
February 1943

Fourth International

Wallace's Post-War Utopia

Why American Capitalism Can't Bring World Prosperity

By C. Charles

Biddle's New Attack on 'The Militant'

HITLER'S TENTH ANNIVERSARY:

How He Came to Power . . . *by Terence Phelan*

What Is National Socialism? . . . *by Leon Trotsky*

Roosevelt and Spain

By Joseph Hansen

The Month in Review: The State of the Union:

What Roosevelt Didn't Report

Twenty Cents

Manager's Column

The main problem of the Business Manager these days is the Washington censorship. The January issue of **FOURTH INTERNATIONAL** was released to subscribers by the Post Office Department only after a delay of two weeks. The December issue of **FOURTH INTERNATIONAL** was ordered destroyed by Washington. This arbitrary action is similar to that suffered by *The Militant*, our sister weekly.

Since the beginning of its campaign in November to silence critical voices in the labor press, the Post Office Department has destroyed four issues of *The Militant* and released the other issues for dispatch only after delays ranging from four to fifteen days.

Then in an order dated January 5, *The Militant* was notified to send its representative to Washington to appear at a hearing, "to show cause why the authorization of the admission of *The Militant* to the second-class of mail matter, and the accordance to *The Militant* of second-class mailing privileges. . . should not be suspended, annulled, or revoked."

The notice to appear was accompanied by a list of twenty-seven excerpts which were included in the case by the Post Office Department as Exhibit A, to show that *The Militant* is "nonmailable . . . because it is in violation of section 3 of Title 1 of the Espionage Act of 1917." That section of the Act prohibits willfully making false statements with intent to interfere with the operation of the armed forces, or willfully attempting to cause insubordination or mutiny in the armed forces, or willfully obstructing the recruitment service of the U.S.

Actually, as *The Militant* has ably demonstrated, not one of the twenty-seven excerpts cited by the Post Office violates any part of the Espionage Act.

The hearing — an administrative and not a judicial proceeding—was held on January 21. Albert Goldman represented *The Militant* and Osmond K. Fraenkel represented the American Civil Liberties Union which joined with *The Militant* against the move. The Board before which the evidence was pre-

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Editor FELIX MORROW

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sented consisted of three persons designated by the Postmaster-General. Each side presented argument and the Board granted the attorney for the ACLU until the first of February to file a brief. The Board will then present its recommendations to the Postmaster-General who will render his decision.

Anyone knowing the history of the suppression of labor papers in the First World War—decisions cited by the postal authorities in this case—will not be optimistic about the decision to be rendered. And if *The Militant* is the first labor paper to be sup-

pressed, others will shortly follow.

With free speech and free press at stake, every sincere believer in democratic and civil liberties should rally in support of this fight.

* * *

A West Coast seaman who — perhaps on a trip East—managed to secure a copy of the December **FOURTH INTERNATIONAL**, which contained the article about the West Coast Longshoremen and the Bridges Plan, sent us a letter which we think all of you will be interested in reading:

"While working aboard ship a few days ago, I met a longshoreman who had previously been a shipmate of mine a few years ago. He had taken a trip at that time because work was slack on the front.

"This fellow worker had gone through the 1934 and 1936 strikes on the Pacific Coast waterfront. We got to discussing the policies being followed now by the Bridges leadership in the longshoremen's union. He was definitely opposed to the surrender of conditions that had been won only after a bitter struggle against the bosses and stated that there was considerable opposition to the Bridges policies but that the opposition lacked a leadership with a correct program.

"I gave him a copy of the December issue of the **FOURTH INTERNATIONAL** which contained the article, "West Coast Longshoremen and the Bridges Plan." He took the magazine with him when the longshoremen knocked off to eat. When he got back from dinner I asked him what he thought of the article and he told me that it had confirmed in his mind what he and a lot of other longshoremen had been suspecting for some time—that Bridges and the Stalinists were selling out to the shipowners.

"He asked whether I could get him some additional copies so that he could pass them along to his fellow workers.

"It would be my suggestion that if the article is reprinted for wide distribution among the longshoremen that it contain an introduction or something, that would explain the reasons for the reactionary policies of the Stalinists in the present period in the trade unions of this country—particularly among the seamen and longshoremen."

* * *

We have received many protests about failure to receive the December **FOURTH INTERNATIONAL**.

A friend in Idaho shows his sympathy in saying "the least that I can do now is to subscribe to *The Militant* and **FOURTH INTERNATIONAL**."

Our agent in Cleveland asks us to "please send a complete statement—including those issues destroyed by the government. We are continuing efforts for subs and contributions."

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FOURTH INTERNATIONAL

VOLUME IV

FEBRUARY 1943

NO. 2

Biddle's New Attack on 'The Militant'

The Post Office burned our December issues as "non-mailable"; and our January issue was held up for examination for two weeks before the postal authorities released it to subscribers. The same procedure will follow with this and succeeding issues—or, more likely, as happened to *The Militant* after the Post Office burned four issues of it, we shall shortly be called to a Washington hearing to show cause why our mailing rights should not be cancelled altogether. Loss of mailing rights is tantamount to outright suppression of papers of national circulation. The Postmaster-General's decision on *The Militant* is now pending. We fear the worst since we learned that this is no proceeding initiated by a minor flunkey, but was directly instigated by Attorney-General Francis Biddle. As in the now famous Minneapolis "sedition" trial of the 28 Socialist Workers Party and Local 544-CIO members, when the indictment was preceded by Daniel J. Tobin's appeal to the White House for aid against the Trotskyists and that aid was promised, this time too we can be sure that Biddle did not move without the approval of the highest summits of the government.

At the Washington hearing on *The Militant* in the Postmaster-General's office on January 21, Biddle's letter to the Postmaster-General initiating the action was read into the record. Dated December 28, it states:

"I am transmitting for your consideration information relating to *The Militant*. . . .

"Since December 7, 1941 this publication has openly discouraged participation in the war by the masses of the people. It is permeated with the thesis that the war is being fought solely for the benefit of the ruling groups and will serve merely to continue the enslavement of the working classes. It is urged that this war is only an imperialistic clash for spoils at the expense of the lives and living standards of the people who should, therefore, not support it. The lines in the publication also include derision of democracy and the 'four freedoms' as hypocritical shams, anti-British attacks, charges of Fascist collaboration by the United States, stimulation of race issues and other material deemed divisionary in character and appearing to be calculated to engender opposition to the war efforts as well as to interfere with the morale of the armed forces. I am enclosing a memorandum consisting solely of excerpts taken from *The Militant* since December 7, 1941.

"I suggest that you may wish to consider the issuance of an order to show cause why *The Militant* should not be denied the second-class mailing privilege. . . ."

The peculiar emphases of Biddle's letter can best be understood if one recalls the line laid down by Biddle for the prosecution in the Minneapolis trial. Biddle used to be a liberal, a financial contributor to the American Civil Liberties Union. He would go far to pretend he is not attacking civil liberties; he went very far, indeed, to do so in the Minneapolis trial; in fact, he preferred to organize a frameup rather than an open attack on civil liberties. His motivation was indicated in his

letter of September 4, 1941, answering a protest from the American Civil Liberties Union, in which he said:

"You state from your examination of the 'character of the evidence on which the indictment rests' that the charges [of the government] attack utterances or publications and include only one overt act—the organization of the workers in a defense corps. This overt act, however—arming workers to carry out the purpose to which the utterances are addressed—is clearly sufficient to remove the case from one involving expression of opinion. . . . You suggest that the facts show that the intent [of the Union Defense Guard] was merely to protect union property against threats of violence. But the indictment specifically alleges otherwise, and I am confident that it will be supported in the evidence."

Biddle proved too confident. Precisely the manufactured evidence on which Biddle depended to "remove the case from one involving expression of opinion"—Count 1 of the indictment and its supporting "witnesses," charging that the defendants had "procured certain explosives," and armed Local 544-CIO's Defense Guard for the purpose of overthrowing the government—was rejected by the jury, which convicted 18 of the defendants solely on Count 2, based on the notorious Smith Act of 1940 which outlaws advocacy of revolutionary doctrine. In addition the jury recommended leniency, further underlining the fact that the jury was aware that it was convicting men for their *beliefs* and not for acts against the government. The jury's verdict in the Minneapolis trial was a moral defeat for Biddle in two ways: its rejection of Count 1 showed the charges about arms and explosives to be a crude frameup; and it left Biddle clearly responsible for a prosecution obviously aimed against the civil liberties of the defendants and the militant labor movement.

Now Biddle attempts essentially the same kind of frameup. Although basing himself on legal precedents created by Wilson's Attorney-Generals who made no bones about the fact that they were limiting free speech in barring labor papers from the mails, Biddle must still pretend that he is not assaulting civil liberties. Hence the phrases in his letter about *The Militant* having "discouraged participation in the war," and interfering "with the morale of the armed forces." In line with Biddle's needs, Post Office Attorney William C. O'Brien insisted at the hearing that no issue of free speech was involved. He even insisted that the truth or falsity of the statements made by *The Militant* was not at issue. The sole question at issue, he declared, was that, although conscription is now the principal means of manning the armed forces, nevertheless enlistments are still sought for certain specialist services, and the "effect" of *The Militant* was to discourage enlistments. Since he made no attempt to introduce evidence showing that *The Militant* had actually discouraged anyone from enlisting, he could only mean the "possible effect" of *The Militant* on potential enlistments.

In thus attempting to get away from a free-speech issue, Biddle has actually instigated a formula which, if logically applied, would outlaw every criticism of the government, as the attorney for *The Militant*, Albert Goldman, pointed out. On the ground of possible effect, a frameup could be organized against every labor criticism of war profiteering, discrimination in taxation, government favoritism to Big Business, etc., etc. No wonder that the distinguished attorney, Osmond K. Fraenkel, representing the American Civil Liberties Union

at the hearing, characterized the action against *The Militant* as "the gravest threat to civil liberties which has arisen out of this war." For this is a threat not merely against *The Militant* and *Fourth International*, but against the entire labor movement. No trade union which defends the interests of its members will be safe from prosecution if Biddle's frameup formula prevails. Every labor organization is in duty bound to protest to the Postmaster-General, Democratic National Chairman Frank C. Walker, with whom the final decision rests.

The Month in Review

The Tenth Anniversary of the Third Reich—The State of the Union: What Roosevelt Didn't Report in His Annual Message—The Assassination of Carlo Tresca

"A THOUSAND YEARS," ROARED HITLER, "THE Third Reich will endure!"

Last month the humorless Gestapo spent a puzzled week wondering why Czechs on the main street of their town were turning their heads away to guffaw. The reason, discovered too late, was a movie theater's marquee reading "The Thousand-Year Reich"—Ends Thursday."

January 30, 1943 was the tenth anniversary of Hitler's assumption of the Chancellorship. And how does the Third Reich stand?

Its boasted rationalization of industry and abolition of unemployment were measures exclusively for war, and in that war it has visibly passed its apogee. With two to three million dead, countless other millions maimed, it is now reeling back before the Red Army, while at home not all the enormous labor drafts from the rest of pillaged Europe can keep its production level from falling, its overstrained plant from wearing out. Despite desperate exchange restrictions its bankruptcy is internationally visible, with the Reichsmark quoted at 3½ cents on the free bourses of Switzerland. Its tired people are hungry, and rapidly approaching the semi-starvation level of the occupied nations. Its "New Order" in Europe is one unending nightmare of assassinations, sabotage, slow-downs and bloodily ineffective mass-murders of hostages, where it is not (as in Jugoslavia) open civil war.

The repeated cashiering of Reichswehr generals and their replacement by either Nazi Party generals or compromise candidates indicate a deepening split between the NSDAP and the Prussian military caste. Hitler has been withdrawing to safety the units of the party's army-within-an-army, the *Waffen S.S.*; and again last month recruiting appeals for this special Nazi echelon were launched not only among the civilian populace but also within the regular army. Howard K. Smith, in his *Last Train from Berlin*, has described how, even as long ago as the autumn of 1941, the *Schuetzstaffel* were setting up block-houses and munitions-depots in all big German cities, especially in the workers' quarters. The latest indication of the degree of Hitler's uneasiness was a January 7 dispatch from Berlin to the Stockholm *Dagens Nyheter* reporting that the *Stuerm-
abteilung*, the old Brownshirts (dissolved in 1941), are now summoned to begin in February two months of "special" training, consisting of rifle-practice and grenade-throwing, under special instructors from the *Schuetzstaffel* regiments withdrawn from the Russian front.

There, then, stands the "eternal" Third Reich: only ten years, and its monolithic structure shows crevices and cracks running in every direction.

Under a Red Army attack essentially not superior to last year's, 220 crack Reichswehr divisions are being pressed back. And this is taking place in a period when Anglo-U.S. imperialism is not on the European continent, as it must be if it is to become the determining factor. The American bourgeoisie well knows what the signs and portents inside Germany mean in terms of revolutionary potentialities. This can be seen from a worriedly frank statement in an editorial of the authoritative *New York Times*. After pointing out in detail the visible signs of Hitler's growing weakness, the *Times* blurts:

"This is an opportunity for the Allied forces, but it is a *peril*, too, for it suggests that there may already be greater weakness than we realized under the facade of Nazi power. *The decisive battle may develop, in fact, before we are ready to fight it.*" (Our italics. *New York Times*, November 20, 1942.)

A peril to whom, please, gentlemen of the *Times*? Their worried words are a remarkable revelation. They deserve considerable mulling over.

As long as one year ago, trustworthy reports were received here about negotiations between the German General Staff and the British cabinet concerning what terms a successful military palace revolution could expect. The German offer was *then* rejected. . . .

Lately there has been a concerted press-campaign—including the Stalinist sheets—of "hate" articles whose general purpose has been to *identify* Hitlerism and the German people. Their basic theme has been that the German people *chose* Hitler, therefore the German people . . . etc. That the German working class never chose Hitler, but was betrayed into his hands, is the irrefutable historical fact demonstrated by Terence Phelan's "A Reminder: How Hitler Rose to Power," which we publish in this issue. That the German working class, the most important proletariat of western Europe, will rise to power on the ruins of Hitler's Reich.

For the gentlemen of the *New York Times*, Hitler's weakness is a "peril," the peril of socialist revolution. The "decisive battle" against Hitler, for socialism, may indeed develop before Allied imperialism can arrive to try to crush it, either in person or through the instrumentality of monocled Prussian generals. In any event, we have abiding faith in the revolutionary future of the German and European proletariat. It is the symbol

of Europe's growing hope, that Czech theater marquee under the nose of the Gestapo: The Thousand-Year Reich—Ends Thursday.

"THE REPORT ON THE STATE OF THE UNION" WAS the traditional title of President Roosevelt's annual message to Congress on January 7. But his hearers listened in vain, if they expected Roosevelt to describe the basic developments within the country in the course of his administration's conduct of the war. Certainly the most important developments are: the new stage of the concentration of the productive forces of the nation into the hands of a small group of super-giant monopolies; war profiteering on a scale which beggars the figures of World War I; the immunity of a lion's share of these profits from taxation; the consequent placing of the main burden of the war upon the masses through ever-growing taxes and ever-rising prices. Not a word of all this appeared in Roosevelt's address on the state of the nation. Yet Roosevelt knows very well the facts and the meaning of these facts. In the days when he found it useful to inveigh against the "economic royalists," Roosevelt sent a message to Congress on April 29, 1938, explaining the importance of a proposed study of monopolies. In it he said:

"The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism. . . .

"Among us today a concentration of private power without equal in history is growing.

"This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the Nation as a whole.

"Private enterprise is ceasing to be free enterprise and is becoming a cluster of private collectivism; masking itself as a system of free enterprise after the American model, it is in fact becoming a concealed cartel system after the European model."

In accordance with this presidential message Congress then created the Temporary National Economic Committee, which completed its work in March 1941—82 large volumes, 37 of hearings and 43 of special monographs, proving conclusively the stranglehold of the monopolies on American economy and politics. One of the key conclusions reached was:

"Speaking bluntly, the Government and the public are 'over a barrel' when it comes to dealing with business in time of war or other crisis. Business refuses to work, except on terms which it dictates. It controls the natural resources, the liquid assets, the strategic position in the country's economic structure, and its technical equipment and knowledge of processes. The experience of the [first] World War, now apparently being repeated, indicates that business will use this control only if it is 'paid properly.' In effect, this is blackmail, not too fully disguised." (TNEC Monograph No. 26, *Economic Power and Political Pressures*, 1940, p. 172.)

This "blackmail" was "apparently" being repeated already in 1940. What has happened in the intervening years? Roosevelt remained silent on this basic question.

DESPITE ROOSEVELT'S SILENCE, THE FACTS ABOUT monopoly growth through control of war production are beginning to come to light. Before Pearl Harbor, the facts were relatively available in the reports of various governmental

bodies; we assembled the facts as of that time in "War and the Monopolies" in the February 1942 *Fourth International*. Since the government's official entry into the war, however, the growth of monopoly and war profiteering appears to have become largely official secrets. To tell the facts has, indeed, become a crime in at least one major instance: In the proceedings instigated by the Department of Justice seeking to bar from the mails our sister weekly, *The Militant*, the postal authorities cited as "seditious" numerous excerpts from *The Militant* which bared the wartime growth of Big Business and its war profiteering. Those facts which do come through government channels hardly ever get into the kept press. In the last month, however, there have been several important disclosures which show that, since Roosevelt in 1939 viewed with "disquiet" the danger to "the liberty of a democracy" from growth of monopoly, the monopolies have far outstripped their previous strength.

