even Hitler’s victory over Russia, should it

come, will have been but a passing though gloomy moment in the course of the final struggle for socialism and for real democracy. These will come along with total war as a last surprise in stock for humanity, but this time for its benefit.

Down with the fascist invader!

Freedom for the thousands of political prisoners who are the victims of Stalinist totalitarian oppression! For a new workers’ and peasants’ government based on the soldiers’, sailors’, peasants’ and workers’ councils, to repel the fascist invader and restore the rights and liberties of the Russian people that have been taken away from them by the Stalinist bureaucracy!

For the Socialist United States of Europe!

For unification of all the socialist and revolutionary forces of the world in one party—the world party of socialist revolution, successor of the First, the Second and the Third Internationals!

For a new, for a Fourth International!

AMERICAN COMMITTEE FOR THE  
FOURTH INTERNATIONAL.

# Uncle Sam and John Bull

The question of leadership (between England and America) need hardly arise. If any permanent closer association of the two nations is achieved, an island people of 50,000,000 cannot expect to be the senior partner. . . . The center of gravity and the ultimate decision must increasingly lie in America. We cannot resent this historical development. —London Economist.

**A**LL OF US are familiar with the fable of La Fontaine in which the wounded lion, trapped in jungle underbrush by heavy ropes, is rescued by a friendly mouse that gnaws through the ropes and sets him free. Then, friends forever, they stalk off into the forest, paw in paw.

This idyllic tale of friendship might well be used to depict some of the descriptions of Anglo-American relations now employed by professional journalists of both countries, chauvinists of the so-called “radical-liberal” type (Hook, Eastman & Co. in America; Laski, Spender and colleagues in England) and Anglo-Saxon fanatics of the Dorothy Thompson school of propagandists. However, things are not so simple in this complex world—particularly the relations between two great economic and imperialist powers.

An English worker drinking ale in a pub was asked by a reporter what he thought of the Roosevelt-Churchill eight-point world program. “I’d like to know what they *really* talked about,” he replied. What healthy contempt is here displayed for the game of diplomatic deceit and cynical double-talk that went on aboard the English and American men-of-war off the coast of Maine! Everything—literally everything—that took place at the conference has been concealed from the world. The military strategy planned, the program with respect to Russia, the concrete world re-organization planned after the defeat of the Axis Powers—all these problems that were on the *real* agenda—have remained hidden in the sealed diplomatic pouches, to be revealed only by actual events over which the people have no control. Beyond the simple reiteration of what has been obvious for a long time—that American imperialism intends to supply Britain to the full—not a line

was revealed about Anglo-American relations during the war or in the post-war period. Basing ourselves on the limited material and information that is available it is our intention to describe these relations and their possible effects upon the international revolutionary movement and the colonial nationalist tendencies.

## Between Two World Wars

The bourgeois isolationist element in America that has thrust Charles Lindbergh into the spotlight as its spokesman has based itself largely on the popular belief that, after winning World War I for England and her allies, America was taken for a sucker’s sleighride at the peace conference. Idealist Wilson was outsmarted at Versailles by Europe’s slick politicians. The America First Committeemen harp constantly on the fact that “England obtained the greatest territorial and economic advantages; that England did not pay her debts to us while she was taking Germany’s last nickel; that England dominated the continents of Europe, Africa and Asia, etc.”

All this may be true, but it is historically irrelevant since it ignores the fact that American imperialism at that time was totally unprepared to assume world leadership and challenge the mighty British Empire. America, prior to World War I, had barely completed its internal consolidation and was only first feeling the necessity for world imperialist expansion. Its participation in the World War, in comparison to its present participation in the present World War, was amazingly slight in terms of manpower, resources, wealth and militarization of its economy. As a colonial power and organizer, America was a novice alongside the imperialists of London with their 300 or more years of experience. True, one could already discern the forces of disintegration at work within the British Empire (China’s nationalist upsurge; India’s Gandhi-led civil disobedience movement of 1919-1921; the Communist insurrection in Java; bourgeois-led independence movements in Canada and

the Dominions), but the Empire itself still moved forward even if at a relatively slower speed and with two new rivals (America and Japan) to worry about. London wrote Versailles No. 1; Britannia still ruled the waves.

### The Clash That Did Not Come

By the 1920's American imperialism had militantly come to life and begun to challenge British imperialism in field after field, area after area. The first disagreements were at Versailles and the Senate refusal to ratify the treaty produced by that conference was the first open demonstration of American dissatisfaction. Year after year the rivalry grew as America became more challenging to the Empire. There were clashes over German reparations, redivision and mandating of African colonies, oil and mines in Mexico and Venezuela, oil fields in what are now Iran and Iraq, spheres in outh and Central China, war in the Chaco, trade and commerce with the Latin-American countries, etc. English and American diplomats even clashed over mutual claims in the Arctic and Antarctic regions! In those days every American was taught that every Englishman was a snob and a "gentleman"; a lean, cold-blooded aristocrat who thought that his very "nightsoil" had a perfumed fragrance. English opinion of the "vulgar Yankee cousin" was even less laudatory. In bourgeois journalist and intellectual circles talk of "Anglo-American blood brotherhood" was unheard of.

America's expansionist needs were brought to the point of desperate need by the internal capitalist crisis of 1929. The world and its commerce belonged predominantly to the British and French Empires. To seize a share of that world and its markets meant, ultimately, a war between Britain and America. In the 1930's, America's ruling class was pointed toward such a conflict; economists and journalists freely predicted it.

### United Front Against the Greater Danger!

That this inter-imperialist clash did not come obviously does not mean that Anglo-American rivalry has been resolved in some harmonious and mysterious fashion. On the contrary, *it is today sharper than ever*—particularly from the standpoint of the British rulers. But it has been momentarily superseded and overwhelmed by a fiercer, more bitter conflict that has challenged the basis of *both* imperialisms. This, naturally, has been the breath-taking and awe-shaking emergence of German military imperialism. *Voilà l'ennemi!* There is the main enemy, Churchill cried out, pointing a trembling finger at the would-be Führer of the British Empire. Roosevelt, inspired leader of Wall Street imperialism, nodded agreement because the Führer had his eye on those self-same delicious fruits that *he* was preparing to pluck.

Thus, Anglo-American partnership is a partnership of necessity, face to face with Hitler. But the needs, the interdependency and independence, the aspirations of the two partners, differ considerably. One is an imperialism whose destiny is setting and which seeks to retain only something for a secure but quiet old age; the other imperialism is still vital and powerful and seeks world mastery. For Roosevelt, this is a struggle of *Germany against America*, Wall Street versus Wilhelmstrasse. As for Britain, in terms of analogy, she is a subordinate partner of the Anglo-American war camp. Hitler and Il Duce, symbolizing land power, meet in an armored train at Brenner Pass; Roosevelt and Churchill, symbolizing sea power,

meet in an armored ship off the coast of Maine. But, in reality, it is Roosevelt and Hitler who face one another—every other element in this world struggle (allies, diplomatic maneuvers, military feints, thrusts, etc.) is subordinated to Wall Street versus Wilhelmstrasse.

In this article, however, we are concerned only with existing relations within one camp, the "democratic" imperialist camp. What are the social and economic forces that determine the dominant position of the United States; how have these relations developed since the war began; what will the future bring to the Anglo-American imperialisms?

For Britain, its orientation toward an alliance with the United States was a sign of *organic weakness*. The extent of its dependency upon America varies directly with the rapidity of the inner decline of the British Empire. The more powerful become the internal forces of disintegration that are today shaking apart the "British Commonwealth of Nations," the more essential it is for the imperialists and bankers of "The City" to turn toward America.

In its turn, the inner decline of the British Empire is determined by two factors: (1) The growth of independent capitalism and competitive industrialization of the Dominions (Canada, Australia, New Zealand and South Africa). These so-called "white" Dominions have reached fairly advanced stages of capitalist development and can *only* tend to strain against the remnants of imperialist domination from the metropolitan center. Their products compete; their merchant fleets vie for trade with the "motherland"; their native bourgeoisies organize a "sub-imperialism" of their own against the British (*e.g.*, the Australians in the surrounding islands of the South Seas; the South Africans in the southern portions of the African continent); they struggle against preferential tariffs that favor the isles of Great Britain, etc.

Furthermore, these capitalist dominions are visited by all the economic ravages and cyclical crises that are a part of modern capitalism. Their weakness and backwardness force them to seek out a stronger imperialism for protection and support. Where else to turn to but the United States? Like growing but immature children they cannot stand on their own, but must seek a protector. The inability of Great Britain to play this rôle means that Canada, Australia, New Zealand and South Africa must henceforth turn to America. Naturally, this fact contributes still further to the decline of the former metropolitan center. But there is nothing it can do to halt this process, for it faces the Devil's dilemma: *either acceptance of a position subordinate to American imperialism, or almost total liquidation (in the manner of the French bourgeoisie) at the hands of Nazi Germany.*

The second factor determining the inner decline of the empire and its consequent dependence upon America is the stormy revolutionary upsurge of the colonial masses within the empire. These nationalist uprisings have contributed more than any other factor to the organic break-up now proceeding. They have affected Malaya, Burma, Ceylon, China, British West Indies, etc. Most important has been the intense and unconquerable nationalism of India's 400,000,000 people—a nationalism that burns most brightly precisely during England's greatest crisis—the present war crisis. From its colonial arena, "The City" can expect *only* nationalist uprisings, bourgeois-led or organized by the colonial proletariat, but all alike contributing to the inner decline of the empire. Enlistment of the colonial masses in the "democratic" imperialist camp is excluded as is shown by the relatively small number of colonial



troops employed in the war. More than any other section of world society, the colonial people have understood the hypocritical fraud of the supposed war of "democracy versus fascism." At best, from the British standpoint, they maintain a sullen silence and passive resistance; at worst, from the British standpoint, they will revolt at every opportunity. *But they will not support Britain!* Two years of war have shown this.

But if Britain leans heavily upon America out of an organic weakness induced by a loss of blood and a growing pernicious anemia, the position of America in the *entente* is determined by growing *organic* needs. These needs are not to be confused with strength, or signs of strength. The imperialist needs of the American bourgeoisie have been described in various NEW INTERNATIONAL articles. With every other imperialism it has in common the desire for access to raw material sources, export and import trade, overseas utilization of capital and credit, etc. The sole difference lies in the greater urgency of these needs. The most powerful imperialism in the world today is America. Therefore, its demands are the most powerful and urgent. Nothing less than control of the earth and its riches, conquest of the world market, a World Versailles, will satisfy the financiers of Wall Street and their international monopolies. A necessary stage in this process is subjugation (by economic measures) of Britain and its Empire. Britain is the first, the nearest-to-hand victim of American imperialism. Its assimilation and digestion, of course, is no simple or easy task. One does not just "take over" a gigantic empire, highly complex in character itself. Thus, the relations between America and Britain are extremely intricate and must pass through many turns and twists, ups and downs before there is even the remote possibility of a definite, stabilized set of relations. The imperialist requirements of both powers; the political "coming to age" of the working classes of the many countries involved; the victory or defeat of the Axis imperialist camp; the actions of the colonial peoples; the centrifugal tendencies of the independent "dominions"—all these factors bend and mold Anglo-American relationship, determine its direction and speed.

### Elder Statesman to Junior Partner in Two Years

The swift events toward the end of the first year of war threw the British ruling circles into total panic. Until that time British policy was summed up in the export trade program advocated by Neville Chamberlain. Every effort was to be made to keep exports going at the pre-war rate and to keep overseas trade functioning as in peace times. But the first successes of the *Blitzkrieg* removed the illusion of a "normally conducted, democratically run" war and began the complex shift toward complete subservience of British imperialism to American imperialism.