These disclosures, it is significant to note, did not come from those organs of government which are in control of war production—the Big Business-controlled WPB and the powerful oligarchies of the War and Navy Departments which alone have the power to sign contracts for war orders. Typical of the "facts" made public by these departments was the statement by Navy Undersecretary James W. Forrestal to the Truman Senate Committee on the number of companies holding Navy contracts. He said:

"It is impossible to determine the actual number of companies and contracts, but I am told that a rough estimate would indicate that over 3,000,000 prime contracts and subcontracts are held by more than 80,000 companies." (*New York Times*, January 22, 1943.)

HOW MISLEADING THIS NAVY STATEMENT IS, BECOMES clear when we contrast it with the figures cited by Lou E. Holland, head of the Smaller War Plants Corporation: "71 per cent of all war contracts are now being allotted to 100 manufacturing concerns out of the 184,000 manufacturers in the United States," Mr. Holland declared on December 30, 1942, in an address at the Advertising Club in New York. Mr. Holland's statement was the first time in nearly a year that a government official gave figures indicating the extent of monopoly control of war production. His speech made it plain that his corporation—set up last June by Congress to spread war contracts to small companies—had proved powerless to halt the forward march of Big Business and the resultant extirpation of many small businesses. Perhaps the information he gave has something to do with the fact that, less than three weeks later, on January 19, Mr. Holland was removed from his post by Roosevelt.

A HITHERTO SECRET OPA STUDY MORE THAN corroborates Mr. Holland's figures. This four volume study of war production and profits was printed in November, but is still kept from the public. Its existence was unknown until Jonathan Stout of the *New Leader* managed to see a copy and began publishing a series of articles on it, the first one appearing in the January 9 *New Leader*. The January 18 *CIO News* also disclosed some of the facts in this OPA study. As yet the January 15 *PM* is the only daily newspaper which has breathed a word about it. On the extent of monopoly control of war production, Mr. Stout cites the following paragraphs from the OPA study:

"By the end of 1941 . . . over 70 per cent of the [war] contracts had been awarded to 100 large companies, mostly producers of durable goods. Thirty-eight companies in three industries—aircraft, autos and steel—held half of the total contracts.

"An additional 15 per cent of the contracts was scattered among 42 companies engaged in shipbuilding or the manufacture of industrial machinery, railway equipment, auto parts and accessories and chemicals." (*New Leader*, January 16.)

One hundred companies holding 70 per cent of all war contracts; 38 of them holding half of all contracts, 80 of them holding 65 per cent of all contracts—these figures illuminate too glaringly the kind of society which is resulting from the war. No wonder Roosevelt did not choose to include them among the empty generalities of his report on the state of the nation.

THE MEANING OF WARTIME GROWTH OF MONOPOLIES for post-war economy was indicated by testimony given this month by Secretary of the Interior Harold L. Ickes before the Senate Small Business Committee. Traditionally an "anti-monopolist," Ickes is now an impotent figure in Washington, pushed aside by the corporation chieftains and brass hats of the WPB and the War and Navy Departments; he knows whereof he speaks. None of the daily newspapers reported his key figures, which the January 23 *Nation* cites as follows:

"In 1939, 170,000 small plants turned out 70 per cent of our productive goods; the 100 big ones, 'the blue-chip corporations,' accounted for the remaining 30 per cent. Today this situation has been reversed. The 100 big concerns turn out 70 per cent of the productive business, mostly war work; 20 per cent of productive output has been eliminated by war-time diversions; the survivors of the 170,000 small plants are trying to get along on the balance of 10 per cent."

These figures dramatize an almost incredible rate of speed of growth of the monopolies at the expense of small business and the workers. In 1939 Roosevelt said: "Among us today a concentration of private power without equal in history is growing." How would he characterize the enormously accelerated development of that situation today, if he were not silently abetting it? The *Nation* wailingly "hopes that Senator Murray and his colleagues of the Small Business Committee will fight at this session for a Metals and Minerals Administration to be set up in the Interior Department under an Ickes rather than an Eberstadt [WPB vice-chairman]." But why the Nelsons and Eberstadts and their associates in the War and Navy Departments are in control, while Ickes is impotent to stem the tide—that neither the *Nation* nor any of the liberal supporters of Roosevelt dare try to explain.

THE DISASTROUS CONSEQUENCES TO PRODUCTION of monopoly control has been explained by us on several previous occasions. Before Pearl Harbor, the Truman Committee of the Senate and the Tolan Committee of the House issued several reports showing that monopoly control led to unused plants of the smaller corporations while the monopolies, with an eye to post-war problems, resisted expansion of production—most notably in steel, auto, aluminum and copper. The pretext for not spreading war contracts to more smaller plants has been the lack of materials. But this apparent lack, Ickes indicated in his testimony to the Senate Small Business Committee, is itself due to monopoly control. Vast additional amounts of materials could be drawn from the smaller mines

and mills, but the monopolists in charge of the WPB refuse to grant the necessary loans and facilities required to open up these additional potential sources. For example, Ickes cited great metallurgical industries now operating in Germany, Sweden and Norway, based on "low-grade" ores either worse or no better than non-monopoly ores in this country which the WPB and War Department dismiss as of no commercial value. Ickes' Bureau of Mines has developed a successful process for ending the aluminum bottleneck by obtaining aluminum from low-grade clay; but use of the process would destroy ALCOA's aluminum monopoly; hence it remained unused while ALCOA uses up ships to bring aluminum ore from abroad. What we are saying is of course not at all new to Roosevelt; one of the TNEC monographs three years ago said it very well:

"Monopoly impairs democracy's ability to defend itself in time of war. National defense requires an expansion of output: monopoly seeks to augment its profit by restricting output and maintaining price. It thus obstructs the procurement of arms and supplies, increases the cost of defense, adds to the burden of debt and taxation, and undermines national morale. When the Nation is attacked, it may even turn the balance from victory to defeat." (TNEC Monograph No. 21, *Competition and Monopoly in American Industry*, 1940, p. 18.)

Roosevelt knows very well what is happening; but, as the TNEC monograph previously quoted says, "The Government and the public are 'over a barrel' when it comes to dealing with business in time of war or other crisis." Or, to use Marxist terminology, the government is, fundamentally, the executive agency of the capitalist class as a whole.

THE GARGANTUAN PROFITS REAPED BY THE monopolists from war contracts is indicated by the figure, cited by the *CIO News* from the OPA study, that "some 200 holders of government contracts increased their profits—after taxes—from \$781,292,000 in 1939 to \$1,401,722,000 in 1941—a rise of 79 per cent." It is not clear whether the 200 contractors cited include the 100 who monopolize 70 per cent of war contracts; none of the material so far published has separated out and analyzed this key group of 100. But this group is included in published figures covering 1,753 big companies (obviously in many cases including both corporations and subsidiaries each counted separately). This number represented less than one per cent of the total number of corporations reporting net income, but their profits were more than half of the total of all corporations. Concerning this group Mr. Stout cites the following paragraphs from the OPA study:

"In 1939, income taxes absorbed 18 per cent of the profits of all 1,753 corporations, while in 1941 almost 50 per cent was paid in taxes. Nevertheless, aggregate 1941 profits after taxes showed an increase of 56 per cent over the 1939 level.

"For durable goods producers 1941 profits after taxes were almost double those of 1939; for non-durable the increase amounted to over 36 per cent, and for trade and services 25 per cent."

Even these startling figures do not tell the whole story for, the OPA study notes, many companies set up huge "reserves" for taxes which were far larger than required for taxes, and thus kept 1941 profit figures lower than the reality.

The "almost double" increase of profits of the heavy-industry oligarchy in 1941 over 1939 was still in a "peace" year. What about 1942, a war year in which higher taxes were operating? The so-called war profits (excess profits) tax was supposed to "take the profits out of war," in accordance with Roosevelt's promise that there would be no "war millionaires"

this time. This tax at first glance seems heavy—formally set at 90 per cent but, with a 10 per cent post-war refund, actually set at 80 per cent of all profits over “peacetime average” (usually the 1936-39 average). When, however, a corporation is reaping three, four and five times the amount of 1936-39 average profits—69 war contractors jumped in 1941 to between 400 and 500 per cent of peacetime profits—and, in addition to “average” profits and “reserves” retains 20 per cent of all its excess profits, the net result remains profiteering on a gigantic scale. The annual reports for 1942 have not yet been issued by the big corporations, but the ultra-reactionary *United States News* of October 30, 1942, estimated that: “With refund, net profits of all corporations after taxes will be about five per cent under 1941; will be nearly 25 per cent above 1940. This is a very favorable picture.”

As for this year of 1943, when corporation taxes will be collected under the brazenly reactionary 1942 Revenue Act (see our analysis of it in the November 1942 *Fourth International*) profiteering will again be rocketing skyward, beyond the fabulous levels set in 1941.

IN ESTIMATING THE GROWTH OF THE MONOPOLIES during the war the item of profits is but one factor; so far an even more important factor is the expansion of plants and equipment with government money. Of the 18 billions reported expended by the Reconstruction Finance Corporation in its December 15, 1942, report, the *CIO News* estimates that “well over 12 billions” have gone to government-financed new plants which are principally in the hands of the 100 prime contractors. As we explained in detail in the February 1942 *Fourth International*, most of these plants will inevitably remain the property of the monopolies without much cost. They are already “buying” them by a five-year tax amortization provision under which they are charging off the cost against taxes, or will buy them from the government at next to nothing after the war. In its pre-Pearl Harbor reports, the Truman Committee took it for granted that such government-financed plants were in effect gifts by the government to the corporations which are operating them.

“The liberty of a democracy is not safe” under monopolies said Roosevelt in 1938. Apparently the growth of the monopolies has reached the point where he dare no longer mention

them in his annual report on the state of the union. The international reactionary role of this monopoly-dominated economy in the post-war world is ably demonstrated by C. Charles’ “Wallace’s Utopia and Post-War Reality,” in this issue.

CARLO TRESCA WAS OUR COMRADE-IN-ARMS against the fascists and Stalinists, and on January 11 fell by a bullet which certainly came from the camp of his political enemies. Our opinion on who killed him is substantially that expressed by Luigi Antonini, the head of the Italian-American Labor Council which represents 300,000 trade unionists of New York:

“Carlo Tresca needs some one to square his accounts with the Communist Party. Naturally I cannot point my finger at his assassin, but if I had to choose between the Fascists and the Communists [Stalinists], I will give the Communists 95 per cent that they did it, and the Fascists 5 per cent because the Fascists at this time are running. . . . And I think the Communists are in better position to do it in revenge on this man.” (*New York Times*, January 22.)

The brazen Stalinist argument that the crime cannot be laid at their door because, as “Marxists,” they do not employ individual terror, must be dismissed with contempt by anyone who knows the long record of assassinations by the Stalinists and the GPU. Even the *New Republic*, in seeking to absolve the Stalinists of this present crime, finds it necessary to concede that the GPU has previously assassinated political opponents, citing the murder of our comrade Ignace Reiss in Switzerland in 1938 and the “probable” GPU assassination of Leon Trotsky in Mexico in 1940. (Incidentally even that “probable” comes two and a half years late—at the time the GPU killed Trotsky the *New Republic* was silent.)

Our attitude toward Carlo Tresca was succinctly expressed in the letter which Leon Trotsky sent to him on April 19, 1939:

“Dear Comrade Tresca:

“In spite of all the profound divergences, which neither you nor I have the habit to deny or attenuate, I hope that you will permit me to express my deepest esteem for you, as for a man who is every inch a fighter. Your sixtieth birthday is being celebrated by your friends, and I take the liberty of counting myself among them. I hope that your moral vigor and revolutionary ardor will be conserved for a long time to come.

“Yours,

“LEON TROTSKY.”

A Reminder: How Hitler Came to Power

By TERENCE PHELAN

In the American “white paper,” *Peace and War*, there is a particularly strange statement made by Secretary Hull:

“the most incomprehensible circumstance in the whole modern world is the ability of dictators, overnight almost, to stand 35 million Italians and 65 million Germans on their heads and so dominate their mental processes that they arise the next morning and insist on being sent to the front-line trenches without delay.”

As the cabinet specialist in foreign affairs, Hull must know perfectly well that for 15 years after World War I the German workers bitterly battled nazism on its rise to power, became the first victims of its sadistic tyranny, and would be the last to volunteer in its defense. Hull’s farrago of nonsense might be

dismissed as hill-billy ignorance were it not that it coincides with a “hate” campaign by government spokesmen and the kept press designed to identify the German people with the nazi regime, by muddling up the entire question of how Hitler came to power.

In the face of this contemptible campaign of misrepresentation and confusion, it is necessary to remind the new generation of American workers how courageously their German brothers fought for fifteen years for a workers’ world—fought on the barricades in 1918-19, 1921 and 1923—and were ready to fight again to smash Hitler in 1931-33, but were betrayed to the nazi terror by the folly and treachery of their leaders.

The two main prerequisites for the success of fascism are: such a profound and insoluble crisis of capitalism that it can no longer maintain democratic forms; and the failure of the working class to carry through the socialist solution to that impasse. Only after the proletariat has had its chance and failed through the lack of a mass revolutionary party, failure to seize the revolutionary opportunity, or defeat of the revolution by force or betrayal—can fascism, counter-attacking, become the government. In the undeveloped notes for his last article, Leon Trotsky made the following more detailed formulation:

"Both theoretical analysis as well as the rich historical experience of the last quarter of a century have demonstrated with equal force that fascism is each time the final link of a specific political cycle composed of the following: the gravest crisis of capitalist society; the growth of the radicalization of the working class and a yearning for change on the part of the rural and urban petty bourgeoisie; the extreme confusion of the big bourgeoisie; its cowardly and treacherous maneuvers aimed at avoiding the revolutionary climax; the exhaustion of the proletariat, growing confusion and indifference; the aggravation of the social crisis; the despair of the petty bourgeoisie, its yearning for change, the collective neurosis of the petty bourgeoisie, its readiness to believe in miracles; its readiness for violent measures; the growth of hostility toward the proletariat which has deceived its expectations. These are the premises for a swift formation of a fascist party and its victory." (*Fourth International*, October 1940.)

Each of these preconditions rose, waned, rose again and finally all juxtaposed in the final crisis that brought Hitler to the chancellorship.

The Crisis of German Capitalism

The post-war situation of Germany was catastrophic. Of her armed forces, more than 1,250,000 men died; 4,250,000 were wounded. Nor did the Armistice stop the slaughter: before the Allied blockade was lifted, a million more had perished from hunger. From the continental body of Germany, the Versailles Treaty cut 10 per cent of the population, 12 per cent of the area, including one-quarter of her coal deposits and three-quarters of her iron deposits. As for overseas trade, her colonies were all seized, and 80 per cent of her merchant fleet. She was stripped of hundreds of thousands of heads of cattle and poultry, a large proportion of her railway rolling stock and barges. On an economy already shattered by war, the Versailles Treaty piled astronomical reparations payments. Germany had become the weakest link in the capitalist chain.

The Weimar Republic was economically unviable. Suffocated by Versailles, full of concentrated contradictions, it staggered from crisis to crisis. The inflation of 1920-23, though it put 70,000,000,000 gold marks in the pockets of big business, utterly ruined both petty bourgeoisie and proletariat. The temporary stabilization of world capitalism and the influx of foreign loans enabled Weimar to creak along again from 1925 to 1929. But then the world crisis of capitalism struck. By the middle of 1932, the situation of Germany was the following:

". . . German production was fifty-five per cent of what it had been in 1928. Nearly seventy-five per cent of industry was at a standstill. Between January, 1930, and January, 1933, imports declined by two-thirds and exports by nearly half. In three years \$7,290,000,000 had been taken from the incomes of the workers. The average weekly wage in eighteen months had been reduced from \$10.24 to \$5.46. Unemployment benefit was \$9.00 a month. Tax after tax crippled the workers and poor, Crisis Tax, Occupation Tax, Head Tax, Salt Tax, Turnover Tax

to the small trader. But on the other hand the big magnates had been granted financial aid amounting to \$699,840,000. By this time the unemployed were nearly seven million, and there were 300 suicides per week." (C. L. R. James: *World Revolution, 1917-1936: The Rise and Fall of the Communist International*. New York, Pioneer Publishers, 1937.)

It was obviously impossible to continue thus. On January 30, 1933, German finance capital made its decision, called Hitler to the chancellorship.

The Revolution of 1918-19

Twice the German workers had power within their grasp; on several other occasions they had a fighting chance. They failed, not for any lack of militancy, heroism or self-sacrifice, but for other reasons which will appear; yet by the pitiless operation of the historic law, they are now paying with their lives the penalty of these failures.

The German revolution of 1918 reflected the blaze of hope kindled throughout Europe by the Soviet October. The slaveringly anti-Bolshevik Winston Churchill became witness in his *World Crisis* that "the German prisoners liberated from Russia by the Treaty of Brest-Litovsk returned home infected by the Lenin virus. In large numbers they refused to go again to the front." General Ludendorff confirms this. According to the memoirs of Prince Max von Baden, Ludendorff desperately needed the 27 divisions from the Russian front for the West; but he sadly agreed with General Hoffmann that "the morale of these troops has been so undermined by Bolshevik propaganda that they would be of no real service in an attack."

Nor was Soviet solidarity with the German revolution limited, in those pre-Stalinist days of Lenin and Trotsky, to mere sympathy: M. P. Price, who was on the spot, testifies in his *Reminiscences of the Russian Revolution*:

"At a special meeting of the Moscow Trade Union Council . . . I heard Lenin offer the support of a million Red soldiers and all the material resources of the Soviet republic . . . to the German workers if they should overthrow the Kaiser's government and get into difficulties with the Entente."

The Kiel sailors' mutiny of November 2, 1918, set up the first soviets (called "Soldiers' and Workmen's Councils"); Kiel was quickly followed by Hamburg, Lubeck, Leipzig and Dresden. The workers showed they meant business, and the rest of the war-ruined and desperate toiling masses of Germany swung behind them. A general strike on November 9 forced the Kaiser's abdication. But the social democratic leaders, particularly Ebert, Scheidemann and Noske, worked skilfully to save capitalism. On November 10, Ebert made a secret agreement with the Imperial Chancellor, Max von Baden, and that day the social democratic organ, *Vorwaerts*, published its notorious appeal: "Citizens, away from the streets; keep law and order." A provisional government of six (three social democrats, three independent socialists—Liebknecht was invited but refused to enter it) was set up under the pseudo-revolutionary title of Council of People's Commissars. Meanwhile a secret conference between the social democratic leaders and the top German industrialists, which had begun on November 1, continued to the 15th as if there were no revolution at all: at it the social democrats agreed to strangle the revolution in return for a few gains.

On December 16 there convened in Berlin the national Congress of Soldiers' and Workmen's Councils. This would have become, as in Russia, the organ of proletarian dictatorship had there had been a trained and patient Bolshevik party to guide the workers. Instead, the social democratic leaders prevailed on it

to abdicate in favor of a Constituent Assembly. Next, Scheidemann and Noske deliberately began a series of provocations designed to enable them to shoot down the most revolutionary sections of the workers. In Berlin, the provocation was the ousting of the Independent Socialist Police Chief Eichorn. In protest, on January 6, 1919, the impatient workers took to the streets; the social democratic government fled. Karl Liebknecht, who with Rosa Luxemburg had formed in December the Spartakusbund, was chosen by the Berlin revolutionists to form with Ledebour a revolutionary committee to set up a new government. Scheidemann and Noske gathered reactionary army officers who slaughtered the workers; the *Vorwaerts* published an open incitement to the murder of Liebknecht and Luxemburg which army officers carried out a week before the January 19 elections to the Constituent Assembly. By these and other bloodlettings, Noske and Scheidemann beheaded the German working class of its best elements. The effect showed in the Assembly election results—bourgeois parties, 236; social democrats, 163; Independent Socialists, 22. The way was open to the Weimar Republic, whose rickety structure was precariously erected on the corpses of the German workers.

Yet even in the ebb that followed, the workers demonstrated their militancy and courage. The opening of the Constituent Assembly was met by uprisings in Berlin and elsewhere. In April a Soviet Republic was declared in Bavaria, only to be crushed by troops from the north. Noske's bloodhounds, as they were called throughout the world, killed 15,000 workers in the first nine months of 1919. Yet, when the extreme right-wing General Kapp in 1920 made his *Putsch* on Berlin and the social democratic ministers ran for their lives, the workers rose and drove the Kappists out. Again in 1921, in the "March Action," the newly formed and raw German Communist Party (KPD) reacted to the dispatch of troops against the striking miners in the Mansfield district by calling for a general strike, the arming of the workers, and the overthrow of the government, and considerable sections of the workers rallied valiantly. The regional "March Action" was premature and therefore *Putschism*, yet the fact remains that the workers who were reached fought with a selfless courage against hopeless odds.

The Lost Opportunity of 1923

After a brief interlude of precarious stabilization of the bourgeoisie's position, Poincaré's occupation of the Rhineland in January 1923 to enforce the payment of reparations "in kind" precipitated a new revolutionary situation. The capitalists called for "passive resistance" but joined with the French military in smashing strikes and lined their pockets during the resultant galloping inflation. By June the mark had fallen to over 70,000 to the dollar. The savings of the petty bourgeoisie evaporated. Prices sky-rocketed, while wages lumbered only slowly after them. Suffering was universal. Middle class as well as proletariat boiled with revolutionary ferment. The social democratic leaders could no longer restrain their own masses. By the thousands they poured out of the SPD into the KPD (the German Communist Party). As inflation soared dizzily higher (by August the mark was over a million to the dollar), broader and broader layers of the population were radicalized and clamored for action. Strikes were practically continuous. The government's state-of-siege regulations were laughed to scorn by the workers. The factory councils were renewed by new elections of Communists and workers' militias sprang up. By August, a general strike toppled the all-capitalist cabinet. Once

more, the social democratic leaders rushed to offer capitalism their aid: they entered a coalition cabinet and manned the crucial ministries: Interior, Justice, and Finance. The moment of the Communist Party approached. It had, openly behind it or as enthusiastic allies ready to accept its leadership, the vast majority of the German working class, even the bourgeois leaders later admitted this fact. The most favorable revolutionary situation in a generation rushed toward its climax: the workers' seizure of state power.

But here entered, for the first time in the Comintern, the paralyzing hand of Stalin. Lenin was in his last illness; all the attention of the "Troika" (Stalin, Zinoviev and Kamenev) was absorbed by their maneuvers against Trotsky, whom they were isolating. At the June 1923 meeting of the Executive Committee of the Communist International, the Troika did not even place on the agenda the question of preparing the German insurrection. Stalin, who with this action began to win his title of "the organizer of defeats," was particularly opposed to the seizure of the unique opportunity. A year later he was to launch his utterly false theory of building socialism in a single country; and already that theory's evil concomitant, no revolution anywhere else, was embryonic in his thought. In a letter in August to Zinoviev and Bukharin, the then principal members of the ECCI, he wrote:

"If today in Germany the power, so to speak, falls [sic], and the Communists seize hold of it, they will fall with a crash. That in the 'best' case. And at the worst, they will be smashed to pieces and thrown back. The whole thing is not that Brandler [leader of the KPD] wants to 'educate the masses,' but that the bourgeoisie plus the Right social democrats will surely transform the lessons—the demonstration—into a general battle (at this moment all the chances are on their side) and exterminate them. Of course, the Fascists are not asleep, but it is to our interest that they attack first: that will rally the whole working class around the Communists (Germany is not Bulgaria). Besides, according to all information, the Fascists are weak in Germany. *In my opinion, the Germans must be curbed not spurred on.*" (Revealed by Zinoviev in 1927; published in *Arbeiterpolitik*, Leipzig, February 9, 1929.)

It is history that Stalin had his way. But that would have been impossible—he had not yet seized open control of the Communist parties—had the leadership of the KPD possessed the necessary independence and soundness in estimating the situation. Despite the readiness of the great masses to follow the Communist Party, there appeared in that leadership the same vacillating tendency as that of Zinoviev-Kamenev on the eve of the Bolshevik revolution. As Trotsky immediately afterward underlined, in his *Lessons of October*, contrasting the Russian and the German Octobers:

"It seemed to them [the German leaders] that the constantly rising revolutionary floodtide would automatically solve the military question. But when the task stared them in the face, the very same comrades who had heretofore treated the armed forces of the enemy as if they were non-existent, went immediately to the other extreme. They placed implicit faith in all the statistics of the armed strength of the bourgeoisie, meticulously added to the latter the forces of the Reichswehr and the police; then they reduced the whole to a round number (half a million or more) and so obtained a compact mass force armed to the teeth and absolutely sufficient to paralyze their own efforts. No doubt the forces of the German counter-revolution were . . . numerically [strong]. . . . But so were the effective forces of the German revolution. The proletariat composes the overwhelming majority of the population in Germany

. . . the insurrection would have immediately blazed in scores of mighty proletarian centers. On this arena, the armed forces of the enemy would not have seemed nearly as terrible as they did in statistical computations, reduced to round figures." (*Lessons of October*, Pioneer Publishers, 1937. First published in 1924.)

With the weight of the Troika added to the fears of the faint-hearts, the KPD was derailed. Its leaders tried to mark time; but what does not progress slips back. Encouraged, the capitalists tentatively launched a counter-attack: the coalition cabinet declared martial law; a Rightist dictatorship was set up in Bavaria; the bosses demanded annulment of the eight-hour day. The workers, as always in the first ebb of a truly revolutionary situation, reacted with a furious wave of redoubled militancy and looked to the Communists for leadership.

The party failed to give it—not even when troops from Berlin were sent to depose the KPD-supported provincial governments of Saxony and Thuringia. An uprising was conditionally planned, then called off. The Hamburg section was not warned of the cancelation, and there resulted a tragic miniature *Putsch*, in which the workers gave still one further demonstration of their almost incredible heroism (a mere 300 captured all the Hamburg police stations and the uprising held out for three days against the entire might of the German state, including two navy cruisers rushed to the harbor). But it was a local *Putsch*, not a German revolution. The moment missed, repressions doubled. The workers felt tricked, sold, leaderless. The petty bourgeoisie, which had characteristically swung behind the working class when the latter seemed triumphantly advancing toward power, was visibly "deceived in its expectations," and within it there began that "growth of hostility toward the proletariat" described by Trotsky as a precondition of fascist growth. Reaction felt a new confidence: the few 1918 gains, such as the eight-hour day, were wiped out, and wages plummeted; 9,000 workers were haled before the courts; the Communist Party itself was outlawed for a time. The bourgeoisie dismissed a trifling *Putsch* in Munich, led by the slightly mad General Ludendorff and an unknown ex-serviceman named Adolf Hitler: as yet it had no need of fascism. It was providentially aided at this moment by the temporary stabilization of world capitalism which lasted till 1929.

In his *Third International After Lenin*, Trotsky succinctly summarizes:

"Here we had a classic example of a missed revolutionary situation. After all the German proletariat had gone through in recent years, it could be led to a decisive struggle only if it were convinced that this time the question would be decisively resolved and that the communist party was ready for the struggle and capable of achieving the victory. But . . . the leadership as a whole vacillated and this irresolution was transmitted to the party and through it to the class. The revolutionary situation was thereby missed."

Thus was created the second main prerequisite for the mass growth of a fascist party: that the working class had had its chance, and (through no fault of its own) had failed.

The Rise of Nazism

Unlike classic police reaction, fascism builds on a mass base. To obtain this, it offers the disoriented and desperate petty bourgeoisie and lumpenproletariat a violently demagogic anti-capitalist, anti-monopoly program. It is financed, however, precisely by monopoly capital. It thus rests on two main supports: a mass party and capitalist subsidies.

It is expensive, violent and risky. Capital prefers as long as possible to rule through the smoother method of democracy, while keeping fascism in reserve. When the crisis of capitalism, however, reaches the point where it is impossible further to depress the masses' living standards except by destroying their unions and parties, capital calls in fascism. The destruction of the workers' resistance enables the capitalist state to prepare for the external "solution": imperialist war.

Thus for really large-scale growth of fascism, two components are necessary, both stemming from the acuteness of the crisis of democratic capitalism: the despair of large masses, and the decision of an important sector of capital that fascism is the only way out.

The 1923-24 inflation had wiped out the savings of the middle class. The ruthless "rationalization" of German industry to compete in the world market sped the creation of giant monopolies, which drove small business rapidly to the wall. Big department and chain stores forced small shopkeepers out of business or condemned them to a precarious marginal existence. Unemployment, always endemic since the war, crept uncheckably up to staggering totals. The government measures to alleviate it were utterly inadequate; and there was created a vast uneasy army of millions of declassed elements, lumpenproletarians, whose ranks were yearly swelled by a dynamic and desperate youth doomed from the very start of life to hopeless idleness. Hitler, bent on saving monopoly capitalism, inveighed demagogically against capitalism and monopoly, promised the small businessmen and shopkeepers the break-up of the industrial combines and the department stores, promised the unemployed full employment and the youth a normal future, promised a resentful nation as a whole freedom from the bonds of Versailles, promised miracles to everyone.

With the missing of the 1923 revolutionary situation the petty bourgeoisie which by its nature cannot have an independent policy, turned increasingly away from the proletariat. Looking for miracles, the prey of demagogic catchwords, it wandered from party to party: the Nationalists, the Center, the People's, the National-Socialists, and a score of smaller ones. During the comparative stabilization of 1925-29, nazism's progress was slow. In May and December of 1924, for example, even by combining electoral forces with the German Social, People's Bloc and National Freedom Parties, it managed respectively only 2,251,000 and 906,000 votes; in May 1928, running independently, 809,000.

But with the world crash of 1929, Hitlerism began a tremendous surge. Important sectors of German capitalism (and certain international capitalist groups), fearing a new and final revolutionary wave, swung behind Hitler with enormous subsidies; and the petty bourgeoisie, in ultimate despair, with its "readiness to believe in miracles," its "readiness for violent measures," responded to his demagogy. The results showed startlingly in the September 1930 elections: the Nazis polled 6,401,000 votes. It was a shrieking alarm signal.

That same month, from his exile in Prinkipo, Turkey, Trotsky issued a crystal-clear warning in a pamphlet entitled *The Turn in the Communist International and the German Situation*. He particularly stressed that

"The gigantic growth of national-socialism is an expression of two factors: a deep social crisis, throwing the petty bourgeois masses off balance, and the lack of a revolutionary party that would be regarded by the masses as an acknowledged revolutionary leader. If the Communist Party is the *Party of revolu-*

tionary hope, then Fascism, as a mass movement, is the party of counter-revolutionary despair. . . .

"Fascism in Germany has become a real danger. . . . Whoever denies this is either blind or a braggart."

Trotsky called for immediate practical measures: the genuine united front of the Communists with the social democracy, and particular attention to the unemployed, who were falling prey to nazi demagoguery. His wise words went unheeded.

Against Hitler were ranked the great Social-Democratic and Communist Parties, millions of workers ready and eager for battle, whose combined forces were powerful enough to have crushed Hitler forever. Yet Hitler marched to power between them practically unchallenged. To understand how this shameful and almost incredible disaster could have happened, we must analyze the roles and policies of the social democracy and Stalinism.

The Role of Social Democracy

Whether they were actually in the cabinet or not, the democratic capitalist republic of Weimar depended on the active support or benevolent neutrality of the social democratic leaders. These agents of the bourgeoisie within the working class were wont, it is true, to don red sashes on Sunday and deliver terribly revolutionary speeches about socialism at some unspecified future date; but on every occasion in the weekday present when they were threatened with that socialism, they rushed to the support of the capitalist state.

The growth of the pre-war socialist movement in Germany had created an enormous apparatus. The leaders were well entrenched in a powerful bureaucracy; and the 1925-29 stabilization strengthened and solidified their position. They controlled between 290,000 and 400,000 posts in their own, the trade union and the government apparatuses. They had the provincial government of Prussia, Germany's largest state; within Prussia they had appointed two-thirds of the chiefs of police and a majority of the police ranks. Theirs was the largest single party in Germany. Its electoral vote ran in 1928 to 9,150,000, or 29.8 per cent of the total; it had nearly a hundred deputies in the Reichstag.

Its "theory" was that capitalism was uninterruptedly advancing in productivity and democracy, and eventually a peaceful transition to socialism would be made by the ballot. The social democratic leadership everywhere bases itself on the maneuver as other groups base themselves on principles. Its value to its masters is the support of the workers; yet it can betray the workers to their enemies only within certain limits or risk losing control over them; it must appear to be getting something for the workers in return. In moments of revolutionary upsurge, it can show limited gains, crumbs from the capitalist table. But in the periods of capitalist decline, its basic policy is that of "the lesser evil." The greater the reaction, the more it clings to the "less reactionary" of various groups. In times of ultimate crisis, its despairing grasp slips from one to the other of these, the deadly enemies of yesterday becoming in turn the lesser evils of today, until finally, its utility to the ruling class is exhausted, it drops off the end of this opportunist chain and scurries for safety abroad, leaving the masses to bear the unleashed terror.

Such was the policy of the German social democracy. In the presidential elections of March, 1932, it supported the reactionary Junker General von Hindenburg as a "lesser evil" than the rival candidate Hitler. It supported the reactionary Catholic

premier, Bruening, against von Papen, von Papen against von Schleicher, von Schleicher against Hitler. Then its stop-Hitler candidate Hindenburg named Hitler *Reichskanzler*—and the end of the rope ran through its hands. The whole length of rope was then used to hang the German proletariat.

Why, then, did millions of workers—who were no cowards but were ready to block Hitler's road to power with their own bodies—remain in the Social Democratic Party, especially when Hitler threatened, and these leaders showed no intention of seriously fighting him? Partly because they had themselves built it—and often with great sacrifices; partly because they were themselves victims of the fatally false theories of reformism and the lesser evil; but above all because the Communist Party did not create in them the conviction that it had not only the correct program to lead them from the madhouse of capitalism but also the steadiness and determination to carry through that program. And the Communist Party did not appear as that in their eyes—and with reason.

The Stalinist Policy of Capitulation

Of crucial importance for the future of the KPD was its capacity to draw the necessary lessons from the 1923-24 events. But the already Stalinized Comintern leadership, with each disaster that its intervention produced, simply dumped the blame on the leadership of the KPD and bureaucratically replaced it by another. There was no serious self-criticism; no learning from errors. Discussion was stifled, expulsion followed expulsion. The German party was demoralized.