This set of relationships has developed on the economic, military, political and social fronts. Military and economic relationships have developed most deeply at present.

(a) *Anglo-American Military Alliance*: The military systems of America and the British Empire are now allied. This process has gone further in the *naval* branch of warfare, where the United States is *actually* at war with England's opponents and where a joint command exists. In the Atlantic and Pacific oceans a joint patrol and convoy system (minutely worked out) prevails. Naturally, a division of labor exists since the British must be strongest around the isles of England and in the Mediterranean. The Pacific and South Seas areas have been specifically assigned to the United States.

But, again, this relationship is not one *inter pares*—among equals. Britannia no longer rules the waves—its navy has done all the fighting (and sinking) till now; its merchant marine has done all the target work for Nazi submarines. The speed of American naval production grows; that of England declines. The goal of a "two-ocean navy" set by Roosevelt will far outdistance the British Navy and mean that America shall rule the waves. In six months of 1941 American shipyards have launched three 35,000 to 50,000 ton battleships while the British launched none during the same period!

In the army and air forces the same situation exists. Captain Liddell Hart, writing in the British *New Leader*, flatly declares that the British Army cannot take the offensive or invade Europe. According to this authority, this army has "a mere tincture of mechanization." But, obviously, the imperialist conquest and defeat of Germany can come only through the military defeat of Hitler and the Wehrmacht. Britain alone is incapable of such a task. Its failure to reorganize its chaotic economy along military, totalitarian lines has meant, concretely, failure to mechanize its army! For this the British Tory class must again turn to America and request the tools of mechanization (tanks, trucks, landing boats, etc.), in addition to a flow of planes and bombers. America is engaged in producing these—but not as a gift; rather, as a condition for survival in the status of a junior partner. From the standpoint of supplies and war material, the British Army *already* depends largely upon the United States. This is particularly true for the Dominion forces (Canada, Australia, etc.) and the empire forces in Egypt, Iran, Syria, Iraq and India. That this dependence has not proceeded further is due solely to the fact that the American Army is in such a backward state—as compared to the armies of Germany. But Roosevelt, mapping out the future fields of broad military and naval strategy, proceeds steadily toward his goal: the integration of American and British military forces, with the supreme command resting upon the Americans.

(b) *Anglo-American Economic Alliance*: American imperialism has made its most successful marauding expeditions into British economy. The blows dealt at the imperial world-wide financial and trading structure have been far heavier than the military blows of Hitler. Here the game has been all one-sided with the British incapable of even the most feeble self-defense.

What have been some of these inroads?

(1) The re-tooling and militarization of American industry have been partly financed by profits accruing from British cash purchases in this country. Approximately \$1,000,000,000 worth of supplies was sold in 1940 at substantial profits to American business men and exporters.

(2) American war industry—financed by government contracts and loans—is producing lease-lend material for Britain. This scheme works out trebly to the general advantage of American imperialism: war industry is nourished and expanded at a dizzy pace; sales to England and her allies reap excellent profits (no matter who pays); England must prepare to pay heavily for the colossal bill of credit it is running up. This, of course, belongs to the future. Since it can never be repaid in cash or in kind it must be repaid in the sole possession that British imperialism still retains—*colonies*.

(3) Traditional British sources of raw materials are falling under American control. As the "arsenal" of the democratic war camp, the raw materials of war must pour into the American hopper. Rubber, jute, tin, manganese, grains, oils

and fats, wool, lead, zinc,—virtually everything that is produced by the colonial empire of Britain is being diverted to American ports. In July, 1941, the port of Singapore had the greatest export volume in its history. Approximately 75 per cent of this went to the United States. Oil, the motive force of modern war, is doled out to the British under the strictest supervision.

### How the Lease-Lend Bill Operates

The workings and procedure of the Lease-Lend Act now mean the following concrete things to the British: (a) Replacement of numerous export industries and business by the United States. British firms that produced non-war essentials are unable to continue any export trade under the Lease-Lend Act. London reports the closing of one firm after another due either to government command to cease exporting, inability to obtain needed raw materials, or the fact that the same product is produced competitively in America. The *Economist* of London writes: "There now is very considerable disquiet among British exporters lest the export drive which they have been urged to organize is, owing to lease-lend changes, to be allowed to lapse." Government policy is now to permit only those exports useful in obtaining American dollar exchange (which immediately finds its way back to the United States for payment of bills still due).

The Lease-Lend Act also means (b) Britain agrees to abandon, by open agreement, virtually all of its trade with South America. No goods that compete with anything American exporters are anxious to sell to any South American nation is permitted. In addition, any business that the United Kingdom conducts with South America (that is, necessary for continuation of the war) can only be done with American dollars. Thus, on the South American continent the dollar has replaced the pound sterling. (c) The Lease-Lend Act places British economy on a rationing system that ranges from food to ships. This gives American imperialism a growing indirect control over British industry. America can (and is) earmarking the quantity of steel, cotton, food; the number of ships, etc., that shall be turned over to England. All this, naturally, is regulated on the principle of *how much is needed for pursuit of the war*. Anything over and above is impermissible! (d) Traders and exporters of the English isles are forbidden to engage in business in any section of the world where their American rivals and competitors are able to fulfill the needs and demands of the population. This can only facilitate the driving out of the British from the world market—the open aim of Roosevelt.

(4) British exports in 1941 are to be curbed by \$400,000,000—a third off their total yearly trade for 1940. This is the first concrete statement of what the alliance with America means in terms of dollars and cents. The \$400,000,000 hacked off will affect primarily exports of iron and steel manufactures, electrical equipment, machinery, cotton goods, ships and aircraft. This British loss automatically becomes America's gain.

(5) America has reaped great benefits in the field of credit and finance. In the United States, the liquidation of British-

owned American securities and stocks is proceeding rapidly. With the exception of the Dominions and India, we have drained all the gold out of the banks of England. In the first six months of 1941, 2,000,000 shares of American stocks owned by English banks and investors were sold on the New York Stock Exchange. The RFC has demanded further and more rapid liquidation of these securities as collateral for the \$425,000,000 loan it has advanced to England so that it can make further cash payments. These "off the floor" sales—organized by American banking syndicates at pleasant profits—are a virtual skinning alive of British imperialism. Prices, values, terms are all fixed by the American purchasers.

Furthermore, American imperialism demands of Britain that the self-same process of liquidation being carried on in America must be organized in South America, China and other countries outside the British Empire proper. To its American rival British imperialism must disgorge everything it has built up in the past 300 years of its existence. So exacting is the demand that the New York Times reports that in England family heirlooms (antique furniture, candlesticks, dinnerware, tapestries, china, etc.) are being sold in an effort to build up dollar credit balances. American heirloom importers are breaking up the big estates of the British aristocracy and nobility! Ultimately, perhaps, America's Sixty Families and their favorite daughters will be demanding lords and barons in exchange for boatloads of lease-lend goods!

(6) The American merchant marine (aided by its substantial plunderings from the fleets of Denmark, Norway, Holland, Germany and Italy) is replacing the British fleets of freighters. Route after route, sea lane after sea lane is taken over by the United States. The British have suffered enormous losses through ship sinkings; their yards for replacement have reached their full war capacity while the specific weight of American ship production grows daily in relation to that of England.

American ships, loaded with munitions, ply the seas to the Middle East, the East Indies, African ports, South America, Asia, etc. They return—their holds loaded with the raw materials of the countries. But the British fleets are ordered, from Washington, to engage in nothing but necessary war transportation (troop transports, supplying of overseas armies with food, oil, etc.). There is no gain or profit in this—only the threat of a torpedo through the hull. The famous P. & O. line that ran from England to the Orient and India has been almost completely sunk! But the reinforced American fleets travel the ocean lanes, guarded closely by the American and British navies!

A vast amount of additional material can be cited to illustrate the main theme of this article, but I have already gone beyond the space allotted. In forthcoming issues of this magazine I shall continue the theme of the foregoing in an endeavor to predict possible results of the specific current Anglo-American relations.

HENRY JUDD.

# The Eastern Front

**A**T THE MOMENT when the German armies marched against the Soviet Union, speculation arose on the strength of the Russian defenses stretching from Lake Peipus on the north to Pskov and Orsha southward and continuing in that direction to the Black sea. The "Stalin Line," however, was pierced and shattered along its entire length as were the "impenetrable" Maginot Line in France, the Albert Canal in Belgium and the dyke defenses in Holland. Thus, within an extremely short period, was demonstrated the impossibility of a battle of fixed positions under the conditions of modern machine warfare. The opposing lines are in a constant state of flux in which attack and counter-attack are the rule. Fighting takes place everywhere in the area of conflict, head-on, along flanks, behind the lines, all in great fluidity. Terrain, while important, is no permanent obstacle to advance.

If there was speculation in the Allied camp as to the degree of resistance of the "Stalin Line," the German general staff and the Russian knew the line could and would be broken. The first speech of Stalin indicated that no great reliance was placed on the fortifications other than a means of temporarily halting the German forces, taking a heavy toll of them and completing mobilization and reorganization of the vast Soviet armies for a war of movement.

Stalin's military strategy will be one of withdrawal and defense. His whole appraisal of the military situation stems from the Napoleonic campaign in Russia and his defeat. Stalin's conception in this war does not have the necessary active element and it does not possess original incentive or positive inspiration. Stalin, in the war too, as disclosed by his speech, is a conservative, slow-moving and highly disturbed person. Above all, his strategy lacks the revolutionary socialist spirit. At the time of this writing there has not yet appeared a single appeal to the masses of the Soviet Union or the workers of the world based upon the socialist interests of the oppressed of the world. Rank nationalism dominates the policies of the Kremlin dictator and his régime.

Modern warfare cannot be waged with human masses, that is, soldiers only. These alone cannot be decisive. There are a number of other factors of greater decisiveness, one of which will be examined in this article: war industries and transportation. Of this question, we have written considerably in the past. But it is worth examination in the light of the present situation.

Russian industry in general and the war industries in particular were never concentrated in a single area. They were spread over the entire breadth of the nation, including Siberia. This was especially so when the danger of world war became more and more acute. This movement of Russian industry further away from western European armies did not, however, mean that the great industrial regions in Russia proper and the Ukraine were dismantled. On the contrary, they too were strengthened and retained their pre-war importance in Russian economy.

Foreign observers, however, overestimate the extent of eastern Russian and Siberian industrial construction. It is an illusion to believe that in two or three years it is possible to construct anew a far-flung war industry. The Germans, with the

greatest industrial plant in Europe, were unable to do it. The Ruhr remains their most important industrial area. With the seizures in Austria and Czechoslovakia they obtained important reserves, but the decisive section of the war production industries remain in the Rhine area and so decisive are they that, if destroyed, Germany would be unable to prosecute the war on its present plane.

That is why, with all the new industrial construction in the Soviet Union, the loss of Leningrad, Moscow and the Ukraine would have the most far-reaching consequences.

## The Industrial Area of Leningrad

In Leningrad, for example, a city located in a poor geographical spot, there is the Putilov munitions factories. They are the leading producers of locomotives and weapons. In addition, there are a great number of iron, steel and machinery factories concentrated around the Putilov factories. The Russians themselves estimate that Leningrad produces at least 10 per cent of the entire Russian war production.

This is the city which led two Russian revolutions and yet contains the most advanced section of the Russian proletariat and the most skilled of its laborers. It is an important railroad center. But it depends for its power, primarily, upon electrical energy and not coal. The loss of electrical power would have a disastrous effect upon industry.