The all-important problem was to win the millions of social democratic workers. But the door to this was barred by the Sixth Congress of the Comintern which met in July 1928, and promulgated the nightmare-theory of "social fascism." Classifying everything except itself as various forms of fascism, Stalinism proclaimed there was no essential difference between social democracy and Hitler, and declared that fascism in the form of Bruening (the Catholic Center Party) was already triumphant in Germany. All social democrats became "social fascists." On social democracy and fascism, Stalin's own formulation was: "They are not antipodes, but twins." (*Die Internationale*, February, 1932.) On the basis of this definition, any united front between the KPD and the "social fascist" SPD in defense against fascism was impermissible and absurd: what was the sense of an anti-fascist united front with one brand of fascist against another? It sounds—as it was—the sheerest political nonsense. The only permitted tactic was the "united front from below," which had nothing to do with a united front, but was a fancy name for an ultimatum to social democratic workers to break with their leaders and follow the KPD.

Thus the Stalinist line refused to recognize the indisputable fact that a social democratic worker was—a social democratic worker. If such a worker had been thoroughly disillusioned with his treacherous leaders and in addition had confidence that the KPD leaders would really lead a socialist revolution, he would already have joined the KPD. Toward him—and there were millions like him—the arrogant "united front from below" was not only useless, it was ultimatistically insulting and could only harden his prejudices and distrust. The only possible tactic in such a situation was the genuine united front of organizations which, while achieving the practical effects of defending the workers' press, headquarters and meetings against nazi and police attack, would simultaneously have enabled the Communists to win the confidence of the social democratic worker and

help him test his leaders: the KPD, publicly, before this social democratic worker, could call on his leaders: "You say you want to fight fascism? Good. Here are concrete proposals for a joint struggle." If his leaders refused or evaded the common task, it would open his eyes.

Instead, the KPD adopted the "social fascist" policy thus described by Trotsky:

"*Ultimatism* is an attempt to rape the working class after failing to convince it: Workers, unless you accept the leadership of Thaelmann-Remmele-Neumann, we will not permit you to establish the united front. . . . We can say with assurance that the majority of the Social Democratic workers remain in their party to this day not because they trust the reformist leadership but because they do not as yet trust that of the Communists. But they do want to fight against fascism even now. Were they shown the first step to take in a concurrent struggle, they would insist upon their organization taking that step. If their organizations balked, they might reach the point of breaking with them.

"Instead of aiding the Social Democratic workers to find their way through experience, the C.E.C. of the Communist Party abets the leaders of the Social Democracy against the workers. The Welses and the Hilferdings are enabled to screen with flying colors their own unwillingness to fight, their dread of fighting, their inability to fight, by citing the aversion of the Communist Party for participation in a common struggle." (*What Next? Vital Questions for the German Proletariat*. Pioneer Publishers, New York, 1932.)

The theory that prevented joint actions with "social fascists" did not preclude common action with Hitlerites. The nazis in 1931 instituted a referendum in Prussia to drive the provincial social democratic government from power. The KPD campaigned and voted side by side with the Hitlerites, calling it the "red" referendum.

That autumn one sector of the social democratic leadership, grouped around Breitscheid, declared itself in favor of a united front with the KPD. The leader of the KPD, Thaelmann, flung the offer back in Breitscheid's face, and warned party members that the "relics of social democratic thought in our ranks" are "the most serious danger that confronts the Communist Party. . . . Social fascism is 'threatening' to form a united front with the Communist Party." (*Communist International* [English] December 1931.)

The KPD belittled Hitler just when he began to be most dangerous. Its official paper, the day after the 1930 elections that gave the nazis six and a half million votes, light-mindedly announced: "Last night was Herr Hitler's greatest day, but the so-called election victory of the nazis is the beginning of the end." The next day it repeated its folly: "The fourteenth of September was the high point of the National-Socialist movement in Germany. What comes after this can only be decline and fall." (*Rote Fahne*, September 15-16, 1930.)

When succeeding events proved the utter falsity of this prediction, the KPD leadership, far from correcting itself, went on to greater folly: the assertion that Hitler's accession to power would prove his undoing. Though it was never officially launched as a slogan, the Stalinists operated on the mad idea of "First Hitler; then it is our turn." This was plainly indicated on October 14, 1931, when Remmele, parliamentary deputy and one of the three top leaders of the KPD, boasted in the Reichstag:

"Herr Bruening has put it very plainly: once they [the nazis] are in power, then the united front of the proletariat will be established and it will make a clean sweep of everything. We are the victors of the coming day; and the question is no

longer one of who shall vanquish whom. This question is already answered. The question now reads only, 'At what moment shall we overthrow the bourgeoisie?' We are not afraid of the Fascist gentlemen. They will shoot their bolt quicker than any other government."

At the very moment that Remmele was indulging in this criminally frivolous boasting to the applause of the KPD deputies, Trotsky in Prinkipo was writing a very different evaluation of the perspectives:

"The coming into power of the German 'National Socialists' would mean above all the extermination of the flower of the German proletariat, the disruption of all its organizations, the extirpation of its belief in itself and its future. . . . That the Communist party will actually evade the struggle and thus deliver the proletariat to the mercy of its mortal enemy . . . would signify only one thing: the gruesome battles would unfold not *before* the seizure of power by the Fascists but *after* it, that is: under conditions ten times more favorable for Fascism than those of today. The struggle of the proletariat, taken unawares, disoriented, disappointed, and betrayed by its own leadership, against the Fascist regime would be transformed into a series of frightful bloody and futile convulsions. . . ." (*Germany—the Key to the International Situation*, Pioneer Publishers, 1932.)

The Catastrophe Approaches

Encouraged by their successes, the Brownshirts took to the streets. First they began to beat up or murder workers returning from meetings, then to raid the meetings themselves. Protected by the state police, they made provocative demonstrations in the heart of workers' quarters. The toll of their murders began to mount. Filled with a profoundly correct instinct, despite the lack of directives from their leaders, the workers fought back courageously for their organizations and their lives. Meeting fire with fire, they stood up to the nazis arms in hand, and the Brownshirts began to fall. But it was only guerrilla fighting, not organized combat.

In January 1932, in his *What Next?—Vital Questions for the German Proletariat*, Trotsky warned that the situation was growing desperate, that the counter-attack against Hitler's gains must now be launched from a defensive position, but prepared to pass to the immediate offensive. In a masterly analysis of the German situation, he pleaded with the KPD ranks to force a change of line: the abandonment of the delirium of "social fascism" and immediate concrete measures for the genuine united front. But the KPD leadership led the doomed party on the same fatal road.

As the crisis deepened, so did the desperation of the middle classes and the unemployed. While social democracy appealed to the capitalist state to intervene, and Stalinism continued its suicidal policy against the united front, the middle class and lumpenproletariat began, first in dribblets, then in a torrent, to pour into the ranks of National Socialism.

In each succeeding election, the nazi votes rose. In the presidential elections of March 1932, Hitler polled 11,338,000 votes to Hindenburg's 18,661,000, while Thaelmann received 5,000,000. In the run-off the Hindenburg vote rose to 19,000,000, Hitler's to 13,000,000, while Thaelmann dropped to 3,000,000. In April, nazism won 162 seats in the Prussian Landtag, the largest of any party. When the social democratic-Catholic Center government of Prussia continued in office, the KPD deputies, true to the "social fascist" theory, joined with the nazis in a vote of censure. In July, Chancellor von Papen, under the notorious Article 48 of the Weimar Constitution, simply ordered the administration of Prussia out of office. The social democrats

went, whimpering, without the semblance of a struggle. The workers were aroused, enraged, ready for action, waiting in the factories for the call to a general strike. But no signal came from the temporizing social democratic leaders, while the Stalinists would make no united front except "from below." At month's end, the Reichstag elections gave the nazis 13,700,000 votes; the social democrats 7,000,000; the Communists 5,300,000. On a purely electoral plane, the forces were about equal; but the real correlation of forces was infinitely more favorable to the workers. Twenty million strong in all, concentrated in the key industrial centers, the potential masters of transport and industry, they could still have smashed the nazis.

The rank and file workers were thoroughly aroused to the imminence of the danger. The July election had been signalized by 25 political murders by the confident nazis. The workers, despairing of directives from their leaders, spontaneously multiplied defense squads. The SPD and KPD leaders tried to hold them to party lines, but the workers, with a sure class instinct, often disregarded their efforts. But even so, such united actions were on a limited and temporary scale. In September, sensing that it was the eve of catastrophe, Trotsky in *The Only Road* launched a desperate appeal to the KPD, warning that it was almost too late.

But the KPD paid no heed. They even joined forces with the nazis in the autumn transport strike in Berlin. Some of the social democratic leaders, who had cynically supposed that they could make deals with no matter what government, began to see the doom approaching: Stampfer published in *Vorwaerts* an appeal to the KPD for a united front. The KPD contemptuously dismissed it.

The crisis had reached its pitch. The November elections showed that Hitler had passed his apogee on the parliamentary plane. It was time for him to make a *coup* or to jump the last gap by a deal with the government. On January 30, 1933, Hindenburg named him Chancellor.

The Debacle

Trotsky's terrible predictions were promptly realized. While the Stalinist leadership blandly continued to assure the workers that Hitler's downfall was just around the corner—and went down without a struggle—Hitler, with the pretext of the Reichstag fire, unleashed his anti-labor terror—but this time with the full armory of governmental weapons. Despite the evidence before their very eyes of Hitler's smashing of all the workers' organizations, the KPD leaders parroted on—from exile. As late as April 1933, Fritz Heckert, representative of the KPD, reported to the ECCI:

"As far back as 1924, the leader of the international proletariat, Comrade Stalin, gave an estimate unsurpassed in its exactness and perspicacity of the evolution of Social Democracy toward Fascism—an estimate which lies at the basis of the programme of the Comintern and the policy of the Communist Party of Germany. . . . Everything which has happened in Germany has fully confirmed the correctness of Comrade Stalin's prognosis."

One political conclusion was inescapable: Stalinism had destroyed the Comintern as a revolutionary force. It was on the basis of this terrible, unnecessary, disgraceful German defeat that the Trotskyists, the International Left Opposition which had heretofore considered itself, despite all expulsions and persecutions, an oppositional group within the Third International, launched the call for the new, the Fourth, International.

Within Germany, all socialist and communist organizations

were destroyed, all trade unions, all workers' cultural and sports groups. Workers were butchered by the thousands, by the hundreds of thousands beaten to pulp and flung into Hitler's concentration camps. With the blood purge of 1934, Hitler put an end once and for all to any hopes of the middle class that his "revolutionary" program on their behalf was anything but the sheerest demagogy. Nazism fused with the state apparatus. Germany became one vast prison. When Hitler's territorial grabs at last in 1939 so frightened Germany's imperialist rivals that they plunged into war in an effort to check him, the German workers, atomized, terrorized, with every organization utterly destroyed, faced with the choice of mobilization or execution, filed sullenly into the ranks of the Reichswehr.

This, then, was the actual 15-year process which is described by Secretary Hull as Hitler's ability "overnight almost, to stand . . . 65 million Germans on their heads . . . so . . . that they arise the next morning and insist on being sent to the front-line trenches without delay."

Why, then, do the German masses, despite their bitter hatred toward Hitler, fight so desperately that only when they faced the Red Army were they finally checked and rolled back again? Even those Germans who most hate Hitler fear that a repetition of the 1918 defeat will bring an even worse version of Versailles and its terrible consequences. Furthermore, each bloody Gestapo brutality in the occupied countries brings premonitory shudders to the German people that retaliating armies may some day roll vengefully into Germany. The German people are trapped by the cruelest of dilemmas: on the one hand, continued support, even negative, of the accursed Hitler and the unbearable war; on the other, the vengeance of Germany's imperialist foes, ranging from dismemberment of the Reich up to threats of sterilization.

The only way out of that dilemma is socialism, the perspective of a Socialist United States of Europe. Such a perspective cannot be offered the German people by the Allied imperialists. But it could be offered by the Soviet Union. That Stalin—who fears socialist revolution in Europe as much as do the Anglo-U.S. imperialists—refuses to launch the one slogan that would offer the German people a way out, that would undermine Hitler's armies as it did the Kaiser's in 1918, is one more culminating crime added to the long list of the crimes of Stalinism.

But whether or not degenerate Stalinism launches that slogan, Hull, if he lives, will sooner or later see a spectacle of the German people, "overnight almost," not "standing on its head and insisting on being sent to the front-line trenches without delay," but leaving those trenches, regaining its feet, and, in a victorious socialist revolution, sweeping Hitlerism and every other variant of war-breeding capitalism into the ash-cans of history.

Leon Sedov, 1905-1938

Five years ago, on February 15, 1938, Leon Trotsky's son and closest collaborator died in Paris suddenly after a minor operation, under mysterious circumstances. All attempts to investigate were frustrated by the French secret police—it was the era of the Stalin-Laval pact. Managing editor of the famous Russian-language *Bulletin of the Opposition*, Sedov despite his youth was a qualified Marxist theoretician in his own right. No tribute can compare with Trotsky's own, the immortal pamphlet which he dedicated to the proletarian youth, *Leon Sedov—Son, Friend, Fighter* (Pioneer Publishers, 1938).

Roosevelt and Spain

By JOSEPH HANSEN

The North African events have brought Spain once more into the limelight. Spain is a potential battleground. In the chancelleries a question mark stands over the fascist regime entrenched in Spain. Will Franco cast his lot with the Allies or with the Axis?

The efforts of Roosevelt and Churchill to bind the fascist Franco to their camp—whether successful or not—show that the fundamental line of cleavage cannot be the question of democracy but must be something else.

Roosevelt's role in Spain during the civil war and after is hardly mentioned in the so-called American White Paper. And no wonder! His role in Spain is especially embarrassing to the petty-bourgeois liberals who advocate that the working class should give political support to the Roosevelt administration in its conduct of the war. The world bourgeoisie favored Franco and the preservation of capitalist property relations in Spain, the Axis more or less openly and directly, the Allies indirectly and with lip service to democracy. The reformist parties—including the Stalinists—to one degree or another gave political support to the bourgeoisie, dealing blows at every opportunity to the struggle of the working class against fascism. Only the Trotskyists were consistent defenders of democracy.

On July 17, 1936, General Franco began a fascist rebellion against the legally constituted bourgeois republican government of Spain. Although Franco's plot had been engineered with the connivance of leading figures in the government and the direct assistance of Hitler and Mussolini, it was in danger of immediate collapse. The navy as a whole rejected Franco; the defections in the army were more than counterbalanced by the heroic actions of the peasants and the working class; the bulk of Franco's adherents were in North Africa without means of reaching Spain.

Quick action was imperative on the part of Franco's backers, for with the funds at its disposal, with international law on its side, the navy in its hands, the merchant fleets of the world able to reach Spanish Loyalist ports, the Spanish government—if it carried out the will of the masses—would be able to stamp down the fascist rebellion in short order.

The world bourgeoisie feared that the Spanish working class would soon conclude that the Loyalist government was incapable of carrying out the will of the masses and that it would likewise discover that democracy could be defended successfully only through the establishment of a workers' and farmers' government which would abolish private ownership of the means of production. The Loyalist government in such a situation would by itself prove incapable of putting down the workers. As the capitalists saw it—and in this they saw correctly—only fascism could save capitalism in Spain.

The fascist powers did not hesitate. Italy and Germany ferried Franco's troops from North Africa by the thousands in giant air transports; they rushed arms and munitions to Franco. The Loyalist government began with four planes to Franco's one; within seven weeks Franco had 20 planes to the government's one, and among Franco's acquisitions were planes from the Douglas plants in the United States. In addition to

this, Hitler and Mussolini sent tens of thousands of their own troops to aid Franco.

Portugal, a totalitarian satellite of Great Britain, opened her borders to gun running for the benefit of Franco. The November 1936 issue of *Current History* (published by the New York Times Company) explained:

"The Salazar dictatorship is without much support from the masses. The recent mutiny of sailors on battleships shows that the Portuguese masses are waiting for a victory of the Spanish Left to rise against their own fascists. Defeat of the rebel forces would spell the present Government's doom."

Not the question of fascism or democracy disturbed Britain's rulers, but the question of profits. The *Nation* of September 19, 1936, quoted Winston Churchill as having said of the Loyalist government that "no constitutional and parliamentary regime is legally or morally entitled to the obedience of all classes when it is actually being subverted and devoured from day to day by communism . . . constitutional government . . . must prove itself capable of . . . protecting life, freedom, and property." The *Nation* added, "Churchill appears to be saying that he favors democracy only as long as it preserves capitalism." This correct estimate of Churchill did not prevent the *Nation* from becoming his ardent supporter when the Second World War broke out.

The British government permitted commercial airplanes to join Franco's armies. The British likewise closed Gibraltar harbor to warships of the Spanish government, preventing them from attacking Algeciras and thus greatly aiding Franco in the transport of troops from North Africa.

The slogan of democracy versus fascism in the case of Spain was disregarded just as completely by the "democratic" France of Leon Blum. French officials in Morocco contributed many hundreds of thousands of francs to Franco and aided him with instructions, military and strategic advice. Arms for Franco went from France through Switzerland. Arms for the Spanish government were refused shipment even though they had been ordered months before the rebellion broke out. Most criminal of all, on August 1, 1936, Blum's government initiated the Non-Intervention Pact among 27 nations, which effectively barred the Spanish government from securing arms on the world market while Hitler and Mussolini sent supplies and men to Franco's fascist armies.

Roosevelt and Neutrality

Those who took Roosevelt's public declarations in favor of democracy at face value imagined that he would rush to the defense of democracy in Spain, help crush the fascist revolt, thereby dealing Franco's supporters, Hitler and Mussolini, a setback and prove to the oppressed masses of the world that in Roosevelt they had their true champion.

Roosevelt took an opposite course.

On August 31, 1935, Roosevelt had signed the Neutrality Act which was publicized as a means of keeping America out of war by maintaining a hands-off attitude in the event hostilities opened among nations. Neutrality, however, is a political weapon which in certain cases can prove as effective as open belligerency.

Exactly 35 days after signing the Neutrality Act, Roosevelt utilized it to create an overwhelming advantage for fascist Italy in her invasion of Ethiopia. He proclaimed an arms embargo upon both "belligerents." Italy was armed to the teeth with modern implements of war. Ethiopia had only spears and primitive rifles with which to defend herself against tanks, bombers and field artillery. The Neutrality Act thus enabled Roosevelt to declaim that he was doing everything possible to keep America out of war while actually he joined Britain in her policy of appeasement, i.e., temporarily satisfying Mussolini with Ethiopia, Hitler with Czechoslovakia, etc., and Japan with the closing of the Burma Road.

The Neutrality Act of 1935, however, carried no provisions concerning civil war. This was not accidental. Under international law every legally constituted government has the right to purchase arms wherever it can obtain them. In instances of civil war in the Latin-American countries where the majority of the population has sought to free the nation of an unbearable dictator who ruled by virtue of the support of foreign imperialism, reactionary governments have been granted arms and funds in generous amounts to put down the people.

In the Spanish civil war the situation was reversed. Here the reactionaries were in the unfavorable position of illegality. The civil war, moreover, if allowed to continue its course would inevitably lead to their defeat and the establishment of socialism. Already peasants were taking over the big estates; the workers were establishing workers' control and in many instances actually taking over the industries. The investments of British and American capital were endangered, not to speak of the effect a workers' and farmers' government in Spain would have in strengthening the working class throughout the world.

Roosevelt worked hand in glove with London and Paris in putting down democracy in Spain, as can be gathered from the following note which he wrote to Volume 5 of *The Public Papers and Addresses of Franklin D. Roosevelt*:

"The civil war in Spain broke out in July, 1936, at a time when the Congress was not in session. No provision had been made in the neutrality legislation of 1935 for Civil warfare. No legal means existed, therefore, by which the Government could prohibit the export of arms to Spain. However, the Government soon made its policy clear and definitely discouraged such exports.

"On August 7th the acting Secretary of State sent the following instructions to all our representatives in Spain:

"In conformity with its well-established policy of non-Interference with internal affairs in other countries either in time of peace or in the event of civil strife, this Government will, of course, scrupulously refrain from any interference whatsoever in the unfortunate Spanish situation. We believe that American citizens, both at home and abroad, are patriotically observing this well-recognized policy."

"At home the Department of State sought to discourage exports of arms to Spain as a violation of the spirit of our neutrality policy, even though express legislation had not been enacted. For several months American munitions manufacturers respected this policy. In December, 1936, however, an application was made to export a quantity of airplanes and war materials. The license, unfortunately, had to be granted under the law; but the Government's disapproval of the conduct of the exporter was set forth in the foregoing statement." (p. 634.)

The one license granted was for only \$2,700,000 worth of second-hand airplanes and parts.

Roosevelt's note proves that he and the State Department

were working together like parts of a well-oiled machine. In fixing responsibility for this policy of "neutrality," it should be noted that Congress was not in session; no law preventing the shipment of arms stood on the books; Roosevelt acted on his own initiative.

There can be no doubt that Roosevelt succeeded in carrying out this policy despite widespread protest and resentment on the part of the majority of the American workers who were eager to defend democracy in Spain against the fascists. In a note to Volume 6, page 191, of his *Public Papers*, Roosevelt reveals:

"This policy of discouragement of shipments continued in the absence of the Congress until the beginning of 1937. The American exporters of arms and munitions, with very few exceptions, conformed to this policy of their government. The fact is that throughout this period only one shipment of arms from the United States directly to Spain actually reached that country."

The Liberal Supporters of Roosevelt

The petty-bourgeois liberals, not without a view to the role cast for them in the fast approaching Second World War, endeavored to keep the skirts of bourgeois democracy as clean as possible. This was difficult since the "neutrality" policy of the Roosevelt administration so obviously favored the cause of the fascist General Franco. Hence they limited themselves in the main to attempts at whitewashing Roosevelt's personal role.

The *New Republic* did this by blaming the British. The November 25, 1936 issue declares: "Prime Minister Baldwin may yet be held chiefly responsible by historians not only for the trouble in Spain, but for the failure to put out a fire which kindled a world conflagration." Not a word appears in this article concerning the role of Roosevelt.

In an article, "Is the State Department Favoring Franco?" the *Nation* of March 13, 1937 likewise tried to exonerate Roosevelt: "Very convincing evidence is available that President Roosevelt and Secretary Hull are opposed to fascism. . . . But the Administration's deeds do violence to the President's convictions. . . . It would be wise for him to eject from the State Department and our consular service the fascist-minded reactionaries who are obstructing his foreign policy."

So far as we are aware, Roosevelt has not acted to this day on the *Nation's* good advice. He has ejected none of the "fascist-minded reactionaries" for "obstructing" his policies. Not because no one informed him of the *Nation's* discoveries but because, as we have seen from Roosevelt's own words, the State Department was acting in strict accordance with Roosevelt's own views on the civil war in Spain.

Responsibility for preventing arms from reaching the Loyalists rested so clearly upon the shoulders of Roosevelt that his carefully nurtured reputation for liberalism was endangered. Among the American working class the Loyalist cause was extremely popular. Like the majority of workers the world over, they wanted the defeat of fascism. Why couldn't arms be sold to the Spanish government? Weren't arms and munitions being sold to Japan, Italy and Germany?

Congress came promptly to Roosevelt's rescue. In a note to Volume 6, page 191 *et seq.*, Roosevelt writes: "As soon as the new Congress convened, it adopted Public Resolution No. 1, on January 8, 1937, as its first legislative act, specifically prohibiting the export of arms, ammunition, and implements of

war to Spain. This provided a statutory basis for the policy which had been carried out up to that point by the executive branch of the government."

The haste with which Congress leaped to the aid of fascism in Spain, when placed beside its refusal to pass such elementary democratic measures in the United States as anti-lynch legislation or even anti-poll tax legislation which would extend the franchise to ten million Negroes and poor whites now barred from the ballot box, indicates that it too, along with the State Department and Roosevelt, must be placed in the *Nation's* category of "fascist-minded reactionaries."

Roosevelt and Congress went still further in indicating their real attitude toward democracy and fascism. During 1937 the Neutrality Act expired. Congress promptly renewed it and added the provision that it should apply to cases of civil war as well as to cases of war between nations. Roosevelt signed this act on May 1, 1937, and then issued Proclamation No. 2236, "making the arms embargo provisions of the Act applicable to the civil war then in progress in Spain." Thus almost a year after the Franco rebellion broke out, the Roosevelt government reaffirmed its foreign policy which favored Franco.

Roosevelt's Demagogy

Meanwhile Great Britain and France's "International Committee for the Application of the Agreement Regarding Non-Intervention in Spain" had effectively blocked all sources of arms to Loyalist Spain except the veriest trickle. The 27 nations collaborating in this agreement included Portugal, Italy and Germany. Thus the "democratic" nations formed a united front with the fascists to put down the workers in Spain. Patrols were set up in key ports to examine ships bound for Spain and finally these patrols were extended to key Spanish ports to examine and report such ships as managed to slip through the blockade with contraband arms for the Loyalist government. England sent "observers" to watch the Portuguese border. Meanwhile the flood of war materials continued to pour from Italy and Germany through Portugal and those ports held by the fascists. Despite all the heroic sacrifices of the Spanish people, Franco pushed forward.

In the United States, now that legislation had been passed barring shipments of arms to Spain so that foreign policy no longer rested upon the decree of one man, the liberals felt freer to criticize the government's policy and to demand aid to Spain. They were thus able to ride the wave of popular sympathy for the Loyalist cause without the danger that their agitation would arouse such mass sentiment as might previously have compelled Roosevelt to place arms in the hands of the defenders of Spanish democracy, thus endangering capitalist property relations in Spain.

Roosevelt likewise hid behind the legislative wall which he and Congress had erected between the arms factories of the United States and the battlefields where democracy was being wiped out in Spain. In the note to Volume 6 cited above (p. 191, *et seq.*), Roosevelt writes:

"There was considerable agitation during this period on the part of a small group of people urging that the embargo be lifted by me so that arms might be furnished to those people in Spain who were resisting Fascist aggression. In the first place, the joint resolution of the Congress of January 8, 1937, was still in effect. It had not been repealed, in the opinion of legal experts, by the resolution of May 1, 1937, under which I had issued the proclamation."

Roosevelt does not offer an explanation for not sending arms in the crucial period before this legislation was passed by Congress.

Roosevelt's note stating that agitation for arms to the Loyalists concerned only a "small group of people" was written in 1941, two years after the fall of Loyalist Spain. In 1938, however, Roosevelt held a somewhat different view. Included in his *Public Papers* are stenographic records of his press interviews, including sections that were then "off the record," that is, sections in which Roosevelt explained certain things to the reporters without giving them permission to quote him directly. In the interview of April 21, 1938, for instance, he remarked: "Senator Borah came down to lunch with me and he has been a good deal disturbed—a good many of us have—by the fact that this country has split up and become so emotional over the Spanish situation."

Because of his concern over public sentiment, Roosevelt explained—off the record—to the members of the American Society of Newspaper Editors, that the Neutrality Act really helped the cause of the Loyalists. He referred to his talk with Borah:

"I pointed out that, when the Spanish Revolution broke out, and after it had been going for a comparatively short time, they began to kill a lot of people. In other words, from that point of view, it was war. . . . Both sides, both the Spanish Government and Franco, had navies of approximately the same size; they were about equal. Therefore, we figured, that by declaring that there was a war, therefore, the Neutrality Act applied and therefore there would be an embargo placed by us on the shipment of planes or munitions or guns or anything else. In that way we would not be favoring either side. For several months that resulted in a fairly strict neutrality. We would not help one side more than the other. Very few shipments of planes or guns went out of this country and got through into Spain on either side."

Roosevelt then explained that Franco got control of the sea, hence lifting the embargo would have given Franco preference.

The truth of course is that the Spanish navy as a whole remained loyal and could well have brought arms from America if Roosevelt had not intervened. Later, when Franco's fleet gained in relative power, Roosevelt could have denied arms to the fascists on the perfectly legal grounds that they were in rebellion against the lawfully constituted government, while at the same time aiding the Loyalist government to obtain arms either through ships of other nations or through American bottoms or, if other nations refused and he didn't want to involve the American flag, by registering American vessels under the Panamanian flag as was later done when Roosevelt wished to send arms to the United Nations. The fifty out-dated destroyers which Roosevelt later contributed to the British navy also could have helped the Loyalist cause considerably.

The weakness of Roosevelt's argument was so apparent that in the very same off-the-record interview, without a pause, he gave another and contradictory explanation of the Neutrality Act:

"Now as a matter of fact, the situation is this: we have also read about this terrible, inhuman bombing of the civilian population of Barcelona. We have also read—and while I have no information on the subject, it probably is true—that American-made bombs have been dropped on Barcelona by Franco airplanes. That is possible. If those bombs were of American manufacture, they were bombs that were sold by American manufacturers to Germany, that is to say, either to the German Government, which is a perfectly legal thing to do or to Ger-

man companies, which is also perfectly legal, and they were shipped to Germany and re-shipped down to Franco's forces." Roosevelt then explained that shipments of arms to France were likewise legal and that "in all probability" a "good many of these shipments have all gone to the Barcelona Government, so the net effect of what we have been doing in the past year and a half has been as close to carrying out an actual neutrality—not helping one side against the other—as we can possibly do under the existing law."

Compared with the flow of arms to the fascists, the arms which might have got across the French border were insignificant. Leon Blum's government was the first to call for "non-intervention" and enforced it so stringently that ambulance corps en route to the Loyalists protested because the search for arms at the border extended even down to examination of their medical supplies.

Roosevelt's strongest argument in favor of the Neutrality Act was that it would help to keep America out of war. This argument especially appealed to his petty-bourgeois supporters. The remarks of the September 9, 1936 *New Republic* are typical: "At present Premier Blum's policy of shipping arms to neither side is the soundest and wisest possible, on the assumption that all the powers can be brought to respect it. No development in any one country, no matter how disastrous, is worth a European war."

Events have since tested the soundness of this argument.

Roosevelt Knew War Was Inevitable

The real views of Roosevelt, however, the fundamental views from which his policies both domestic and foreign flowed, did not accord with such illusions. In the introduction, signed July 10, 1941, to Volume 8 of his *Public Papers and Addresses*, he writes:

"In 1939 there started another general war, for which Germany had been preparing since 1933, and for which Italy and Japan had been preparing for years before. It is a war which had been definitely and unmistakably foreseeable since 1936, when the Nazis marched into the Rhineland." (p. xxiii.)

It is important to note that Roosevelt specifies 1936, the same year Franco's rebellion broke out in Spain (the march into the Rhineland occurred in March, four months prior to Franco's plot), since this fact indicates Roosevelt consciously took into consideration the "unmistakably foreseeable" coming war between "democracy" and fascism in calculating his policy in the Spanish civil war.

He continues:

"This trend of affairs which became worse and worse after the conquest of Ethiopia and the Japanese aggression against China, called forth repeated official warnings throughout the world. Here in the United States, it was clear to this administration and to a great many of our citizens in public and private life, that events in Europe and Asia were heading quickly and inevitably toward war." (p. xxvi.)

These words of Roosevelt provide an illuminating contrast to his public declarations in which he denied the inevitability of war. As late as October 30, 1940, for instance, in a campaign speech at Boston for third term re-election, he told the public: "And while I am talking to you, fathers and mothers, I give you one more assurance. I have said this before, but I shall say it again and again, and again. Your boys are not going to be sent into any foreign wars."

No other conclusion is possible: in preparation for the war of "democracy" against fascism Roosevelt stabbed Span-

ish democracy in the back. As the Marxists have warned thousands of times, when the question of private property becomes involved, the capitalists in every instance choose fascism.

When the Loyalist fleet had dwindled to relative insignificance, the London Non-Intervention Committee deemed it time to increase aid to Franco, especially in view of the unexpectedly protracted and stubborn resistance of Madrid. On July 9, 1937, the Committee decided to grant belligerent rights to "the two parties in Spain" after withdrawals of foreign nationals had been made from both sides in Spain. The withdrawals were designed to halt the tide of workers from "democratic" countries who were joining the Loyalist cause. As a first step, the "democratic" nations began refusing passports to those suspected of wanting to travel to Spain to defend democracy. The granting of belligerent rights to "both parties" in effect constituted recognition of Franco as a sovereign power, with all the rights of a sovereign power, including the right to obtain arms where available and to blockade Loyalist ports.

The next act in this sordid and bloody drama occurred on February 27, 1939, when Great Britain and France, following the example already set by fascist Italy and Nazi Germany in 1936, recognized Franco's government as the legal government of Spain.

On March 28, 1939, Madrid, the capital of Spain, surrendered.

Three days later, on April 1, Roosevelt's administration likewise recognized Franco's government. On the same day, Roosevelt lifted the arms embargo on Spain. In his own words, as recorded in the note to Volume 6 referred to above: "The embargo remained effective until April 1, 1939, when I issued a proclamation stating that in my judgment, 'the state of civil strife in Spain described in the joint resolution of January 8, 1937,' had ceased to exist."

The fascist butcher was thus free to purchase arms in America and to ship them in American bottoms if he pleased, in order to mop up what isolated centers of resistance might still exist in Spain.

With the outbreak of the Second World War in September 1939, Roosevelt found that the Neutrality Act which had served his foreign policy in the case of Ethiopia and Spain had now become an obstacle. He therefore called an extraordinary session of Congress and asked it to repeal the arms embargo. This is the same champion of democracy who found it impossible to help democracy in Spain because the Neutrality Act stood in his way.

Roosevelt's Overtures to Franco

Since Franco came to power, both Washington and London have done their utmost to draw him into their orbit. Great Britain on March 18, 1940, granted him a ten-year loan of two million pounds sterling. From America have gone huge shipments of foodstuffs.

In his public declarations Franco praises the Axis. He has sent troops to join Hitler's armies in the invasion of the Soviet Union. On December 8, 1942, when the whole world was speculating on his probable moves, he broadcast an address complimenting both Mussolini and Hitler and declaring that the real issue at stake in the war is fascism or communism and that he chooses fascism.

Nevertheless, neither Washington nor London seem greatly alarmed by Franco's declarations. They count upon the fact

that Franco owes them just as great a debt as he owes the Axis. Without the collaboration of the "democratic" nations he could never have come to power. In 1936 when he began his rebellion, Franco mentioned three governments as friendly to his cause, Germany, Italy and—England. Writing in the *New Republic* of March 3, 1937, Ludwig Lore reported: "Remarks in the House of Commons during the last few weeks by Foreign Secretary Anthony Eden justify the suspicion that the Foreign Office has a hard and fast understanding with Franco and his associates on economic as well as political questions of the

moment, and that the latter have given firm guarantees regarding the undisturbed control by British capital of Spain's British-owned ore and sulphur mines."