Leningrad's chief source of power is Volkhovstroï. It is an extremely vulnerable plant and if it were destroyed by German air power, Leningrad's industries would be greatly paralyzed. (It was said that the Finnish Imatra plant was utilized after the Russo-Finnish war, but the writer does not have conclusive evidence thereon.) In the foregoing event, the great city would have to rely upon transportation for coal fuel. Under the conditions of the war, the railroads from the west and the southwest are in a dangerous area and very likely would be lost. The Moscow road would be in a similar situation. There would remain the Murmansk line, which is likewise extremely vulnerable. The eastern lines, one must remember, do not come from coal country. The canal system, which is another source of transportation, is virtually useless in the winter and used almost exclusively for timber.

Thus if Leningrad were undefended and lost, Russian industry would receive a terrific blow and greatly hurt the supply of the Russian armies. (Editor's Note—Events since the writing of this article have shown that Stalin is prepared to defend Leningrad and other vital centers. In these defenses is demonstrated the general correctness of the estimates made by the author.)

## The Great Ukraine

What has been said of Leningrad is even more true of the Ukraine. Withdrawal from this area would mean the loss of a tremendous source of food supplies to the rest of Russia and the enormous manpower making up the Red Armies. The "scorched earth" policy of Stalin, while it leaves nothing for the Germans and has led to the gathering of crops, cannot solve the problem of food (except for international aid) if the war is drawn out for a year or more. But let us see what industrial value the Ukraine has.

The Donetz Basin is the most important coal center of all Russia. Two-thirds of the best Russian coal is produced in these mines. If the Germans were to take the Donetz region they could probably make little use of the mines, since the practice of the régime is to destroy whatever is likely to fall into Hitler's hands. The great power plants were so constructed as to make their destruction a matter of seconds. (The Dneiperstroi has already been destroyed—Ed.). But the loss of Russia's greatest coal center would likewise have a highly weakening effect upon Stalin's prosecution of the war, because the lack of coal would paralyze the ore, smelting, iron and steel industries. The transfer of these industries to the Urals and Siberia had only been started when the war began. In contrast, the Ukrainian industry continued at full blast.

There is located in this area, in addition to the Donetz Basin, the Krivoi-Rog ore region (already taken by the Germans—Ed.), and the industrial areas of Dniepropetrovsk (likewise taken by the Germans—Ed.), Lugansk, Yuzovka (Stalin), and others. Nearly 35 per cent of the steel industry, 40 per cent of the iron industry and more than half of Russian coal are located in this part of the country.

What would happen to transportation in the event of a loss of these areas in the Ukraine? One must remember that a better sector of Russian transportation is located precisely in this part of the country. The railroad system in eastern Ukraine and central Russia is rather good. The Dneiper River is a navigable river and has an elaborate canal structure. The retention of the Black Sea by Russia assures connections with the Caucasus. It takes care of the wheat and part of the oil traffic. The loss of or withdrawal from the Ukraine would limit Russian war industries by another 50 per cent, assuming all the time that enough raw materials were at hand to operate other industrial centers.

The city of Kharkov, badly situated from a war point of view, is an extremely important industrial center, whose loss would be a heavy blow to the Red Armies. Steel-alloy and chemical industries are located in this city and though of subsidiary importance are indispensable in modern war.

### The Volga and Moscow Centers

Only the motor and automobile industries (aviation) surrounding Gorki are in a favorable locality—unless a military catastrophe occurs in the Russian forces. These industries are closer to sources of raw material. Aluminum production is a decentralized one. It is partly located in Siberia and Kazakhstan. Transportation, however, is the chief problem in this case, although the assembly industry is not highly efficient.

As always, Party conferences concern themselves with "new methods of industry and transport." New drives are always in order in adopting "new plans." But one of the first tasks, as announced in Moscow, was the disposal of rubbish which had accumulated in enormous quantities in one important industry, dirt which had never been removed since the industry was built. This only recalls that quality in Russian production is still very low. Poor manufacture and ill-fitting parts, always a weak part of Russian industry, remain as be-

fore. For example, 22 per cent of all locomotives are under constant repair, while 17 per cent are permanently useless. One-fifth of all motors are in bad condition and do not run. Nearly half of all tools are badly manufactured and unemployable. On top of all this, the war, as in all countries, takes a large percentage of skilled workers, necessitating the training of new workers in the very midst of the struggle.

Let us assume that a strategic withdrawal does take place and Germany occupies the area up to the Don. What will remain? There would be the Volga industries. But these industries would remain helpless if Germany succeeded in taking the Baku oil fields and controlled the mouth of the Volga River.

There is the Moscow industrial area and that around Ivanov-Voznessensk; also the small arms manufactures in the Tula area. It is the custom to say that the loss of these areas would not be catastrophic since the war could be fought from eastern Russia, the Urals and Siberia. But this too is a dangerous thought, because such a withdrawal would mean the loss of almost the entire textile industry. The loss of the capital would be an event of far-reaching importance, not alone for industrial reasons, but even more, for political reasons.

What is left? In western Siberia there is the Magnitogorsk region and the metallurgical industries spreading to the Urals. While it is far from the war region, it is likewise far from coal supplies. The closest mining region to this industrial area is in the Kuznetzk Basin of Siberia. But transportation facilities are such as to render this coal almost useless. The loss of the western railroad systems would greatly overtax the Siberian line in a country where roads are in an abominable state.

It is difficult to discover precisely what has been the amount of industry transferred to the Urals and western Siberia, since it has been shrouded with mystery. But it is possible that one-fifth of war production comes from this sector. If everything goes well, these industries may be able to produce a fourth of Russia's industrial war needs. But again, poor transportation and weaknesses in raw materials, iron, coal, rubber, will not permit the waging of large scale warfare. Russia's reliance upon England and the United States, principally the latter, will thus have a fundamentally drastic effect upon its internal régime and foreign policy.

Thus the Stalin régime is faced with the necessity of fighting relentlessly to retain the areas containing Russia's most important industrial plants, which in turn makes it possible for him to wage large scale warfare against his erstwhile ally. Or he can choose to withdraw further eastward and carry on a gigantic guerilla warfare, irritating the German forces, without defeating them, stretching their lines over endless territory, and keeping them occupied until his "allies" are able to intervene.

The purpose of this article is to show that a strategic withdrawal to the Urals would be based upon an outmoded military conception and make impossible a defeat of Germany by the Red Armies—if such a defeat is possible.

CHARLES BUTTERFIELD.

August 10, 1941.

DISCUSSION ARTICLES:

# Russia and Marxism

**T**HE RECENT ARTICLE by W. Kent (THE NEW INTERNATIONAL, August, 1941), places before us a certain approach to Russia. To quote a key passage:

For, if the worker is not free in the double Marxian sense of the word—free from means of production and personally free; if he cannot dispose of his labor power as his own (and only) possession, his commodity; if he cannot sell it on the free market; if the price of his labor power (and other commodities) are fixed, not according to the law of value, but according to government decision for “planned production”—then, in the precise Marxian sense, there is no longer value, there is no longer capital and not a single word of the Marxian analysis applies. Of course there still is the surplus product, which is appropriated by the exploiter, but there is no surplus value. Of course there is exploitation but it is not capitalist exploitation.

Comrade Johnson's mistake is that his definition of capitalism is so broad that all exploitation fits into it and therefore all specific characteristics of capitalist disappear.

Here it is in writing. Let us add to this another characteristic passage by Marx himself:

Furthermore, the entire process of capitalist production is regulated by the prices of products. But the regulating prices of production are in their turn regulated by the equalization of the rate of profit and by the distribution of capital among the various spheres of production in correspondence with this equalization.

Now obviously, this is not happening in Russia! On the other hand, read this:

Rigid control of all prices means government control of the entire economy. The government will decide how much profit the capitalist will make, how much rent the landlord should receive, how much wages the worker should get. The government, in effect, will decide where industries are to be built, whose capital and how much of it will be used to build the necessary war industries, what workers will work and where they will work and under what conditions they will work.

This appeared in *Labor Action*, August 4, signed by Frank Demby. It is a description of Germany. No one can write that and say that the distribution of capitals is regulated in the manner Marx described. Even the average rate of profit is fixed by law.

Take Gates's article in THE NEW INTERNATIONAL for May, 1941. On page 89 he quotes de Wilde: “. . . the state has not, with few exceptions, assumed direct charge of production. It was decided what was to be done. . . .” This is the point. The state decided what was to be done. In Germany a man who wishes to buy an overcoat must bring back the old overcoat. No capitalist can extend his business over 10,000 marks without permission from the Minister of Economy. The worker, as Demby describes, does not “freely” sell his labor power. He is a slave. The capitalist produces so much, according to the raw material he is allowed, and his profit is in his name in the bank, but the state decides what shall be done with it. Why, then, is Germany not a “new” society? Whereupon, the reply comes back: “The capitalists own in Germany, but the bureaucracy does not own in Russia.” That proves exactly nothing and is no reply at all. A simple historical episode will show the error.

Marx claimed that the agglomeration of small capitalists in a joint-stock company was a concentration of capital. Bern-

stein denied it. To Bernstein the fact that many people owned shares showed that there was a dispersal of capital instead of a concentration. Rosa Luxemburg pilloried him with a precious precision:

By capitalist, Bernstein does not mean a category of production but the right to property. To him, capitalist is not an economic unit but a fiscal unit. And “capital” is for him not a factor of production but simply a certain quantity of money.

Later in the same pamphlet, “Reform and Revolution,” she wrote:

By transferring the concept of capitalism from production relations to property relations, and by speaking of simple individuals instead of speaking of entrepreneurs, he moves the question of socialism from the domain of production into the domain of relations of fortune; that is, from the relation between capital and labor to the relation between rich and poor.

That is the Marxist approach to “production relations” and “property relations.” In Germany there is nationalized production without nationalized property relations. Lenin wrote of this repeatedly, notably in *The Threatening Catastrophe*.

Germany is a capitalist state basically because of its productive relations, and unless we know precisely why it is as it is today, we are preparing the way for an immense and destructive confusion. Capitalism, we must remember, is not a thing at rest; it is a thing in motion. And its motion is toward socialism. The socialist society grows within capitalism, due to the increasing concentration of capital and the consequent socialization of the labor process. The inter-relations of production at last reach a stage where they call for a plan and regulation. *This plan society must have.* The capitalist class in its own interest realizes that it cannot leave the economy to be regulated by the market any longer. This is the significance of Engel's statement in *Anti-Dühring* as far back as 1878, that the increasing socialization of production compels the capitalist class to treat the productive forces as social forces *so far as that is possible within the framework of capitalist relations.* In a dialectic sentence he describes the capitalist class as compelled to capitulate to the necessity for a plan of the invading socialist society. It adopts the technical forms of socialist production while evading its entire content. Today that capitulation is plainly visible. The capitalists more and more turn against their own system, except in one respect. They cannot remove the worker from his increasingly degraded situation in the labor process, and society will continue to decline as long as “the workers remain wage-earners, proletarians.” As Lenin said, there is no “pure capitalism.” Today it is very, very impure. But its impurity stops at one point. The workers remain proletarians.

This state capitalism is no war baby. The war accelerates the motion, but war or no war, we are headed for it. Lenin gives a brilliant description of it. In the last two pages of *Imperialism* he writes:

Ownership of shares and relations between owners of private property interlock in a haphazard way. But the underlying factor of this interlocking, its very base, is the changing social relations of production. When

a big enterprise assumes gigantic proportions and, on the basis of exact computation of mass data, organizes according to plan the supply of primary raw materials to the extent of two-thirds or three-fourths of all that is necessary for tens of millions of people; when these raw materials are transported to the most suitable place of production, sometimes hundreds or thousands of miles away, in a systematic and organized manner; when a single center directs all the successive stages of work right up to the manufacture of numerous varieties of finished articles; when these products are distributed according to a single plan among tens of hundreds of millions of consumers (as in the case of the distribution of oil in America and Germany by the American "Standard Oil")—then it becomes evident that we have socialization of production, and not mere "interlocking"; that *private economic relations constitute a shell which is no longer suitable for its contents, a shell which must of necessity begin to decay if its destruction be postponed by artificial means; a shell which may continue in a state of decay for a fairly long period* (particularly if the cure of the opportunist abscess is protracted), but which must inevitably be removed. (Emphasis mine—J.R.J.)

All basic production in Germany is planned that way.

Lenin (it was 1916) was writing very cautiously. By 1919, however, he had drawn the analysis to its furthest limits. That is why in the *Communist Manifesto* of the Third International appeared (I have emphasized some words) the following passage:

If free competition, as *regulator of production and distribution*, was replaced in the principal fields of economy by the system of trusts and monopolies, several dozens of years before the war, the development of the war has *snatched the rôle of regulator and director* from economic groupings to transmit it *directly to the military and governmental power*. The distribution of raw material, the extraction of petrol from Baku and Rumania, or oil from Donetz, of wheat from the Ukraine, the utilization of locomotives, railway cars and automobiles from Germany, the supply of bread and meat to famished Europe, all these *fundamental questions of the economic life of the world are no longer regulated by free competition nor even by combinations of trusts or of national and international cartels*. They have fallen under the yoke of military tyranny.

There follows a passage denouncing the opportunists who counsel the proletariat to class collaboration. Then: "If such preachings are able to influence the working masses, *the development of capital will pursue its course, sacrificing numerous generations, with new forms, still more concentrated and still more monstrous . . . to a new war.*" We know this today. Without the revolution there will be others still more monstrous. How fascism comes is one thing. *The thing itself is an economic phenomenon, foreseen as an economic culmination by all the great Marxists* (somewhat prematurely). The *Manifesto* continues: "The stratification of economic life . . . is a fact. . . . The only question is who will henceforth take hold of the stratified production: The imperialist state or the victorious proletarian state."

The stratified production, in a most monstrous form, is present in Germany. The enslaved worker, the planned apportionment of capitals, the limitation and distribution of commercial profit, industrial profit, interest, etc., all of which, however, are only parts of the total surplus value—that is the road of capitalist society. So urgent is the need for some sort of plan, so strong the economic challenge of the socialist order, that capitalism must ultimately assume the complete external form and regulation of socialism and would only be so much nearer to barbarism. That is the significance of the Engels quotation on the state in *Anti-Dühring*, especially in the schema of social development which he added to the original in *Socialism, Utopian and Scientific*.

If we, today, when the degradation, slavery, so consistently foretold by Marx, what Lenin called "compulsory labor duty" and "penal servitude" under capitalism, if, when we see it we fail to understand and acknowledge the dialectical movement, through fear of having to call Russia the same, we cut our-

selves off from any capacity to interpret the future. It is this increasing slavery which compels the revolution. To live, capitalism *must* enslave.

When this development reaches a definitive stage in any country, does the law of value operate? Does it operate in Russia? It most certainly does.

## Marx and "Free" Labor

It is the elementary definitions that count. As can be seen in the first three pages of the chapter on *Primitive Accumulation*, the double sense of free labor is very specific. "Free laborers, in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves, bondsmen, etc., nor do the means of production belong to them, as in the case of peasant proprietors; they are, therefore, free from, unencumbered by, any means of production of their own."

In *Wage Labor and Capital*, Marx expresses his thought most clearly when he says that the class which makes the means of production into capital is "a class which possesses nothing but the ability to work." That is the Russian worker today. In 1921, as Lenin repeatedly said, he owned the means of production. If the worker in Germany is "attached" to the factory, then he is part of the fixed capital and not of the variable, and we have to start writing a new political economy. And if he is not "attached" in Germany he certainly is not "attached" in Russia. Furthermore, a successful general strike in Russia for higher wages and restoration of the conditions of 1937 would, it seems, make the laborer in Russia a "free" laborer once more. An endless confusion awaits those who follow Kent. But at least it is not so bad as the confusion which carefully points out that labor in Russia is "slave" labor but that Russian economy is progressive, a confusion which will one day call upon the "free" American worker, not to fight in defense of his freedom, but if possible to die in defense of "progressive" Russia with its slave labor. That is the kind of thing that happens when you operate with a scientific method whose basic definitions are not clearly and precisely understood.

Kent asks if the law of value operates. Certainly it does. As can be seen in Marx's letter to Engels, January 8, 1868, the law of value counts for very little "directly" in bourgeois society. This is so in many respects today and as bourgeois society develops the law operates less and less directly. But the law of value is a phenomenon of capitalist society, that is to say a society which is first and foremost in the environment of the world market. In theory, or to use Engels' admirable word, "technically," Stalin can fix the price of labor at far above the cost of its production and reproduction and manage the economy according to labor time. In reality, as Molotov himself has said, Stalinist economy is regulated by wages and those wages are governed by the law of value. For, owing to the enormous expenses of a class society in the modern world; the need to keep up with other states in the constant technical revolutions of production and the competition on the world market; the choice between autarchy (with enormous increase in cost of production) or penetration into the world market (and being thereby subjected to all its fluctuations); the imperialist struggle and a backward economy; all these compel Stalin to treat labor exactly as in Germany, to treat it as a commodity, paid for at the cost of its production and reproduction. And Hitler and Stalin would both be in concentration camps instead of where they are if they attempt-

ed to control all commodities but allowed labor power, *the* most important commodity, to run around as it pleases. Obviously this capitalism is very different from classic capitalism. We must remember Lenin's dictum that there is no "pure" capitalism and that it is always mixed with something else.

The moment, however, we leave the direct application, the content of the law is seen in full force. For the pivotal question of the law of value is the antithesis between use-value and exchange-value. On a comprehension of this, according to Marx himself, all comprehension of the facts and of political economy depends. That antithesis dominates Russian society and is the cause of all its contradictions. International capitalist society, at the stage which it has reached, is fully capable of organizing for use-value (consumption), whereas in Russia and elsewhere it is organized and must be organized for the production of surplus value (production for the sake of more production). It is the contradiction between these two antagonistic tendencies that is tearing society to pieces, in Russia and elsewhere.

### What Is Capitalism?

It is when Kent says that my "definition of capitalism is so broad that all exploitation fits into it and therefore all specific characteristics of capitalism disappear," that I know he is wrong and gravely misunderstands the basic concepts of Marxism. It is good to have the point so explicitly stated. For until the point is clear, confusion will persist.

A capitalist society is an exploiting society in which *capital* is the dominating economic factor in production. How then could my definition apply to all societies? Capital is accumulated labor. In all previous societies the dominating factor of production was land. Merchants' capital existed, but first it was accumulated in the process of circulation (the market) and not in the process of *production*; secondly, it was distinctly subordinate to landed property. Society needed the creation of the world market and the accumulation of a comparatively large quantity of accumulated labor by feudal merchants to make capitalist production possible. When a Marxist says that a society is capitalist he therefore defines it historically by that word alone. By emphasizing accumulated labor, Marx excludes societies where landed property dominated. Land, which met the serf or slave in the process of production, was not accumulated labor. The land was always there. Once accumulated labor assumed command there could only be two definitive societies. Accumulated labor using living labor or living labor using accumulated labor. That is the significance of passages like the following from the *Communist Manifesto*: "In bourgeois society living labor is but a means to increase accumulated labor. In communist society accumulated labor is but a means to widen, to enrich, to promote the existence of the laborer." There is in *Wage Labor and Capital* (Chapter V, which contains all the essentials of Marxism) a still more superb formulation. "It is only the dominion of past materialized accumulated labor that stamps the accumulated labor with the character of capital." The phrase "accumulated labor" excludes primitive, serf and slave societies. The word "dominion" excludes socialist society. In that single sentence there is, explicit and implicit, the history of human society, past, present and future. If Kent understood these great triumphs of Marx's method and personal genius he would not find my definition of capitalism too broad.

But if exact definition is essential to analysis, definition itself is no proof. Marx declared that in any society where accumulated labor dominated, the main aim of production would be nothing else but the expansion of this accumulated labor. In feudal society and serf society, living labor was a means of producing food, clothes, etc., for the masters of society. Its aim was not to increase accumulated labor. Neither will socialist society have as its main aim increasing accumulated labor. It is capitalist society and capitalist society alone where the surplus labor, necessary to all societies, is produced for the specific purpose of increasing accumulated labor. It is this specific form of surplus labor which Marx defines as surplus value. Marx strove desperately to prevent misunderstanding of this, his central thesis.

It will not do to represent capitalist production as something which it is not, that is to say, as a production having for its immediate purpose the consumption of goods, or the production of means of enjoyment for capitalists. This would be overlooking the specific character of capitalist production, which reveals itself in its innermost essence.—(*Capital*, Vol. III, p. 285.)

This is the essence, and this is what we must look for in Russia, and say yes or no or maybe, and not lose ourselves in pointless discussion as to whether Stalin personally owns capital or not. That Kaganovitch does not personally own has not altered the essence, or his rôle in production or the situation of the laborer. The bureaucracy owns the capital collectively though not by legal title. The strictest definition would be that it possesses it, and possession is nine-tenths of the law. What is important is that the *workers* do not own it. Under those circumstances, therefore, and particularly in a backward economy, in the present stage of the world market, the bureaucracy is compelled to make the main aim of production, the production of surplus labor for the specific purpose of increasing production. I therefore call it surplus-value, for under those conditions what could labor be but a commodity paid for at the cost of its production and reproduction? In my view it would be a perversion of fact and sense to say that the bureaucracy, unlike the capitalist class, produces for its enjoyment or consumption, and not to expand the existing capital. Every modern exploiting society will be compelled to do that and when Marx said that the bourgeois relations of production were the last antagonistic relations, he was not guessing. That, however, is as yet no *proof*. But Marx claims that in a capitalist society, the accumulated labor will increase only at the cost of the increasing misery, degradation and enslavement of the worker. That is what he calls the law of motion. That will be therefore the empirical proof of my analysis. Is it so in Russia? My reply is: Look and see. This capitalist law of motion, however, unites and disciplines the workers for the proletarian revolution and socialism.

But, says Kent finally, "The position of the Russian worker calls to mind rather the position of the slave—of a modern slave, however, who works, under conditions of a developed economy, in large enterprises, and who belongs not to one slave-owner, but rather to the slave-owning class." Very fine! But it is precisely the fact that he works under *those specific historically defined conditions* which Kent describes so well that causes Marx to define the worker as a modern slave, a wage slave. Engels, in describing the British working class, wrote 97 years ago: "The only difference, as compared with the old outspoken slavery, is this, that the worker of today seems to be free because he is not only sold once for all, but piece-meal, by the day, the week, the year, and because no one owner sells him to another, but he is forced to sell himself in

this way instead of being the slave of no particular person but of the whole property-owning class." Almost the same words that Kent uses. But Engels's definition is categoric: capitalism. It is my view that the analysis of Russia, according to the basic Marxian categories, not only will illuminate Russia but clarifies and settles many hotly disputed points of Marxian doctrine; crisis, the market, the mass and the rate of profit, etc. But far more urgent is a classification of what Marx's scientific contribution has been. That knowledge is obviously

succumbing to the pressure of the Russian degeneration and the growth of world reaction. Proof? Marxists, who for nearly a hundred years have echoed Marx in ridiculing the so-called freedom of the wage-slave, are now emphasizing this freedom. It seems at present only a theoretical error. But as our history of the last dozen years has shown, a theoretical error can take drastic toll.