As we can see from the record, both Washington and London are not interested in protesting against Franco's speeches praising fascism. If the specter of socialism rises from the blood-soaked battlefields of the Second World War, the rulers of the "democracies" will unite with the fascists to attempt to put it down just as they united to put down democracy in Spain.

Wallace's Utopia and Post-War Reality

By C. CHARLES

"Thousands of thoughtful business men and economists, remembering what happened after the last war, being familiar with the fantastic figures of this war, and knowing the severity of the shock to come, have been greatly disturbed. Some have concerned themselves with plans to get over the first year. Others have given thought to the more distant future.

"It should be obvious to practically every one that, without well planned and vigorous action, a series of economic storms will follow this war. These will take the form of inflation and temporary scarcities, followed by *surpluses*, *crashing prices*, *unemployment* and, in some cases, *violent revolution*." (Our emphasis.)

—Henry A. Wallace, Address on Post-War Policy, December 29, 1942

Vice-President Henry A. Wallace's recent utterances are an outstanding example of the plans and schemes with which capitalist and middle-class economists, business men and statesmen are occupying themselves.

The period is favorable for such activities. As the war continues, heaping misery upon the masses of the world, they begin to ask: "What for?" They remember the pre-war years of depression and world economic catastrophe. They do not want to return to that world when the war ends. Confronted by this universal mood, the capitalist class is worried: it remembers the post-World War I revolutionary epoch, 1917-23, when the life of capitalism hung by the flimsiest thread.

Hence the mounting number of post-war plans. There is no limit to the promises they make: a warless world, social security, the abolition of economic depressions, everlasting prosperity—everything of course without abolishing the capitalist system.

Wallace's World Economic Program

Woodrow Wilson's promises aimed to halt the revolutionary threat in the advanced countries; this time the masses of the backward regions are even now stirring in national and social ferment; so Wallace's promises are also directed to the people of the economically retarded regions in order to halt their struggle against imperialism. Wallace promises the colonial peoples an international New Deal, an improved standard of living, industrialization, an end to imperialism—all naturally within the capitalist system and without abolishing it.

In this article we shall not examine the political measures advocated by Wallace which, as a matter of fact, in spite of their gloss of humanitarianism, differ little from Hoover's and

Hull's schemes for policing the post-war world. We propose to examine here the economic measures advocated by Wallace.

Wallace promises the abolition of economic depressions, full employment, and the raising of living standards at home and abroad.

He declares in his December 29 address that his aim is not "to blueprint all the details" but "to begin now to think about some of the guiding principles of this world-wide new democracy we of the United Nations hope to build."

Wallace gives much greater emphasis than Hoover or Hull to international economic relations. He says:

"Self-interest alone should be sufficient to make the United States deeply concerned with the contentment and well being of the other peoples of the world. . . . It is only when other peoples are prosperous and economically productive that we can find export markets among them for the products of our factories and farms."

The entire scheme, its quintessence, rests upon industrialization of the backward areas of the world and freeing of world trade from tariff restrictions. In the course of his speech, Wallace snaps back at his capitalist critics: "is it 'utopian' to foresee that South America, Asia and Africa will in the future experience a development of industry and agriculture comparable to what has been experienced in the past in Europe and North America?"

The nearest approach to a concrete measure offered by Wallace to accomplish this purpose is free trade; he considers tariffs in the advanced nations the root of all the economic difficulties. He asserts:

"We must recognize, for example, that it is perfectly justifiable for a debtor, pioneer nation to build up its infant industries behind a protective tariff, but a creditor nation can be justified in such policies only from the standpoint of making itself secure in case of war."

This is Wallace's economic program—if these nebulous ideas can be called one. The question arises: Who will carry out these proposals? Wallace replies:

"Maintenance of full employment and the highest possible level of national income should be the joint responsibility of private business and of government."

"The war has brought forth a new type of industrialist who gives much promise for the future. This type of business leader I have in mind has caught a new vision of opportunities in national and international projects. He is willing to cooperate with the people's government in carrying out socially desirable programs. He conducts these programs on the basis of private enterprise, and for private profit, while putting into

effect the people's standards as to wages and working conditions."

To summarize: Wallace proposes the abolition of economic crises and the raising of the living standards of the masses of the whole world through industrialization of the present industrially undeveloped areas and through free trade. The plan is to be achieved by private business, actuated by the profit motive, in alliance with "the people's government." No social revolution is required, no transfer of property from one class to another, no radical legislation.

If it could be done, it would be quite a trick, but can it?

His Ideal Industrialist—And the Reality

Let us start with the question of "who." The whereabouts of Wallace's "new type of industrialist" is, and we fear will remain evermore, a mystery. His description certainly does not resemble any of the important business men or corporations of the present day. For example, the National Association of Manufacturers held a convention early in December, attended by 4,000 of the country's industrialists. The importance of this assemblage is indicated by the fact that many top-ranking government officials—Henderson of OPA, Knox of the Navy, Nelson and Eberstadt of the WPB, etc.—appeared to speak. The exact position of the NAM in American life was noted precisely enough by Henderson, who declared with a touch of wryness in the course of his speech that he was presenting "a report from one of the strawbosses to the stockholders and their board of directors."

Here is what the head of the "board of directors," W. P. Witherow, the outgoing president of the National Association of Manufacturers, had to say about plans like that of Wallace:

"Personally, I am not interested in any other form of government or form of economy than our own. I admire beyond expression the stand the Russians have made. They are fighting nobly for Russia and Soviet ideals. We're fighting for America and American ideals. I am not making guns or tanks to win a 'people's revolution.' I am making armament to help our boys save America. I don't want any 'modified' free enterprise or bill of rightless democracy. Immediately after the war, government aid to war-torn countries is a foregone conclusion. But not the rehabilitation of their economy or the reforming of their lives. I am not fighting for a quart of milk for every Hottentot, or for a TVA on the Danube, or for governmental handouts of free Utopia."

Contempt oozes from every syllable of Witherow's remarks—contempt for all believers in human progress and for politicians who are compelled to avow such a belief. Witherow speaks for the real, existing industrialists—quite different from Wallace's word-picture.

The ideas proposed by Wallace undoubtedly have a certain scientific ring. The world saw a century of rapid economic progress between 1800 and 1900 when, primarily under Great Britain's leadership, western Europe, the United States and Japan underwent a period of rapid industrialization.

These industrialized regions total only about one-quarter of the population of the world. Yet that constituted a gigantic advance for the whole world. Would not the industrialization of the other three-quarters of the world mean work for American factories, profits for American capitalists, higher wages for American workers, softening of economic depressions? Wallace becomes lyrical when describing the world of his plans.

But, sad to say, it is a mere utopia. These plans will never be realized. They are based on superficial reasoning. Wallace

suffers from the great weakness of bourgeois social thought: the lack of a historical perspective, the absence of a historical sense. Even the best of the capitalist economists have considered capitalism the only social system, or the final and perfect result of human evolution, which will endure forever. Wallace goes further, he makes his plans as if the world were existing in the 19th century instead of being nearly half way through the 20th. A few corrective changes and the system will function as it did in its period of bloom—so he dreams.

He does not recognize that capitalism has undergone tremendous and irrevocable changes since the 19th century. He does not see that the system has passed, never to return, out of the stage of free competition, into the epoch of monopoly capitalism. A handful of capitalist monopolists dominate the economic life of this and every country, not a relatively large number of competing industrialists. Wallace's plans are based on a nostalgia, not scientific analysis.

The present war has strengthened the monopoly character of modern capitalism. The War Production Board has estimated that by the past summer 34,000 small businesses had closed down. Tens of thousands more are going to join them. Wallace's speech had barely had time to fade from the airways when Donald Nelson declared on December 31: "In connection with our distribution system we must squarely face the fact that the entire line of some distributors will be eliminated, and major parts of the lines of others will no longer be available. . . . This means the elimination of many stores."

The tendencies toward centralization and concentration of capital are by no means limited to trade. On January 6, Leo M. Cherne, executive secretary of the Research Institute of America, stated before the Sales Executives Club of New York that war "compulsives" are forcing the concentration of industry, the growth of monopoly, the death of small enterprise and the rationalization of business.

While the smaller businesses are dying like flies in the first winter frost, the monopolies, hand-fed by the government, have been growing more powerful as a result of the war program, adding to their plant capacity, absorbing the business of the small concerns and burying thousands of such firms, never to be resurrected despite the prayers of Wallace.

Thus it becomes clear that so long as capitalism endures, national and international economic life will be dominated by the monopolists. Any development at home or abroad will have to take place under their aegis. Capitalist profit is to continue to be the soul of national and international economic relations. Can and will the monopolists industrialize the backward sections of the world?

The Parasitic Record of Monopoly

A glance at history is very instructive in this regard. During the period of competitive capitalism the following nations became industrial powers: England, the United States, France, Belgium, Germany, Italy, Holland, Austria-Hungary and Japan.

The end of the stage of competitive capitalism and the beginning of monopoly capitalism is dated roughly at the beginning of the present century. Since that time the only other nation that has become industrialized is the Soviet Union. Before that could be accomplished the Russian workers had to make a social revolution and fight an intense armed class war against international capitalism. The industrialization of the Soviet Union, the only country that was able to realize this goal in

the last half century, was in spite of and in active struggle against all the monopoly capitalists.

India, China, the other parts of Asia, Africa, South and Central America have advanced but little in this time. They remain as before, regions of underfed and underclothed miserable masses, sources of raw material, areas whose main product is super-profits for the monopolists of the large industrial powers. The test of history would show that modern capitalism has not resulted in the large-scale industrialization of backward areas. What young and vigorous capitalism could accomplish is beyond the scope of decrepit reactionary capitalism.

The role of imperialism in the dominated areas can be stated briefly as follows: It industrializes the economically backward regions only to the degree, and only those particular industries, necessary for the exploitation of these regions by monopoly capitalism. It stands in the way of full industrialization, such as has taken place in the advanced countries.

Modern capitalism, on a world scale, already suffers from excess productive capacity. The long depression of 1929-39 attests to that. Under such circumstances monopoly always tends to fight tooth and nail against the installation of new capacity either at home or abroad. With tremendous unused equipment at home, the monopolists ask themselves: Why set up more capacity abroad? The basic tendency of monopoly is toward maintaining the rate of profit by trying to limit supply and thereby keep prices above their value for as long periods as possible. To install more productive capacity in these conditions appears the height of delirium to the minds of the very logical directors of this insane system.

During the period of industrial capitalism, the individual capitalist was goaded by competition to extend the world market for all types of commodities including machinery and producers' goods. Competition no longer drives him. Now (in between their wars to re-divide the world), the various monopolists have international agreements that parcel out the world market and establish each other's spheres of exclusive domination.

In the period of industrial capitalism, international economic relations were primarily marked by the exchange of commodity for commodity: American cotton, tobacco and wheat for English lathes; German corn for English steel-mill equipment; French silks and luxury goods for British textile machinery. There was no lack of sharp dealing, particularly between the advanced nations and the natives of the backward regions of the earth, but by and large that came under the general heading of cheating. Among the Western nations commodity tended to be exchanged for commodity, value for value. Foreign trade was characterized by the export and import of commodities.

Under monopoly capitalism, however, the most profitable export from the advanced country is capital, rather than finished commodities. International trade tends to become in increasing measure the export of capital from the imperialist nations and the import of profits or goods, which embody the profits made from the exploitation of the toilers of the backward countries. Each imperialist country is characterized by an "unfavorable" balance of trade (the U.S. excepted for reasons beyond the scope of this article). Each imperialistically exploited country is characterized by a "favorable" balance of trade (China excepted for certain reasons we cannot go into). Thus the poor nations give more than they receive, the rich nations receive more than they give.

The reasons for this economic fact, characteristic of monop-

ly capitalism, is not difficult to deduce. The monopolists invest a sum in a backward country—let us say \$10,000,000. Each year that country must not only amortize the principal, but also pay the interest—a modest 5 per cent, let us say—on the money advanced. The \$10,000,000 goes to the backward country in the form of machinery owned by the foreign investors and in the form of money to pay wages. (The latter is a comparatively inconsequential amount.) The machinery is set up, workers hired and each year thereafter that country must send 5 per cent of the total investment back to the "home" country in the form of goods. The backward country must in such a case export \$500,000 worth of commodities more than it receives each year. The profits from the investment appears in the greater export than import. The balance of trade and the balance of international payments figures are statistical proof of the correctness of Lenin when he characterized imperialism as a parasitic system. This continual drain on the backward nations is an obstacle to their industrialization and the improvement of the living standards of the masses living there.

The Role of Imperialist Investments

Capital is invested in the backward sections of the world with the only aim of securing super-profits from the people toiling there. The capital invested falls into five main categories:

1. Loans to governments and governmental units.
2. Investments to develop raw material and food production.
3. Investments in public utilities, electric light and power companies, railroads, telephone and telegraph lines, etc.
4. Investments in banks, including usurers' capital.
5. Investments in factories to produce finished goods or semi-finished goods.

LOANS TO GOVERNMENTS AND GOVERNMENTAL UNITS. This is the largest single market for international loans. Whether such loans will result in some benefit to the masses depends upon the purposes they are put to. The capital invested may be used for schools, for roads that would benefit peasants and for improving peasant agriculture, for public housing, to aid cooperatives, etc. Or they may be used to bribe corrupt officials so as to get economic concessions, such as mines, oil wells, stretches of land, public utilities, favorable tariff rates, etc., or to form armies, to build roads, ports and railroads that benefit primarily the mines, plantations or oil wells of the foreign investor. The latter uses of loans to the governments of backward regions are the more general by far.

Interest and capital on the loan must be repaid. Funds for this purpose are raised by taxation. The governments of the borrowing nations attempt to shift as much as possible of the burden of taxation on to the masses. Increasing taxation of the workers, peasants and artisans is, indeed, a characteristic in this epoch of all lands both advanced and backward.

It is clear that such loans benefit but little the great masses, while the consequent increased taxation burdens them a great deal. The native capitalist may receive some benefits from such "public" improvements, but generally the benefits accrue to the upper sections of the native ruling class and the foreign investor. During the present war, such loans are being used as bribes to "convince" the native ruling class to line up with one or the other of the warring camps.

INVESTMENTS IN RAW MATERIAL AND FOOD PRODUCTION. The raw materials upon which modern economic life is based—metals, oil, rubber and fibres—originate in all parts of the world. Investment in mines, oil wells, rubber, cot-

ton and jute plantations as well as tea, coffee, wheat, banana, sugar, pineapple and cocoa plantations and sheep runs, are the second most important field for investment in the backward regions. These enterprises are extremely profitable; the basis of this profit is the super-exploitation of the native masses.

Lewis Corey in his *Decline of American Capitalism*, cites two examples:

(1) The *New York Herald Tribune* of February 11, 1934 points out that although the year 1933 was one of extreme depression, the British-Belgian copper mines in Africa made high profits. Explanation: unskilled native labor was paid 15 cents a day; skilled workers earned \$10 a month.

(2) The *New Republic* of February 22, 1933 writes: "How did the American tin magnates in Bolivia manage to make a profit in the face of extraordinary shipping costs? Wages were barely enough to live on, so that the Indians remained permanently in debt to the mining company. Over 50 per cent of the population live in peonage . . . the 12-hour day is practiced. . . . The 7-day week is common. . . . The Patino mines, a National Lead subsidiary . . . declared 15 per cent dividends. . . . The people in this land are poverty-stricken. Only 9 per cent of the national budget is devoted to education; 85 per cent of the people are illiterate."

Nor do the food crops raised under imperialist control benefit the native masses. This is sharply emphasized by the fact that India, where hunger is constant, exports wheat and rice.

Imperialist investments in the development of raw material and food production thus bring little benefit to the backward countries. The foods and raw materials are shipped primarily to the industrial centers. The investments contribute little or nothing to the industrialization of these areas. They create twisted mono-cultural economies, completely dependent on the far-off industrial centers.

INVESTMENTS IN PUBLIC UTILITIES. This is the third most important field for investment. This category includes power plants, telephone and telegraph services, railroads, etc.

It might be argued that the investments in this group do genuinely advance the industrialization of those regions where they are introduced. On the one hand they do foster industrialization, but on the other hand these monopolist utilities place strict limits upon the extension of industrialization. An example is the electric light and power systems in many backward regions. The company, a powerful monopoly, faces the small native artisans and business men who consume the electric power. Monopoly prices are extorted for the electricity sold. Competition reigns only among the artisans and small business men who, vying with one another for sales, are forced to drive prices for their commodities down to rock bottom. Thus the foreign monopoly skims off the cream of the profits and the small residue it leaves to the native business man keeps him on a miserable plane from which he can never develop.

BANKING CAPITAL. Investment in banks primarily aims at financing the activities of the foreign concerns. However, a great deal of this type of foreign capital finds its way into circulation as usurers' capital, which sucks the blood of the peasantry and artisans of China, India, Indo-China, and the peons of Latin America. The local usurers who charge huge rates of interest are organically linked up with international finance. The statements of the international banking houses do not include the item: 100 per cent interest rate on a loan to a peasant of India; but it is there nevertheless. Need it be argued that in no sense can this usurers' capital be construed as advanc-

ing the industrialization of the backward parts of the world or raising the standard of living of the masses living there?