J. R. JOHNSON.

# Bureaucratic Collectivism

**H**ITLER'S INVASION OF Russia brought sharply to the fore the conflicting views in the Workers Party on the class character of the Soviet Union. Until then those holding diverse positions on this question were all united by a common conception of the reactionary character of Russia's rôle in the Second World War and common political conclusions. However, the new turn in the war once again raised the problem: Is Stalin conducting a progressive or reactionary war? Should we retain our position of revolutionary opposition to all the camps in the Second World War or become supporters of Russia in the war?

For our party these questions necessarily raise the fundamental problem of the class nature of the Soviet Union. Only on this basis can we establish clear and consistent criteria for deciding the character of Russia's war and our political tasks. Even more: the dispute on this question has already revealed confusion and uncertainty on fundamental concepts of Marxism which far transcend in importance the "Russian question" itself. There is little doubt that in this problem, as in other matters, our generation of Marxists has failed to analyze adequately the new phenomena of our times, to examine critically our old doctrines in the light of new experiences, to revise the views found wanting, and thus failed to prepare ourselves for the rapidly moving events and tasks. Not only have the old movements failed, but the new movement for the Fourth International has likewise not met the theoretical and practical tests which the social crisis and the war have created.

It is imperative that this fact be frankly acknowledged; so that starting from a clear recognition of the existence of a crisis of Marxism—for it is nothing less than that—we can proceed collectively to re-evaluate our old views and thus sharpen the theoretical and practical instruments indispensable for socialist victory. So far as the present author is concerned, the basis of such re-examinations remains the great scientific teachings of Marx and Engels, which, employed in the critical spirit advised by the masters themselves, alone furnish the guide for our present needs and for working class emancipation.

In the present article I propose to discuss the class character of the Soviet Union, particularly the views of Leon Trotsky, and present my own position in positive form.

## I. Trotsky's Analysis of Stalinism

Trotsky once wrote: "You will agree that a theory is in general valuable only in so far as it helps to foresee the course of development and influences it purposefully." (*The Defense of the Russian Revolution*, pp. 22 f.) Let us apply this sound concept to Trotsky's analysis of Stalinism.

The origin of the Russian Trotskyist Opposition dates back to the sharp factional fight which broke out in the Bolshevik Party after the death of Lenin. Trotsky analyzed this struggle as follows: In view of the fact that the Bolshevik Party had a complete monopoly of political power (that is, excluded all rival parties), the interests of the conflicting classes sought expression through factions of the ruling party. The Right Wing represented the Thermidorian faction; the pressure of the capitalist restorationist elements (the kulaks, Nepmen, the old petty-bourgeois specialists) and the labor aristocracy (the better paid workers, white collar employees, and trade union officialdom). On the other hand, the Left Opposition represented the interests of the working class. In between these two class forces was the Stalin faction, the "bureaucratic Centrist" wing of the party, representing no independent class, but wavering between the two fundamental factions, veering in the long run towards the Right, *viz.*, toward bourgeois restoration. The defeats of the West European socialist revolutions strengthened both the Right and the Center; these two united against the Left on the basis of "socialism in one country alone."

The main internal danger, continued Trotsky, came from the capitalist elements, and politically the Right Wing. The latter favored a slow tempo of industrialization and collectivization, and increased concessions and conciliation with the rich and middle peasants. The Stalinists were attacked primarily for constantly conceding to the Right Wing. Trotsky spoke of the existence of elements of dual power in Russia, bourgeois and proletarian. He warned that the destruction of the proletarian wing of the party would spell the victory of the Russian Thermidor, that is, the destruction of nationalized property and the establishment of capitalism. Such, according to Trotsky, was the objective meaning of the factional fight in the Bolshevik Party and the logic of its development.

Early in 1928 Trotsky wrote:

... the socialist character of industry is determined and secured in a decisive measure by the rôle of the party, the voluntary internal cohesion of the proletarian vanguard, the conscious discipline of the administrators, trade union functionaries, members of shop nuclei, *etc.* If we allow that this web is weakening, disintegrating, and ripping, then it becomes absolutely self-evident that within a brief period nothing will remain of the socialist character of state industry, transport, *etc.* The trusts and individual factories will begin living an independent life. Not a trace will be left of the planned beginnings, so weak at the present time. The economic struggles of the workers will acquire a scope unrestricted save by the relation of forces. The state ownership of the means of production will be first transformed into a juridical fiction and later on even the latter will be swept away. (*The Third International After Lenin*, p. 300.)

Trotsky's prognoses were refuted by history. The First Five Year Plan, put into effect a few months after he had



penned the above lines, strengthened and centralized state ownership and control over the trusts and factories and extended the planned economy on a scale never reached before. The Bolshevik Party was destroyed, both its Left Wing and Right Wing liquidated politically and physically. The proletarian "web" was broken, but the Stalinists extended their totalitarian domination over economy. At the same time the bureaucracy destroyed virtually all the old capitalist elements in the economy. Contrary to Trotsky's predictions the destruction of the Bolshevik Party did not mean the end of state property and planning; Russia did not travel the road of Thermidorian, capitalist restoration. On the contrary, the Stalinist counter-revolution took a new, hitherto unknown path, the road of bureaucratic absolutism.

Yet Trotsky in the above quotation (and on innumerable other occasions) stated that "the socialist character of industry is determined and secured in a decisive measure by the rôle of the party, the voluntary internal cohesion of the proletarian vanguard, etc." That is, the socialist character of state industry was determined by the domination of the proletarian party in the state and through it in the economy. Or, put in another way, the economic power of the proletariat rested on its political power.

Confronted by the unexpected development of the destruction of the political power of the working class and the strengthening of state property and planning, Trotsky faced the dilemma: either to maintain his old criterion and affirm that Russia is no longer a workers' state and its economy no longer "socialist"; or to revise completely the Marxist conception of the workers' state. He chose the latter course, and thereby abandoned the Marxist view which he had held until then. He now affirmed that it was the state-owned character of property which determined the socialist character of the economy and the proletarian nature of the state. The bureaucracy's expropriation of the political power of the working class, he added, only signified that Russia was a "degenerated" workers' state, politically dominated by a Bonapartist bureaucracy.

Unfortunately, Trotsky never subjected his old analyses to a thorough critical examination. He never sought to explain why, contrary to his predictions, Russia did not travel the Thermidorian, capitalist road of counter-revolution even though the political power of the working class was destroyed. It is true that he often declared that "the bureaucracy after a stubborn resistance, found itself compelled by the logic of its own interests to adopt the program of industrialization and collectivization." (*The Kirov Assassination*, p. 25. Emphasis in original.) But this would only indicate that the logic of the bureaucracy's own interests was not capitalist restoration (or socialism) but its own absolutist rule in the state and economy.

And in retrospect, was the Right Wing of the Bolshevik Party the "Thermidorian" faction? Here again Trotsky never re-examined this question in great detail. However, he did write in 1938:

The latest judicial frame-ups were aimed as a blow against the Left. This is true also of the mopping up of the leaders of the Right Opposition, because the Right group of the Bolshevik Party, seen from the viewpoint of the bureaucracy's interests and tendencies, represented a Left danger. (*Program and Resolutions of the Founding Conference of the Fourth International*, pp. 46 f. Emphasis in original.)

This correct appraisal of the relation between the Right Wing and the Stalinists involves a serious revision of the old view as to the "class struggle" in the Bolshevik Party. It is strange indeed that the Right Wing, the "Thermidorian" fac-

tion, whose policy was that of resistance to rapid industrialization, was to the left of the bureaucracy which "by the logic of its own interests" adopted the program of rapid industrialization and collectivization. Strange, that is, from the viewpoint of those who hold that Russia is a workers' state. It should be recalled that in 1929 there were Russian Oppositionists who advocated a bloc with the Right Wing against Stalinism. Trotsky at that time wrote a vitriolic attack on this proposal as "unprincipled," because it would mean a united front of the Left and the Right against the "Centrists." In this case, as in others, the false analysis led to incorrect politics.

## II. Stalinism and Bonapartism

Trotsky defended his new position, that the Stalinist state is a workers' state though the working class has no political power, by citing the bourgeois Bonapartist régimes. Under Bonapartism (and fascism) the bourgeoisie is deprived of all political power and is in fact politically oppressed. Despite this, the bourgeoisie remains socially the ruling class and the régime is bourgeois in character. Stalinist Bonapartism, according to Trotsky, has an analogous relation to the Russian working class.

*The analogy would be valid only if the political expropriation of the working class had been accompanied by the strengthening of its economic and social power, its domination over society.* Such was the case under all Bonapartist régimes: the political expropriation of the bourgeoisie was accompanied by (or more exactly, was the precondition for) the strengthening of its economic and social power. (In a more complex form this holds true for fascism.) Marxists have adduced abundant empirical evidence to prove this contention.

But what does the evidence show as regards Russia? Simply this: that the working class has been deprived of all economic and social as well as political power. The strengthening of state property and planning, which allegedly signifies the social rule of the proletariat, resulted in the increased economic, social and political oppression of the working class. Here is a process which is the exact opposite of what occurs under Bonapartism!

By his analogy, however, Trotsky revealed an important methodological error which permeates his writings on Stalinist Russia. In seeking to explain the different possible forms of working class rule by citing the diverse forms of bourgeois rule, Trotsky failed to give adequate recognition to the decisive, qualitative differences between proletarian and bourgeois rule. In other contexts, for example in his theory of the permanent revolution, Trotsky proceeded from the basis of the totally new character of proletarian rule as compared to all previous class rule, to wit, the working class must first conquer political power, and through its own state organize economy. (And with successful socialist revolutions internationally, build a world socialist economy which would lead to the dissolution of the workers' states and the proletariat as a class, to the triumph of a world socialist classless society.)

Every ruling class has its own laws of development and its own forms of economic, social and political domination (rule). The bourgeoisie, for example, first develops its economic power (capitalist ownership of the means of production and exchange) in the womb of feudalism, and then struggles for political and social power. In bourgeois society, in other words, the rule of the capitalist class rests basically on bourgeois private property. The state power defending this property may be in the hands of a semi-feudal aristocracy, a

military clique, a parliamentary government controlled by the big bourgeois or petty-bourgeois parties, a Bonapartist bureaucracy, a fascist bureaucracy, *etc.* Quite the contrary is the case of the proletarian revolution and proletarian state. The proletariat is a propertyless class. Its control over economy and its domination in society is possible only through first winning political power. It is through its state power that the working class becomes the ruling class and develops the conditions for the abolition of all classes, the socialist society. Without political power the working class cannot be the ruling class in any sense.

Of course, the workers' state may assume different forms. But whatever the form the state must express the political power of the proletariat. Once it is acknowledged, as Trotsky and everyone in our movement has, that the Russian workers have no political power whatsoever, that is tantamount to saying that Russia is no longer a workers' state.

But can there not be a sick, degenerated workers' state? History has given the answer: the régime of Lenin and Trotsky was a sick, bureaucratized, revolutionary workers' state—as Lenin and Trotsky themselves often affirmed. In a healthy workers' state there would be complete democracy, the working class exercising its power democratically through Soviets, trade unions, rival parties. This state of affairs, as is known, never existed in Russia. The political rule of the working class was expressed almost exclusively through the dictatorship of the proletarian party, the Bolsheviks (with extreme limitations on Soviet and union democracy from the earliest days). The administration of the state and the economy in culturally backward and isolated Russia, while controlled by the Bolsheviks, was in the hands of a bureaucracy. The Bolsheviks expected, and worked for, the extension of the Russian Revolution into the more advanced industrial countries which would break the imperialist encirclement, raise the Russian industrial and cultural level, and thus create the preconditions for complete workers' democracy.

When these conditions did not materialize the Stalin faction which controlled the party apparatus expressed the dominant desire of the bureaucracy for a peaceful and stable national existence. The old Bolshevik (and bourgeois) elements of the bureaucracy were eliminated, and a new bureaucracy created. The theory and practice of national socialism, "socialism in one country alone," was developed as the great social rationalization ("ideology") of the bureaucracy. With the Stalin faction as its representative it utilized its centralized administrative control of the state and economy to conduct a civil war to destroy its internal opponents, proletarian and bourgeois. On the one hand, it destroyed the limited workers' democracy that had existed, liquidated the old Bolshevik Party and converted the Communist International into the world detachment of Stalin's Office and G.P.U. On the other hand, it wiped out virtually all remnants of the old capitalist elements in the economy, strengthened state property and extended the industrialization and collectivization of the country. Thus when the Stalinists announced "the complete and irrevocable victory of socialism," they were indeed proclaiming to the world the triumph of bureaucratic collectivism.

### III. Bureaucratic Collectivism: What Kind of New Society?

Stalinist Russia is thus a reactionary state based upon a new system of economic exploitation, bureaucratic collectiv-

ism. The ruling class is the bureaucracy which through its control of the state collectively owns, controls and administers the means of production and exchange. The basic motive force of the economy is the extraction of more and more surplus labor from the toilers so as to increase the revenue, power and position of the bureaucracy. The economy is organized and directed through state totalitarian planning and political terrorism. The toilers are compelled by the state (as well as economic necessity) to labor in the factories and fields. Forced labor is thus an inherent feature of present-day Russian productive relations.

The relations within the ruling class—the share which individual bureaucrats receive of the wealth produced, their relative power and position, the manner in which persons enter or are forced out of the ruling class—are determined by non-economic, primarily political factors.

Through the state monopoly of foreign trade the bureaucracy has a complete monopoly over the internal market; for the exploitation of the abundant material and human resources of the country, for the investment and for sale of goods. This monopoly is indispensable for the Stalinist imperialist exploitation and oppression of the national minority peoples of the Soviet Union (the Ukrainians, the Georgians, *etc.*)

While bureaucratic collectivism has succeeded in raising the industrial level of the country, its productive relations are tremendous obstacles to the real growth of the social productivity of labor, the raising of the living standards of the masses, and the economic and political freedom of the workers and peasants. Despite the organizational advantages of state-owned monopoly of social property and the vast internal market, and totalitarian planning (aided by the importations of advanced capitalist technique), Stalinist Russia has experienced a growing decline in the annual rate of increase of industrial output and an increasing disproportion between the income of the bureaucracy and the "new intelligentsia" on the one hand, and the income of the mass of workers and peasants on the other. (In recent years the yearly rate of increase of industrial production has been, according to official figures, only twice the rate experienced under Czarism.)

The terroristic régime which is an integral part of bureaucratic planning (the bureaucratic productive relations) leads to constant disruptions in production; disproportions in the output of the various industries dependent upon one another and therefore large-scale economic waste; low efficiency of production. The constant purges of the bureaucracy leads to vast disruptions of planning and production. The low wages, speed-up and poor housing have led to such large turnovers of labor, despite laws restricting labor mobility, that far stricter laws carrying penalties including death sentence, had to be proclaimed to maintain production. The progressive, organic and long-range development of the productive forces, the real growth of the social productivity of labor, and the raising of the standard of living of the masses demand scientific planning, that is, democratic planning by and of the masses. This is the antithesis of Stalinism.

Then again, bureaucratic collectivism is a nationally limited economy (or, more accurately, confined to a single backward "empire," Stalinist Russia). In relation to the capitalist imperialist states, Russia occupies the position of a huge national trust which by monopolizing the home market intensifies the contradiction existing within these countries between the tendency for the unlimited increase of the capitalist productive forces and the growing limitations of the markets for capital investment and for the sale of commodities. From the

standpoint of Russian industrial and cultural development, the overthrow of world capitalism is an indispensable condition for the liberation of its own nationally confined productive forces, so that it could benefit fully from advanced Western technique and take its place as an integral part of a progressive world economy. Here also, bureaucratic collectivism (Stalinism) reveals its socially reactionary character in its rôle as an assistant of outlived capitalist imperialism in the task of destroying the independent working class movement for socialism.

Thus, from the day of its birth the new Stalinist society is a reactionary obstacle to the development of Russian and world society toward socialist freedom and security. From a historical viewpoint, Russia has taken a bastard path backward from the régime established by the Bolshevik Revolution. It is from the start torn by contradictions and antagonisms which exclude its assuming a progressive road comparable to early bourgeois society. It arrives on the scene of history as an expression of world social reaction; at a time when the world economic conditions already exist for a great leap forward from class exploitation to socialist freedom and plenty; and when the working class is the only social power which can bring about the progressive transformation of society.

The class-conscious workers have no interests in common with this new system of exploitation and oppression, bureaucratic collectivism. In wartime as during peace the revolutionary socialists must not give any support to the Stalinist state. Our task is that of awakening the working class to socialist struggle against bureaucratic collectivism, fascism and democratic imperialism; and for working class power and socialism.

#### IV. Shachtman's Theoretical Confusion

What are Shachtman's views on Russian society? A quick reading of his article, "Is Russia a Workers' State?" (NEW INTERNATIONAL, December, 1940) would suggest that he is in fundamental disagreement with Trotsky on the nature of Russian economy and society; and in basic accord with those who hold that Russia is a new, reactionary, exploiting society. However, as I propose to show, the appearance belies the reality. While accepting the latter position in "form," Shachtman has adopted the former position in "essence." The result is an illogical, eclectic combination of incompatible ideas which is called a third position.

Let us see. At the last Plenum of the National Committee of the Workers Party, Shachtman declared that in our movement only two contributions (aside from Trotsky's) had been made to the clarification of the Russian question. First, that introduced by Carter on the qualitative differences between the state rule of the proletariat and the state rule of the bourgeoisie. (Already discussed in the first sections of the present article.) Second, the distinction between "property forms" and "property relations" introduced by Shachtman himself.

On the latter question, Shachtman writes in his article:

"... Trotsky speaks interchangeably of the 'property forms' and the 'property relations' in the country as if he were referring to one and the same thing." It is true that under Stalin "state ownership of the means of production and exchange continues to exist. . . . However, what is crucial are not the property forms, *i.e.*, nationalized property, whose existence cannot be denied, but precisely the relations of the various social groups in the Soviet Union to this property, *i.e.*, prop-

erty relations!" The state owns the property but the bureaucracy controls the state and is "the ruling class of an unstable society which is already a fetter on economic development."

Thus summarized it would appear that there is complete agreement between Shachtman and those who declare that Russia is a reactionary bureaucratic collectivist state. What is "crucial" are the property relations, writes Shachtman. But what are "property forms" as distinct from property relations? Shachtman defines them by giving examples: private property form—as under capitalism and other class societies; state or collectivist form of property as under Leninist Russia and Stalinist Russia.

Now, it is true that Trotsky identified Russian state property (the "property form") with the property relations established by the Russian workers' revolution. But he did this not only "as if he were referring to one and the same thing," as Shachtman writes, *but because he was consciously referring to one and the same thing*. In other words, his error was not terminological—a confusion of phrases—but an error in analysis. When Marxists speak of the "form of property" they invariably mean *social* form of property, that is, property relations; as feudal form of property (and economy), capitalist form of property (and economy), socialistic, transitional form of property (and economy), etc.

If for the sake of greater clarity on the new Russian phenomena Shachtman chooses to introduce a terminological distinction between "form of property" and "property relations" he can do so but only on one condition: *By making clear that by "form of property" he does not mean "social form of property."* Otherwise the result is not clarity but confusion; otherwise property forms are property relations.

If property forms are to be distinguished from property relations then the only meaningful distinction is that between the *general manner* in which property is owned (privately or through the state) and *who* owns the property. So that one can say, on the basis of private property, you can have feudal property relations and bourgeois property relations. On the basis of state ownership, you can have the proletarian, socialistic property relations and bureaucratic, collectivist property relations. This would be a distinction between the technical organization form of property (and economy) and the *social* form of property (and economy).

This is what Shachtman *appears* to say in the section "Property Forms and Property Relations" (pages 197-199). To repeat once again: The property relations are "crucial" in determining the character of Stalinist society. Stalin, while retaining the state property forms, destroyed the property relations established by the Russian Revolution. This was a social counter-revolution.

Yet we find Shachtman writing in a latter section of the same article:

In the Soviet Union, control of the state, sole owner of social property, makes the bureaucracy the most powerful economic class. Therein lies the fundamental difference between the Soviet Union, even under Stalinism, and all other *pre-collectivist states*. The difference is of epochal historical importance (page 203).

Shachtman, of course, did not mean to write that the fundamental difference "between the Soviet Union, *even* under Stalinism," is that the bureaucracy is the most powerful economic class, for he does not hold that this was so in Leninist Russia. But this error in composition, due to hasty writing, has a deeper significance. Without submitting it to Freudian analysis, it is clear from the context of the entire section that

Shachtman slides back to Trotsky's view on the "epochal historical importance" of present-day Russian society; that despite his lengthy polemic with Trotsky on property forms and property relations he considers that Stalinist Russia is a *socio-economic continuity* of the economic system under Lenin; a continuation of the progressive economy, transitional from capitalism to socialism, established by the Russian Revolution.

Immediately following the paragraph quoted above, Shachtman adds:

Of epochal importance, we repeat, for our analysis does not diminish by an iota the profound social revolutionary significance of the Russian proletarian revolution. Starting at a low level, lowered still further by years of war, civil war, famine and their devastations, isolated from world economy, infested with a monstrous bureaucracy, the Soviet Union nevertheless attained a rhythm of economic development, an expansion of the productive forces which exceeded the expectations of the boldest revolutionary thinkers and easily aroused the astonishment of the entire world. This was not due to any virtues of the bureaucracy under whose régime it was accomplished, but in spite of the concomitant overhead waste of that reign. Economic progress in the Soviet Union was accomplished on the basis of planning and of the new, collectivist forms of property established by the proletarian revolution (page 203).

## V. Trotsky's Concept of Soviet Economy

Here in full bloom is Trotsky's basic analysis of present-day Russian economy. The Russian Revolution is not dead, according to both Trotsky and Shachtman; it exists in the "progressive" collectivist forms of property. To deny this, it would appear from the above, is to "diminish . . . the profound social revolutionary significance of the Russian proletarian revolution"—no less. But Shachtman had written that "what is more crucial" in determining the character of Russian economy (and any economy) "are not the property forms, *i.e.*, nationalized property . . . but precisely the relations of the various social groups in the Soviet Union to this property, *i.e.*, property relations!" (Emphasis, including the triumphant exclamation point, is Shachtman's). If these property relations (bureaucratic class exploitation of the workers) are "crucial," why did not Shachtman compare them to capitalist property relations and show why the former are "more progressive" than the latter? The fact is that despite Shachtman's painstaking insistence on the basic distinction between Russian "property forms" and "property relations," his collectivist forms of property look like, feel like and act like, that is, *are*, what Trotsky interchangeably called property forms and property relations. Shachtman, then, agrees with Trotsky on the social and historical significance of Stalinist Russia—as a progressive economy and society transitional from capitalism to socialism. He follows Trotsky's method of comparing the superiority of nationalized property over bourgeois private property, and citing the economic progress experienced under Stalinism, as empirical evidence of this superiority.