FACTORIES. Examples of such imperialist investments are the textile mills of China and India, the meat packing houses in Argentina and Chile, the metal smelters of Malaya and Chile. Do not at least these investments result in a true industrialization of these territories; do they not, by supplying commodities needed by the population, result in an improvement of their living standards?

To properly answer these questions, it is necessary to note that investments in this last category fall mainly into the following subdivisions:

1. Processing mining and oil products. In this category are the oil refineries and metal smelters. All that takes place here is that the product is transformed from raw material into semi-manufactured materials. The monopolies, by using the cheap native labor for this purpose, increase profits and economize on transportation costs. What we noted about raw materials and petroleum hold by and large for their processing in smelters and refineries: imperialist investment of this type contributes little to the large scale industrialization of the country and the well being of its masses.

2. Processing agricultural or pastoral products. Generally, in this case, the second process is the finishing one: from the raw material is directly produced the finished goods, such as meat or sugar. However the most important market for these products is not primarily or to any large extent in the country raising or processing them, but in the advanced countries: Cuban sugar goes to the United States as do Central American tropical fruits. Such industries bring very little improvement in the living standards of these areas and contribute little more toward their industrialization.

3. The so-called branch factories which General Motors, Ford, DuPont and other corporations set up in the backward countries. They serve to take advantage of cheap labor, overcome tariff regulations or cut down shipping expenses. These plants rarely manufacture a complete article, often they only package the material or assemble the parts shipped from the factories in the advanced countries. A large part of their market consists of the imperialist concerns operating in these areas and the upper sections of the native ruling classes. It is obvious that Hindu or Argentine workers do not offer a very lucrative market for automobiles, but the foreign plants and upper reaches of the native capitalists require trucks for their business and the native rulers enjoy modern automobiles. Such branch factories do impel somewhat the industrialization of backward areas, but, next to banks, this type of investment is the least extensive of all in such regions.

There are foreign-financed factories, particularly in textile, which do mean industrialization of the backward areas, to a certain limited extent. Such investments depend on a comparatively extensive market. Cheap textiles have been an important field of investment of this kind for England and Japan, primarily in India and China. Spanish and French capital is often found predominant in low-priced textiles and in food processing, such as flour-milling, in Latin America. These investments do have the effect of lowering the prices of the commodities produced. But the development of these industries is fettered by the restricted market for even the cheapest goods produced due to the low incomes of the great masses, particularly of the peasantry.

Furthermore, such forms of industrialization often result,

paradoxically enough, in impoverishing huge masses. For the establishment of such factories, like the importation of cheap finished goods, means the ruin of the great mass of the artisans, who cannot compete with machine-produced articles. In the 19th century, in western Europe and the United States, this meant great suffering, but of a temporary nature; the displaced artisans would find work either in the expanding industries or by migration to the free lands of western America. In the backward countries the advance of new industry is in no measure comparable to the displacement of artisans who, if they seek escape to the land, find it already occupied with teeming populations and with huge stretches preempted by feudal lords and imperialist plantations. The influx of ruined artisans forces up agricultural rents as the competition for the land is increased; the peasantry is further degraded and impoverished and therefore offers an even worse market for finished goods than before. Similarly in the cities, as the number of workers bidding against each other for jobs is increased, the wages are driven further down. Thus the comparatively small increase in industrialization raises the living standards of some very little and actually forces down the levels of many others. One could write the history of India during the last 80 years in terms of this process.

Our analysis has shown that the basic tendency of modern imperialism has not been to industrialize the backward regions of the earth and not to raise the standards of living of these hundreds of millions. In spite of his unctuous phrases, Wallace does not offer and cannot offer any means to transform this basic tendency. The only modification that Wallace offers to the system of imperialist penetration is the establishment of free trade, limited only by such protection in the advanced country as is required "from the standpoint of making itself secure in case of war." (What, in a warless world!)

Wallace's Panacea: The Same Imperialism

Wallace's panacea would actually worsen the present situation. Were free trade to be adopted by the backward countries, it would counteract that importation of factory capital induced by protective tariffs enacted by the industrially retarded countries. However, it appears, insofar as we can ascertain from his extremely disorganized and confused statements, that Wallace does not advocate free trade for such countries, but only for the United States and the industrially advanced nations.

Wallace's proposal at first glance seems to strike a blow at the monopolists, who certainly built their monopolies behind tariff walls which excluded competition from abroad. But *today*, when the monopolies are already established, the results of Wallace's proposal would be quite different and just the opposite of weakening the trusts and large combinations of capital. With modern international cartel agreements—pacts between the monopolists of various countries to recognize exclusive spheres of domination—the monopolist no longer depends primarily on tariffs, but on such agreements between monopolists to assure their economic empires. Thus, the abolition of tariffs would have little effect on the competitive position of the key industries: steel, aluminum, electrical goods, chemicals, oil, etc. The major effect such a move would have would be to strengthen the large monopolistic aggregations of capital at the expense of the remaining small-scale competitive business, outstandingly farming.

The result of lowering tariff walls would be disastrous upon these last industries. Cotton, tobacco, wheat, meat and wool would be permitted to enter this country more freely. Produced with cheap labor from the rich territories of the tropics and the Argentine and Australia, these products from abroad would be able to undersell the farmers and small-scale capitalists. The imperialists, whose products would find a wider market, would be strengthened. Swift and Armour would flourish at the expense of American meat production. Thus the medicine Wallace offers to the small business man and the farmer turns out to be—poison.

Nineteenth century competitive capitalism in its growth brought a liberalization of politics, at least at home; 20th century monopoly capitalism brings only a trend to reaction at home and abroad. Washington supports Vargas of Brazil, Batista of Cuba and the dictators of the banana republics; London maintains the princes of India; France, the shahs of Northern Africa. Imperialism allies itself with all that is reactionary in the backward areas; the 12th century is supported by and supports the 20th.

To raise the living standards of the backward regions, and thereby to create an internal market able to support a genuine flourishing of industrialism, it is first necessary to free the peasants from the burden of feudal rents and taxes—i.e., first must come the agrarian revolution. But that means an end to the economic and political power of the native princes, landlords and capitalists. Who would then allow the imperialists the economic concessions they get from the native rulers? And who knows where the chain of social upheaval, commencing with the agrarian revolution, would lead? No, the imperialists reason, we receive our super-profits by the exploitation of the native population. For that the more reactionary the political setup the better. To raise the living standards of the peasantry would mean higher wages for the workers on the plantations and in the mines.

On January 7, 1943, in the city of London, this amiable dialogue took place:

Leopold Amery, British Secretary of State for India: The ruling princes of India

"are not merely, as is sometimes suggested, museum pieces reproducing the splendor and chivalry and also perhaps the casualness of the Middle Ages.

"They are responsible rulers of territories, some of them equal in population and extent to major European nations, and their responsibilities are by no means small. Their primary responsibility is the good government of their own people in accordance with such methods as suit the disposition of those people and in accordance with the spirit of the times."

In reply, according to the *New York Times*, the Maharajah Jam Sahib of Nawanger, "pledged his loyalty to the British crown and expressed gratitude for the protection afforded by the British Navy."

This exchange of affectionate sentiments took place, of course, without consulting the wishes of the Indian masses or, for that matter, the British workers. Basically, this relation between the British imperialists and the feudal princes of India is similar to the relation between the U.S. and Vargas, for example.

Wallace's proposals in no way touch the irreconcilable opposition between imperialism and the industrialization and raising of the standard of living of the masses of the backward regions of the world. We have dealt in such detail with Wallace's views, not because his stale hash of outmoded petty-bour-

geois ideas deserves it in itself, but because of the enthusiasm with which the liberals and Stalinists, and the national AFL and CIO leaders greeted these vapid phrases.

We can confidently predict that the colonial and semi-colonial masses will not greet Wallace's refurbishing of imperialism with enthusiasm. Monopoly capitalism appears to the colonial masses only as capitalism in its decrepitude, only in its most reactionary, parasitic, oppressive and degenerate form.

At the same time, however, it develops a numerically small but cohesive and powerful native working class, imbued with a hatred for the present economic system, root and branch. It is this working class, and only this class, leading the great mass of the peasantry, that will accomplish the industrialization of the backward parts of the world.

Europe After the War

How will the economically advanced nations outside the U.S. fare at the end of this war? Wallace does not deal with this question—and for good reasons.

The war is bringing to Europe and will bring to Japan great devastation. At the war's end will American capitalism cooperate in the reconstruction of these areas? In the course of his already cited speech, Witherow, the president of the NAM, declared: "Immediately after the war, government aid to war-torn countries is a foregone conclusion. But not the rehabilitation of their economy."

We do not know if this was a slip of the tongue, but if it was, it can be described as a Freudian error, which reveals the true feelings of the one who uttered it. Undoubtedly at the end of the war there will be a strong section of the American capitalist class which will oppose the re-invigoration of potential competitors, whether ally or foe, during the war. Certainly any economic aid to the devastated regions of Europe will take place on a capitalist basis: the loaning of money at high rates of interest to these countries, and, to that extent, their economic "colonization" to American monopoly. The American monopolists will attempt to exercise economic domination over Europe; they want, in the indiscreet phrase of Luce, an "American century."

The exact attitude, after the war, of United States monopoly capitalism to its present allies, cannot now be given except in these wide generalizations; but one thing is as irrefutable as any truth can be: the Allied capitalists will aim at the complete economic destruction of the Axis powers, primarily of Germany. Various methods are even now being proposed to accomplish this purpose. Modern capitalism, far from advancing the industrialization of the backward sections of the globe, is aiming at the de-industrialization of the second leading industrial power of the earth and the main industrial power of Asia. Under the formula of "disarming the aggressors" the heavy industry of Germany and Japan will be throttled. Not only will the standard of living of the German and Japanese masses thereby be depressed to new lows, but all continental Europe as well as large parts of Asia will likewise suffer, for the economic life of Europe and northeastern Asia has long been based on German and Japanese industry. The policy of the American monopolists toward Europe and Japan will bring it into a head-on clash with the masses of Europe and Asia.

Modern capitalism, in its reactionary stage, is undoing in large measure the main accomplishments of its progressive period, namely the industrialization of important nations. Hitler long ago announced his plans to de-industrialize France and all

of continental Europe outside Germany and convert these areas into mere producers of light goods, agricultural products and raw materials for Germany; Allied imperialism will attempt to impose the same reactionary program on Germany and the Axis. This similarity of program on both sides of the warring lines shows the profound urge of imperialism to force the wheel of industrial progress backward.

Post-War America

The end of the war will find the capitalists of the United States conjuring up vistas of world domination. But, in addition to world-wide resistance, one of the main obstacles in their path toward realization of their goal will be the workers at home. Their unions are strong, their monetary wages high. During the by the huge scale of the war effort. But after the war, when the economic activity it engendered declines, the high wages of the war, the capitalists are able to maintain high rates of profits workers will be an obstacle to the functioning of the profit system. The scale of wages will lower the rate of profit. The attack on the living standards of the American masses, whether through an open wage cutting policy or through inflation or both, is inevitable in the next period.

At about the same time that Wallace was delivering his speech on post-war policy the Brookings Institution of Washington issued a pamphlet entitled, "Collapse or Boom at the End of the War," by Harold G. Moulton and Karl T. Schlotterbeck. This pamphlet, comparing the possibilities for capitalism in the period immediately following this war with the immediate post-World War I years, says:

"The situation, on the whole, is somewhat less favorable than that of 1919." "The less hopeful outlook for satisfactory earnings [profits] it must be repeated is attributable chiefly to the high level of wages and raw material costs resulting from war time policies." At the same time the pamphlet points out the huge problem of unemployment that will certainly come after the end of the war. In America we are going to face the threat of unemployment and a certain attack on the living standards of the workers, and their organs of economic defense, the unions.

Wallace's ideas are chimeras, we have shown. Modern capitalism results in stunting and distorting the economies of the backward nations, not in advancing them; in super-exploiting their populations and not in raising their living standards; in oppressing them in cooperation with feudalism and dictatorship, not in liberating them. Today's capitalism will result in the ruin of cultured and economically advanced nations, it will result in the destruction of the living standards of the masses in this country, and not in their improvement.

But Wallace is a conservative utopian on another score: he foresees the continued rule of capitalism. And in this even more than his other dreams, he shows himself existing completely in the land of phantasy.

A Correction

In Walter Held's article in the January *Fourth International* "Why the German Revolution Failed," one sentence was inadvertently translated to mean its opposite. It read: "In his 'Notes of a Publicist,' written in 1922 but published after his death, Lenin regrets having opposed Levi so harshly." (P. 23.) Actually the last part should have read: "Lenin regrets having made overtures to Levi."

The USSR: The Civil War Heroes Go

By OLGA PETROVA

A sound-proof wall separates us from Soviet Russia. No news arrives. It is impossible to take seriously the information supplied by foreign correspondents. So far as the Soviet press is concerned, it is so uniform and dull that one can gather nothing from it no matter how diligently one reads.

Suddenly, against this background of dullness and uniformity, *Pravda* published a play by Andrei Korneichuk, "The Front." This is unprecedented! Never before have plays been printed in *Pravda*. If an exception is now made and a play is printed in its entirety—each of the four issues of *Pravda* from August 24 to August 27, 1942, devotes a full page to it—then this is, of course, not done for nothing. The play has obviously been written by special order; special importance is attached to it and it is indeed quite interesting.

As is usually the case with Soviet plays, two sets of heroes are represented in Korneichuk's piece. There are on the one hand virtuous types, people of the new "Stalinist" formation—and they are, of course, the positive heroes. On the other hand there are—the former participants of the civil war: the "negative heroes" who allegedly bear the responsibility for the defeats of the USSR.

The principal hero of the play is General Ivan Ivanovich Gorlov, commander of a front, former worker and hero of the civil war. To be sure, he is a brave man—this is conceded even by his enemies—but he lacks adequate military education and refuses to learn. According to his views, in war "the chief thing is attack. To stun and to destroy, one must be audacious. The most important thing in an army leader is his soul. If the soul is bold, brave, aggressive, then nobody is to be feared. . . . There must be action without discussions. I am not in the habit of sitting long in a cabinet and wracking my brain over maps. War is not an academy. . . . War is risk and not arithmetic. . . . The chief thing is to seek out the enemy and beat him down wherever he is located. There must be action without discussions." Such is Gorlov's standpoint according to the play.

His brother Miron is an administrator, the director of an aviation plant. He is seven years younger and is a typical representative of the people of the new formation. He holds that "we still have many commanders who are uncultured, who don't understand modern warfare, and therein lies our misfortune. War can't be won by bravery alone. For winning the war, one must in addition to bravery possess the ability to wage war, and wage it in a modern way. One must learn how to wage war in a modern way." But Miron does not succeed in convincing his brother.

In general, they cannot understand each other. The play opens with a dispute between them over the problem of supplying the army with planes. Gorlov confronts Miron with the charge that the administrators fail to supply the front with a sufficient number of planes. But Miron replies that they have now finished experiments and will shortly supply the army with planes of such speed that "Goering will burst from chagrin." To Gorlov's remark that "you had better bother less with speed and, above all, supply us with more. The Germans have so many planes," Miron replies with the following philippic:

"Drop that little song, we know all about it, we've heard enough of it from your brotherhood. Enough. To the devil with it. . . . Some of our military strategists have been yelling for years: give us more planes, speed is a secondary thing, what matters to us is quantity. And we civilians used to listen until our eyes popped out of our heads. . . . If we had continued to listen to such strategists, we would have perished, the Germans would have picked us off like sparrows. . . . Believe me, no other aviation industry in the world could have been reconstructed as swiftly as ours was, but this cost us great efforts. Thanks to these efforts we now have the most modern and speediest planes. . . ." This extremely interesting dialogue lifts the veil from the dispute between the military men and administrators which took place prior to the war and during the first months of the hostilities.

As an efficient administrator, Miron holds that what is necessary is to work more, talk less and not waste time on such trivialities as handing out decorations. He pokes fun at the fact that Gorlov has just received his fourth decoration. "By the time the war ends, there will probably be no longer any place where to hang them. . . . That's your General's trade. Either your chests are all hung with medals, or your faces are all black and blue. It is true, you and your kind don't get enough black eyes, we as a rule get the most. . . . Were I in the government's place, I'd give you less decorations and more black eyes, and such good ones as could be seen by everybody." Miron keeps so busy that he even contrives "not to notice" how Stalin looks: he had an interview with Stalin and made his report to him, but there was a great deal to do, he remembered all of Stalin's questions and advice, but "did not get a chance to take a good look at him."

One of the most interesting conversations takes place between Miron and Gaidar, a member of the Military Council. (Gaidar, as befits a member of the Military Council, actually sides with the "positive people," but not wishing to spoil his relations with Gorlov he countersigns the latter's orders. For this he later "gets it" in Moscow, realizes his mistake and "corrects himself.")

"I am a civilian," said Gaidar. "Before the war I was on civilian work. But I also find it hard. It is necessary to know military arts but they are not the same as in the civil war. Everything has become very complex. . . . He [Gorlov] has had the experience of the civil war and has authority among the commanders. He wages war as best he can."