Thus, in his attempt to combine the position that Russia is a new, reactionary economic system with the opposite view that it is a progressive economy established by the Russian workers' revolution but distorted by bureaucratic domination, Shachtman adopts arguments and terminology from the first position up to the point when he reaches the crucial problems of the concrete social and historical significance of Russian economy—the core of the dispute. He then employs Trotsky's arguments and essential theoretical conclusions, without, however, drawing other inescapable, theoretical and political conclusions which necessarily follow from them.

Several years ago Trotsky quite correctly wrote that anyone who holds that Russia is a new economic system of exploita-

tion and agrees with what he (Trotsky) considered the criteria as to what constitutes a progressive society—and Shachtman fits this description—must be in essential agreement with him. In a polemic against a French comrade he stated that for the sake of the argument he would concede that Russia is a new class society and the bureaucracy a new exploiting class. He continued:

But that does not prevent us from seeing that the new society is progressive in comparison with capitalism, for on the basis of nationalized property the new possessing "class" has assured a development of the productive forces never equalled in the history of the world. Marxism teaches us, does it not, that the productive forces are the fundamental factor of historic progress. A society which is not capable of assuring the growth of economic power is still less capable of assuring the well-being of the working masses, whatever may be the mode of distribution. The antagonism between feudalism and capitalism and the decline of the former has been determined precisely by the fact that the latter opened up new and grandiose possibilities for the stagnating productive forces. The same for the USSR. Whatever its mode of exploitation may be, this new society is by its very character superior to capitalist society. There you have the real point of departure for Marxist analysis. ("Once Again: The USSR Defense," November 4, 1937.)

Shachtman agrees with Trotsky as to what is the "real point of departure for Marxist analysis" of the historical significance of Russian society. He agrees with Trotsky's appraisal of Russian economic progress under Stalinism. He agrees with Trotsky's estimate of the relation between present-day Russia and capitalism. That is, he is in complete accord with Trotsky's basic position on Russian economy and society.

But why the repetitious insistence that Shachtman agrees with Trotsky? one may ask. The simple reason is Shachtman's articles itself: His arguments against the view that Russia is a "workers' state," his emphasis that what is "crucial" are property relations and not nationalized property, his characterization of the economy as a new system of class exploitation and the bureaucracy as a new ruling class—all these suggest that Shachtman does reject the fundamental position of Trotsky on Russian economy. In the not-very-brief article, he several times repeats the phrase about the "historical significance" of the collectivist form of property, devotes only a few lines as to what this significance is, and nowhere *explicitly* declares that he agrees with Trotsky that Russian society is progressive as against capitalism. Trotsky's view, nonetheless, is the basic premise of the final section of his article, "The Defense of the Soviet Union."

## VI. The Basic Contradiction of Shachtman

Shachtman writes that: "The theory that Soviet economy is progressive and therefore the wars of the Stalinist bureaucracy against a capitalist state are, by some mysticism, correspondingly and universally progressive, is thus untenable." (Note that Shachtman here does not commit himself on the question of whether or not "Soviet economy is progressive." He is saying: Even if Soviet economy is progressive it does not follow, etc.)

He continues: When Russia fights a war which corresponds to the interests of the international socialist revolution, we will defend Russia just as we defend a similar progressive war of a colonial country. If it wages a reactionary war we will be revolutionary anti-war oppositionists. We would become defensists in the present war should its character change "into a struggle of the imperialists to crush the Soviet Union when the interests of the world revolution would demand the defense of the Soviet Union by the international proletariat." Why? Because a victory of the imperialists would (a) reduce

Russia to a colony for capitalist investment; (b) destroy nationalized property. Shachtman adds:

In these considerations, too, the *historical significance* of the new, collectivist property established by the Russian Revolution stands out clearly. Such a transformation of the Soviet Union as triumphant imperialism would undertake *would have a vast and durable reactionary effect upon world social development, give capitalism and reaction a new lease on life, retard enormously the revolutionary movement, and postpone for we don't know how long the introduction of the world socialist society.* From this standpoint and under these conditions, the defense of the Soviet Union, even under Stalinism, is both possible and necessary. (My emphasis—J. C.)

There you have, in the most graphic language, Shachtman's conception of the place of the new, bureaucratic exploiting society in contemporary world politics and economics.

What importance, then, have lengthy discourses on property forms and property relations, new, exploiting economy and new, bureaucratic ruling classes for one who holds these traditional conclusions of our movement on the significance, the meaning, the place of Russian society in "history" and in the present-day world? None whatsoever!

But Shachtman today is not for the defense of Stalinist Russia. This is all to the good. But why is he not a defensist? When comrades agreeing with Shachtman's article (as, for example, Lund) today quote it against him, his answer is simple: The character of the war has not changed. Russia is a junior partner of the imperialist democracies. Just as we subordinate the defense of the national independence of Ethiopia in the present war because Ethiopia is a tool of Anglo-American imperialism, so we subordinate defense of the "progressive" Russian collectivist property.

This is mere sophistry. Would the defeat of Ethiopia in the present war have as its consequence the opening up of a long, reactionary epoch of world reaction which, according to Shachtman, would follow a defeat of Russia? Obviously not. Or does Shachtman hold that such a heavy blow at world socialism such as he depicts in his article would not be the result of a Russian defeat in the present war *because* Stalin is allied to Anglo-American imperialism? An affirmative answer

makes no sense. If Shachtman's view on the significance of Stalinist Russia is true, then the consequences he foretells would follow in any *major* war with the capitalist imperialists in which Stalin is engaged and defeated. There is no escape from this conclusion—once Shachtman's false premises are granted.

It should be added that Shachtman's analogy between backward colonial Ethiopia (or China) and his "progressive collectivist" imperialist Russia is also false from another viewpoint. We defend Ethiopia (and China) against imperialism because we are for its national independence. However, when Ethiopia is involved in the present war it loses its national independence to Anglo-American imperialism. (The same would be the case with China, if the war in the Far East becomes an integral part of the Second World War.) In other words, that which we were fighting for, the national independence of the colonial people, is no longer involved in the war; has already been destroyed. The contrary is the case with Russia. Stalin, in his alliance with the imperialist democracies, has not given up nationalized property, *i.e.*, what Shachtman wants to support. A Russian victory in the war does not necessarily mean the destruction of Shachtman's "progressive" collectivist form of property—that is precisely what Stalin is fighting for since that is the basis for his class rule. The analogy therefore is a hasty, ill-considered argument which may sound good but is, on analysis, deceptive and false.

Shachtman, therefore, has no consistent theoretical or political basis for his present position on Russia in the war. (All his other arguments are subsidiary to the main points considered above.) Once Trotsky's fundamental position on the significance of Russian economy and society is accepted—as Shachtman does and I do not—his *basic* theoretical and political conclusions necessarily follow. But the re-evaluation of the Russian question, the establishment of clear and consistent criteria for revolutionary politics on Stalinist Russia, requires the rejection of Trotsky's position along the lines indicated by those who hold that Russia is a reactionary, bureaucratic collectivist society.

JOSEPH CARTER.

# Archives of the Revolution

Documents Relating to the History and Doctrine of Revolutionary Marxism

## Concerning Historical Materialism

(Editor's Note: This is the third and final installment of Mehring's essay, *Concerning Historical Materialism*.)

IT IS ONE of the unsolvable contradictions in which scientific materialism operates within the province of history that it entirely denies that principle of evolution according to which the characteristics of a particular animal race is explained through adaptation to its environment in the struggle for existence at the level of human society. Here it asserts a permanency of human races, which has never existed and cannot exist. In frantically clinging to this nonsensical idea,

in the effort to make it consistent with obviously contradictory facts, the concept of race has, in general, become so vague that Gumplowicz correctly says: "Here everything is arbitrary and subjective in appearance and meaning: nowhere is there solid ground, nowhere a sure point of meaning, and nowhere a positive result."

Actually, the crossing and mixing of the various races and stems began in prehistorical time. And Metchnikov, the Russian investigator, demonstrates concerning the first civilizations of antiquity that they were the result of a great deal of heterogeneous mixing of different ethnic elements, of inter-

marriages in which one cannot discover approximately, even today, the proportionate significance of their isolated constituents. Thus, for example, it is hard to say which of the three races, the black, the yellow or the white, has done most for the civilization of ancient Egypt. The history of Chaldea shows, so far, that the black race, the so-called Kushites, were in the forefront of that civilization. Even less is discoverable when one assumes language as the distinguishing mark of race instead of blood or color.

In every one of the great language groups, the Aryan, the Semetic and the Mongolian, are found people of the most diverse descent. And if Mr. Barth thinks the assertion of some statesman of "genius" that race is everything, a little too inclusive, but nevertheless, still says, race means a great deal; and wants to prove this assertion by admitting the Aryan race to be superior to the Semitic in "political abilities," then must one say in this connection: race is not only altogether unimportant, but a complete zero.

It is a little remarkable that Mr. Barth refers to the saying of some unknown English statesman, when he has read the world renowned English philosopher, his contemporary, John Stuart Mill, concerning the assumption of racial differences: "Of all the kinds of vulgar evasions by which one deprived oneself of thought, whose effect has social and moral influences on the spirit of men, the most vulgar is that which ascribes the differences in conduct and character to innate, natural differences."

### Races and History

Historical materialism has not in the least neglected race. But first it seeks to clarify, in general, its meaning. Just as little as there are unchanging animal races, are there unchanging human races. Only the laws of development in nature underlie the animal races, the laws of development of society, the human races. The more a man resolves his immediate connection with nature, the more the natural races fuse and intermingle. The greater men's control grows over nature, the more completely are the natural races transformed into social classes. The wider the capitalist modes of production spread, the more have the distinctions between the races disappeared or, more and more daily do they dissolve themselves in the oppositions of the classes. Within human society, race is not at all a natural but an historical concept which is determined in the last instance by the material modes of production and is altered by the laws of their development, as Kautsky has proved in the most convincing fashion for the concept of nationality.\*

But just as the natural conditions of labor have their sources in the nature of men, so have they their embodiment in the process of social production. When Mr. Barth speaks particularly of climate, it is well to remember that Montesquieu wanted to make climate the lever of political history; that Winckelmann employed the same principle in the history of art; Herder in the history of culture, regardless of particular modifications, limitations and extensions; and that, Buckle, in our century, allowed human history to be the result of the interaction of the human spirit, on the one hand, and of climate, nutrition, soil and of particular natural appearances, on the other. And certainly were this theory a significant step forward in contrast to the theological or rationalistic conceptions of history, then Hegel might also have said: "Do not

speak to me of heaven, for now the Turks live where once lived the Greeks," and Gobineau could have denied the influence of climate on historical development.

If, nevertheless, Hegel made the absolute idea and Gobineau the mixing of the blood of various races the levers of historical development, these were certainly not steps forward in comparison with the historical conception espoused first by Montesquieu and later by Buckle. However, Buckle, to concern ourselves with the most important author of this entire school, overlooked, above all, the most decisive point, the binding member which makes out of his two halves a whole, out of his dualistic world view a monistic one: the means of production of our material life, which unite spirit and nature, which first of all activates the human spirit, to win control over nature, and which breaks down the mysteries of nature in order to turn theory into productive forces in the hand of men.

### Geography and Climatic Influences

What Buckle did not understand, historical materialism emphasizes as the most important point. And if we have already seen that it never denies at all the laws of the spirit, so just as little, we understand, can it deny the laws of nature, or only the climatic laws. When has it been asserted that one could have agriculture on the North Pole's icebergs or drive boats upon the sand dunes of the Sahara Desert? On the contrary, Marx certainly gave the most careful attention to the significance of natural forces in human production. Thus, he writes, in order to quote one more example: "Once capitalist production is presupposed, the quantity of surplus labor will vary as the natural conditions of work, namely, also of the fruitfulness of the soil, even under identical circumstances and with given lengths of the work day. Nevertheless, the converse does not follow that the most fruitful soil is the most essential for the growth of capitalist production. It presupposes the control of nature by man. A nature which is too prodigal holds him in its hand like a child in leading strings. She does not make his own development a natural necessity. Not the tropical climate with its exuberant vegetation, but the temperate zone is the mother of capitalism. It is not the absolute fruitfulness of the soil, but its differentiation, the multiplicity of its natural products, which creates the natural basis for the social division of labor and spurs men because of a change in natural conditions, within which he lives, to diversify his particular needs, activities, means and modes of work."

However, where nature permits the existence of men and the development of a process of social production, there the natural conditions of labor which enter into this process are seized, transformed and subordinated by it; and they lose their significance in the same measure as man's control over nature grows. They play their part in the history of human society only through the process of production. Accordingly, it is entirely sufficient when Marx says that the modes of production of the material life, in general, condition the social, political and spiritual process of life.

In the changing modes of production is contained the changing physical factors of labor and therefore outside of them nature plays no rôle in the history of human society. In other words, this means: the same modes of production determine the process of social living in the same way, although climate, race and all particular natural conditions may be as varied as they please; and different modes of production determine the process of social life in different ways though climate, race and all particular natural conditions be most completely

\*Kautsky, *Modern Nationalism*, in the *Neue Zeit*, V., 892 ff. See also *ibid.*, 187 ff., the essay of Guide Hammer concerning the dissolution of modern nationalities.

alike. It might be still permissible to confirm these two propositions by means of one historical example. And indeed in order to strengthen their demonstrative power, we shall choose these examples not from civilized conditions where man's control over nature has more or less gone quite far, but from the conditions of barbarism, where man is still almost completely controlled by an incomprehensible nature which is in unfriendly opposition to him.

"One finds in all peoples with collective forms of property, altogether the same vices, passions and virtues, approximately similar customs and modes of thought, despite differences of race and climate. The conditions of art call forth the same appearances in races formed differently by natural relations." So says Lafargue, who understands by the conditions of art in their connection, social conditions.\*

### Historical Materialism and the Future

If one says that historical materialism has already a firm and unshatterable foundation, that does not mean either that all of its conquests are incontestable or that nothing more remains to be done. Where the materialist historical method—and this is admitted—is abused, as by Schablone, it leads to the same kind of perversions in historical thought as by every Schablone. Even where, as a method, it is handled properly, the difference in talents and learning of those who employ it, trials at its disposal, lead to a multitude of differences in conception. Indeed, this is easily understandable, for in the field of the historical sciences, a mathematically exact proof is in general impossible. And whoever believes he can disprove the materialist method of investigating history by such "contradictions," ought not to be disturbed in these sparrow-like enjoyments. To rational people, "contradictions" of this sort only serve as the occasion to look for a more exact and basic proof than those of the contradictory investigators. Thus from such "contradictions," the method itself gains clarity and certainty concerning its use and results.

Nevertheless, for historical materialism, there remains infinitely much to be done until the history of mankind has been illuminated in all its numberless anastomatizations. Within the soil of bourgeois society, it can never develop its greatest power, just because its growing power is being used above all to destroy this society. It is certainly recognizable where the scientific historians of the bourgeoisie show to a certain degree the influences of historical materialism; and we have repeatedly recognized it in these sketches. Still this influence has very definite limitations. As long as there is a bourgeois class, it cannot put aside its bourgeois ideology; and Lamprecht himself, the most famous representative of the so-called "economic-historical" school, begins his *History of Germany* with a fundamental sketch, not of German economy, but of "German national consciousness."

Historical idealism in its various theological, rationalistic and even naturalistic radiations, is the historical conception of the bourgeois class, as historical materialism is the historical conception of the working class. Only with the emancipation of the proletariat will historical materialism attain its fullest bloom; will history become a science in the exact sense of the word; will history become what it always should be, but has not yet ever been: a leader and teacher of mankind.

FRANZ MEHRING.

\*Lafargue, *Economic Materialism According to the Ideas of Marx*.

# + BOOKS +

## Memoirs Vs. Hitler

AMBASSADOR DODD'S DIARY, by Prof. William E. Dodd; BERLIN DIARY, by William L. Shirer; published by Alfred A. Knopf, \$3.00

SINCE the outbreak of World War II, the number of books written and published on Germany seems endless. In contrast to the comparative silence on the subject prior to the war, publicists, journalists, deposed Nazis, business men and others are now the loudest in their condemnation of Herr Schickelgruber and his murderous aides. Each puts down on paper his or her own particular piece of information, usually obtained in the dark of night, in dank cellars, darkened rooms, and vast crowds, from sub-secretaries, restaurants waiters, sympathetic janitors, tap-dancers, "persecuted" financeers and business men. Thus, the gossip's view of Germany has been widely circulated and much expert opinion is based thereon.

The diary form of interpreting current events in Europe is, likewise, a popular method of churning out books. There are a large number of these published and sold. More often than not, they, too, are completely unreliable. But now and then one or two, out of a veritable plethora of scribbling, have genuine value. Two books of such value are *Ambassador Dodd's Diary* and *Berlin Diary*.

The two authors were "intellectually" anti-fascist prior to their stay in the Third Reich, the one a famous historian at the University of Chicago, for many years a student in pre-war Germany, an ardent New Dealer; the other, a seemingly sensitive journalist, strongly democratic and liberal.

Neither book is a seriously thought-out analysis of the nature of fascism, its historical place, or its significance in modern society. They are day-to-day reflections.

Professor Dodd wrote of his horrified reactions to a barbaric régime from the point of view of a historian of pre-war Germany, and he sought to understand events historically. In sharp contrast, Shirer's writing is that of a trained journalist who could sense important events and understand, in part, their significance in a collapsing world.

### The Period They Describe

The importance of the two books lies in the material they contain. In large measure they support the Marxists in the latter's analysis of fascism and the true nature of the present epoch.

There is a happy division of time between the Dodd and Shirer books. The Ambassador spent some four years in Germany prior to the outbreak of the war; Shirer was there immediately prior to the declaration of war and through a considerable period of the conflict. Their observations, therefore, dovetail somewhat, the one picking up where the other left off.

A large section of both books deals with the chicanery, the truthlessness, the feudal brutality and the cynicism which are inherent characteristics of fascist rule. The examples cited by

the authors are sufficient verifications of the above charges, although in truth such verifications are repetitious. The labor movement for many years has supplied an endless series of such proof.

The books are important for entirely other reasons. They deal, throughout, with the following problems which have troubled, not only bourgeois democracy, but the workers' movement as well: Is the phenomenon of fascism a "world revolution"? What is the significance of this revolution? Is fascism a new social order? What are class relations in Germany? These questions are not necessarily answered by the authors; they are constantly discussed, however, and both of them are highly confused. But in their confusion, and quite unconsciously too, they supply material which permits answers to all these questions.

### Their "World Revolution"

The diarists are convinced that fascism implies a world revolution. But in the concepts of the authors, this world revolution does not mean a new economic and social order. What they really mean, since they are both products of the strongest bourgeois democratic nation in the world and thoroughly saturated with the ideology of bourgeois democracy, is that this is a world revolution of totalitarianism against bourgeois democracy. Dodd, for example, states in various places in his book, that he is not an economist and therefore does not understand the significance of many of the economic measures taken by the Nazis. On his part, Shirer admits that he is neither a historian nor an economist and therefore speaks without authority on these subjects.

Yet the importance in what they do write dealing with the economic characteristics of the Third Reich, is that they demonstrate that it is capitalist, undernourished, diseased, non-conformist, but capitalist, nevertheless. In the peculiar writing method of a diary, Dodd and Shirer show that no fundamental change has taken place in the economic order from that of other capitalist countries. There is greater control, higher taxes, bureaucratic interference and abuse, robber methods of expropriation and brutal exploitation, but withal, it is capitalist. Consciously or unconsciously, the authors show that the all-pervading aim of the German rulers in relation to economy was the preparation for war, the struggle for world domination. Of what? World markets, raw materials and colonies.

### Preparing for War

They demonstrate this by tracing the development of German rearmament, illustrating how the Reich industries were totally confined to the production of war materials. In large measure, the conflicts in the ranks of the financiers and industrialists arose over this preparation for the war, the division of profits. The war economy, both diarists prove, was the basis for the economic revival of Hitler Germany. This whole development was accomplished, contrary to popular opinion, in the open. The Nazi leaders made no secret of their plans. It is true that they lied constantly and that lying is part of the fascist system, but behind the public front, every ambassador, consul, journalist, business expert, etc., knew what was hap-

pening in Germany, and what the rearmament of Germany implied.

Dodd, throughout his book, deplores the conduct of the British and French ambassadors. He shows their lack of cohesion, how often they were at sword's-point, back-stabbing each other, the British supporting Hitler at a series of diplomatic crises, the French retiring in anger. He explains the endeavors of France to make a bloc with Italian fascism with the hope of getting at Great Britain in the Mediterranean through such an alliance. Dodd bemoans the manner in which both Great Britain and France sacrificed Loyalist Spain to both Germany and Italy. But this is already old stuff, treated with another pen and based upon information garnered through the diplomatic offices of all countries.

One thing stands out in the two books: Germany could have been halted in the very beginning had England given the French permission to undo the rearmament of Germany and the military reoccupation of the Rhineland. Shirer, for instance, describes the fear of the Nazi leaders and their preparations for flight in the event the French had marched. Actually, the remilitarization of the Rhineland was a gesture which could not have been upheld by Hitler had it been challenged. But in this instance, as in all others, the democratic powers not only permitted the resurgence of German arms, paving the way for World War II, but the Chamberlain government and its aristocratic supporters aided it in a number of ways.

### The Fear of Socialism

What prevented action by England and France? In the final analysis it was the determination on their part to prevent proletarian revolutions in Germany and Italy, the fear of socialism. This, as the books point out, was not mere rhetoric on the part of the democratic diplomats. It was their all-consuming fear.

There are other secondary though not less interesting materials in the books which show how American business men, senators, congressmen and politicians flocked to Germany to study the new phenomenon, the new efficiency of "order," "no strikes," "static wages," etc. All of them received their "training" in the true meaning of fascism and they were all "impressed"—especially with the industrial efficiency, which was based on the destruction of the trade unions and the workers' political organizations. It wasn't a matter of "trains running on time," for as Shirer constantly points out there was a damned lot of inefficiency and bureaucratic red tape, but admiration, a class admiration, arising from a hatred of the militant working class, personified at that time in the CIO movement.

The books are worth reading. They offer a graphic picture of the rottenness of current capitalist society. If apparently they deal only with Germany, they also picture, from another vantage point, the conditions in the other countries. One can observe, if only one has the eyes to see, how rotten, deceitful, wasteful, inefficient and dead is the bourgeois order under which we live. For it is bourgeois society the ambassador and the journalist describe.

ALBERT GATES.