Miron gets indignant: "He wages war as best he can. . . . But when will the war be waged as it should be—how soon will that be? . . . It is very difficult and costs much too dearly to keep waiting."

Miron insists on the appointment of young and talented men, but Gaidar replies: "Unfortunately, this still plays the chief role among our highest commanding staff. No matter how talented a young commander might be, if they had not participated with him in the civil war, they refuse to recognize him. One has to argue and remonstrate so much."

"Why not stop arguing and remonstrating," says Miron.

"You should proclaim a war against ignoramuses and ignorance in military matters."

Gaidar's answer is that "you can't do this during war. . . . Things are a bit more complicated in war. . . . A sharp turn here might break up things. . . . Other methods are necessary. After all, the enemy is on our territory. In order to free the land, one must put up with people worse than your brother."

This makes Miron explode: "Why? Don't you recall the conditions in industry? In the beginning many factories and trusts used to have as directors old, deserving and authoritative comrades who kept boasting about their calloused hands and who had husky throats and used strong language but who didn't know and didn't want to know the necessary technique and who were unable to run the factories. At every step they would rattle on about their poor man's origin but they refused to learn, refused to broaden their old knowledge through new experience, And what happened? The factories operated badly because almost everywhere were sitting 'authoritative' and self-complacent ignoramuses. If the Central Committee of the party had not made a sharp turn and placed engineers, technicians, men with knowledge at the head of the enterprises, then the workers would have unquestionably said: To hell with you together with your old and 'authoritative' people, if you can't run things. This is a fact. And no matter how loudly the ignoramuses yelled, no one supported them. The people love and demand only those leaders who possess knowledge and wisdom."

The Purge of the Older Generation

Miron thus appears as a representative of the people and demands an immediate purge of the army. In the name of the workers he tells his brother just before leaving:

"You know, brother, one should not fool himself and the government. You can't and won't be able to command a front. This is over your head. These are different times. During the civil war you did your fighting almost without artillery and the enemy likewise had little; you fought without aviation, without tanks and without a serious technique such as now exists and which must be understood, must be known as you know your own five fingers. . . . But you know little or nothing at all. Why don't you go away yourself. Please, understand. After all, we are building machines night and day for the front. The best machines in the world. And what for? In order that the bigger half is destroyed because of your lack of ability, because of your backwardness. . . . What can I say to the workers when I return to the factory? Or to the engineers? After all, they have not left their departments since the first day of the war. They are heroes. . . . I can't hide from them that their precious labor and our rich technology is being used by you at the front ineptly and without the necessary knowledge."

Miron's heart yearns for Gorlov as a brother but is repelled by him as a commander. Miron is revolted by Gorlov's entourage which consists of his former comrades-in-arms of the civil war. They are all workers "old, honest but a little weak"—as one of the "positive" heroes characterizes them. They are all depicted as subservient and sycophantic to Gorlov, drinking with him and flattering him. All that one hears from them is that Gorlov's health is precious to the entire country; that he is a genius and a great army leader, etc., etc. They refer with contempt to the new heroes: "We are workers, heroes of the civil war—they are upstarts." And so on and so forth. They nauseate Miron. "Lord almighty!" he exclaims. "When will

there come an end in our country to fools, ignoramuses, sycophants, nincompoops, wheedlers? . . . It is necessary to beat up these self-complacent ignoramuses, beat them bloody, beat them into a pulp and replace them as quickly as possible with different, new, young, talented people. Otherwise our great cause can be ruined."

These new, young and talented people are represented in the play by Ognev, an army commander. The author does not succeed at all with this type who emerges unalive, unreal. After all, this could not have been otherwise, for Ognev has to embody all the positive traits without a single flaw or even a human frailty in his makeup. He is still young; naturally, did not participate in the civil war; his rank at the beginning of the war was that of colonel; within three months he was promoted to major-general, and shortly placed in command of an army; he has had a serious military education and keeps spouting quotations from von Moltke and Suvorov. Thanks to his vigilance it is possible to prevent a whole number of mistakes committed by Gorlov which would have resulted in a terrible catastrophe if not for Ognev. The latter speaks with unconcealed contempt about the former heroes of the civil war. He considers them "shortsighted people" who "upon reaching power preen themselves and love only to 'instruct' and curse others. And they absolutely want to straighten out other people's brains with a cudgel."

Ognev is in constant conflict with Gorlov, maintaining that the latter's orders are ill-considered and harmful. Gorlov's orders lack thought. Ognev says: "Everything is approached with 'hurrah,' with 'maybe,' as if the enemy were a fool or asleep. How can one surround the enemy in this way? . . . A circle is drawn with a compass and we are told: Gallop onwards, boys, close in from two sides. . . . We succeeded because of the courage of the fighters and the heroism of the middle and lower ranking commanders. The warrior conquered despite orders which placed the troops in the most disadvantageous conditions."

Gorlov and his entourage have all the human failings: they love to drink and to spend time in company, etc., whereas Ognev is akin to Superman. With a wound in his head and later another in his arm he continues to work. He never thinks of himself but only of his duties and his fighters. For example, the head of the political department reports to him that "the agency of the enemy has raised its head in the third battalion, discussions of an unhealthy sort are being carried on. . . . They say that the commander of the battalion is a real blue-blood and so is the political director. These two have got themselves a cook of their own and devour food for five while the kitchen for the fighters stinks to hell. The fighters beat up the cook because he kept on cooking muddy soup."

Ognev immediately dictates the following order: "State the facts briefly but clearly and then forbid all commanders to sit down to eat until the fighters have been served." Even when he finds the body of his father among those tortured to death by the Germans, he refuses, despite the proposal of Kolos,* to postpone even for a minute an interview with a major who had been sent by Gorlov.

*Kolos is a commander of a cavalry group. He participated in the civil war but is one of the "positive" types. He completely supports Ognev despite the ties of old friendship with Gorlov. "Dear Ivan Ivanovich," he says to Gorlov, "we went through the entire civil war together; we began together and we shared joy and sorrow together and I am ready to lay down my life for you. But truth stands above everything. And truth is on the side of Major-General Ognev."

The "old men"—the heroes of the civil war—and the "young men" speak different languages. For example, one of the commanders complains about Khripun, the head of communications and one of Gorlov's men. Khripun—who is depicted as a revolting flatterer—fails to supply the commanders with radios. The complaining commander says: "That's the way things are! You can get nothing although the warehouses are filled to bursting. Everybody waits until he is taken by the throat, and the harder you squeeze, the better, and when you squeeze so that their eyes begin to pop out of their heads, then they give, and they praise you besides."

Ognev becomes most indignant over the fact that reconnaissance is placed on a completely false basis by Gorlov and that according to reports of partisans, Gorlov's information is completely false. But Gorlov snarls at this and is bold enough to say: "This partisan of yours told you a pack of lies. They always lie a lot and do very little." The conflict over reconnaissance keeps growing sharper and finally leads to an open clash between Blagonravov, the chief of staff, and Udivitelny, the head of reconnaissance and one of Gorlov's old comrades-in-arms. They quarrel bitterly and Blagonravov tells Udivitelny that he had been decorated by mistake and that he should be deprived of his honors "with plenty of noise and publicity in the press." Thereupon Udivitelny phones the party-cell and inquires about Blagonravov's social origin. Learning that the latter is the "son of a deacon," Udivitelny makes preparations to bring charges against Blagonravov.

The Triumph of the "Young"

As was to be expected, the conflict between the "old men" and the "young" ends with the triumph of the latter. Gorlov is removed by order of Moscow and Ognev appointed in his place. The entire action takes place in 48 hours. The play begins with Gorlov's receiving his fourth decoration for military achievements and concludes by his removal from his post. Gorlov's removal is, of course, entrusted to Gaidar, the member of the Military Council, who, to be sure, on his arrival in Moscow "got it so hard that I'll remember it all my life" for failing to take a sufficiently firm position toward Gorlov, for not acting as "a real party leader," for working amiably with Gorlov, for having "countersigned, sealed and argued but not spoiled relations."

On handing to Gorlov the order for his removal, Gaidar says: "You are a brave man and devoted to our great cause. This is very good and you are respected for it. But this is not enough for victory over the enemy. For victory it is necessary besides to know how to wage war in a modern way; it is necessary to have the ability to learn from the experience of modern war and the ability to nourish new young cadres and not to repel them. But you, unfortunately, lack this ability. Of course, knowledge, the ability to wage war—this is something one acquires. Today, you can't wage war, today you don't possess enough knowledge but tomorrow you can get them, together with the ability to wage war as well as the necessary knowledge. But all this provided, of course, there is a strong desire to learn, to learn from the experience of war, to work over oneself and to develop. But you lack precisely this desire. Can the old army leaders develop and become experts of the methods of modern warfare? Of course they can. Not less but even more so than the young—but on one provision, name-

ly, that they have the desire to learn from the experience of war. Provided they do not consider it a disgrace for them to learn and to develop further. But the whole trouble with you, i.e., with certain old army leaders, is that you do not want to learn, you are sick with self-complacency and think that you are learned enough. That is your chief defect, comrade Gorlov."

Just before leaving, Gorlov remarks: "You'll be sorry but it will be too late."

Gaidar replies: "Don't try to frighten us. Bolsheviks are not the scary kind. We have no irreplaceable people. Many have tried to frighten us but they have long been lying on the garbage heap of history."

After fulfilling the order issued to him, Gaidar immediately proceeds to straighten out other matters. He orders the immediate departure of Krikun, the special correspondent of a newspaper in the capital. This correspondent had already written 105 articles from the front. His writing is hackneyed and banal and supplies information about things of which he himself knows nothing, and he remains absolutely unconcerned whether what he writes is true or not. He says: "Were I to write what I saw I couldn't write every day. I'd never be so popular." He was, of course, protected by Gorlov who held that the "people must know how we are fighting and how many heroes we have."

Gaidar also drives out Khripun, the head of communications, and the rest of Gorlov's men and then transmits to Ognev "on instructions from Comrade Stalin" the order appointing him as commander of the front. Ognev says: "But why? After all, I am so very young."

Gaidar reassures him: "Stalin says that it is necessary to advance more boldly to leading positions young and talented army leaders alongside of the old army commanders. It is necessary to advance those who are capable of waging war in a modern way and not in the old manner. It is necessary to advance those who are capable of learning from the experience of modern war, those who are capable of developing and advancing."

What Stalin Is Doing

It is clear from this play that Stalin is replacing the old workers, the heroes of the civil war of 1918-20, with his own people. As is his custom, he seeks for those men at the switch upon whom he can unload the responsibility for his own mistakes. This time they are the military communists of the old formation. He is making them responsible for the defeats at the front.

But inasmuch as these "old men," by admission of Stalin's own "young men," possess authority in the army and are loved, valued and highly regarded, Stalin had to apply a new tactic. It was impossible, for instance, to follow the fashion of former years and proclaim them to be fascist agents or mere wreckers. He had to proceed more cautiously. For this reason, these "old men" are endowed with all the human frailties and are on this occasion depicted as living people and not as emanations from hell. The task assigned to the author is quite clear: to justify the purge of last winter—the action takes place in January, the play itself appeared in August—and to do this without trampling the former heroes of the civil war into the mud. It is obvious that Stalin dares not as yet resort to sharper measures.

From the Arsenal of Marxism

What Is National Socialism?

By LEON TROTSKY

EDITOR'S NOTE: The following article was written by Leon Trotsky at the end of 1933. It was published in France in the *Nouvelle Revue Française* and in the United States in the quarterly, *Yale Review* in 1934.

Naive minds think that the office of kingship lodges in the king himself, in his ermine cloak and his crown, in his bones and veins. As a matter of fact, the office of kingship is an interrelation between people. The king is king only because the interests and prejudices of millions of people are refracted through his person. When the flood of development sweeps away these interrelations, then the king appears to be only a washed-out male with a flabby underlip. He who was once called Alfonso XIII could discourse upon this from fresh impressions.

The leader by will of the people differs from the leader by will of God in that the former is compelled to clear the road for himself or, at any rate, to assist the conjuncture of events in discovering him. Nevertheless, the leader is always a relation between people, the individualistic supply to meet the collective demand. The controversy over Hitler's personality becomes the sharper the more the secret of his success is sought in himself. In the meantime, another political figure would be difficult to find that is in the same measure the focus of anonymous historic forces. Not every exasperated petty bourgeois could have become Hitler, but a particle of Hitler is lodged in every exasperated petty bourgeois.

The rapid growth of German capitalism prior to the First World War by no means signified a simple destruction of the intermediate classes. Although it ruined some layers of the petty bourgeoisie it created others anew: around the factories, artisans and shopkeepers; within the factories, technicians and executives. But while preserving themselves and even growing numerically—the old and the new petty bourgeoisie compose a little less than one-half of the German nation—the intermediate classes have lost the last shadow of independence. They live on the periphery of large-scale industry and the banking system, and they live off the crumbs from the table of monopolies and cartels, and off the ideological sops of their traditional theorists and politicians.

The defeat in 1918 raised a wall in the path of German imperialism. External dynamics changed to internal. The war passed over into revolution. Social democracy, which aided the Hohenzollerns in bringing the war to its tragic conclusion, did not permit the proletariat to bring the revolution to its conclusion. It spent fourteen years in finding interminable excuses in its own existence for the Weimar democracy. The Communist Party called the workers to a new revolution but proved incapable of leading it. The German proletariat passed through the rise and collapse of war, revolution, parliamentarism, and pseudo-Bolshevism. At the time when the old par-

ties of the bourgeoisie had drained themselves to the dregs, the dynamic power of the working class turned out to be impaired.

The post-war chaos hit the artisans, the peddlers, and the civil employees no less cruelly than the workers. The economic crisis in agriculture was ruining the peasantry. The decay of the middle strata did not mean that they were made into proletarians inasmuch as the proletariat itself was casting out a gigantic army of chronically unemployed. The pauperization of the petty bourgeoisie, barely covered by ties and socks of artificial silk, eroded all official creeds and, first of all, the doctrine of democratic parliamentarism.

The multiplicity of parties, the icy fever of elections, the interminable changes of ministries aggravated the social crisis by creating a kaleidoscope of barren political combinations. In the atmosphere brought to white heat by war, defeat, reparations, inflation, occupation of the Ruhr, crisis, need, and despair, the petty bourgeoisie rose up against all the old parties that had bamboozled it. The sharp grievances of small proprietors, never out of bankruptcy, of their university sons without posts and clients, of their daughters without dowries and suitors, demanded order and an iron hand.

The banner of National Socialism was raised by upstarts from the lower and middle commanding ranks of the old army. Decorated with medals for distinguished service, commissioned and non-commissioned officers could not believe that their heroism and sufferings had not only come to nothing for the Fatherland but also gave them no special claims to gratitude. Hence their hatred of the revolution and the proletariat. At the same time, they did not want to reconcile themselves to being sent by the bankers, industrialists, and ministers back to the modest posts of bookkeepers, engineers, postal clerks, and school teachers. Hence their "socialism." At the Iser and under Verdun they had learned to risk themselves and others, and to speak the language of command which powerfully overawed the petty bourgeois behind the lines. Thus these people became leaders.

Where Hitler Got His Program

At the start of his political career, Hitler stood out perhaps only because of his big temperament, a voice much louder than others, and a circumscribed mentality much more self-assured. He did not bring into the movement any ready-made program, if one disregards the insulted soldier's thirst for vengeance. Hitler began with grievances and complaints about the Versailles terms, the high cost of living, the lack of respect for a meritorious non-commissioned officer, and the plots of bankers and journalists of the Mosaic persuasion. There were in the country plenty of ruined and drowning people with scars and fresh bruises. They all wanted to thump with their fists on the table. This Hitler could do better than others. True,

he knew not how to cure the evil. But his harangues sounded now like commands and again like prayers addressed to inexorable fate. Doomed classes, like those fatally ill, never tire of making variations on their complaints or of listening to consolations. Hitler's speeches were all attuned to this pitch. Sentimental formlessness, absence of disciplined thought, ignorance along with gaudy erudition—all these minuses turned into pluses. They supplied him with the possibility of uniting all types of dissatisfaction around the beggar's sack of National Socialism, and of leading the mass in the direction in which it pushed him. In the mind of the agitator was preserved from among his early personal improvisations whatever had met with approbation. His political thoughts were the fruits of oratorical acoustics. That is how the selection of slogans went on. That is how the program was consolidated. That is how the "leader" took shape out of the raw material.

Mussolini, from the very beginning, reacted more consciously to social materials than Hitler, to whom the police mysticism of a Metternich is much closer than the political algebra of Machiavelli. Mussolini is mentally bolder and more cynical. It may be said that the Romish atheist only utilizes religion as he does the police and the courts while his Berlin colleague really believes in the infallibility of the Church of Rome. During the time when the future Italian dictator considered Marx as "our common immortal teacher," he defended not unskillfully the theory which sees in the life of contemporary society first of all the reciprocal action of two classes, the bourgeoisie and the proletariat. True, wrote Mussolini in 1914, there lie between them very numerous intermediate layers which seemingly form "a joining web of the human collective"; but "during periods of crisis, the intermediate classes gravitate, depending upon their interests and ideas, to one or the other of the basic classes." A very important generalization! Just as scientific medicine equips one with the possibility not only of curing the sick but of sending the healthy to meet their forefathers by the shortest route, so the scientific analysis of class relations, predestined by its creator for the mobilization of the proletariat, enabled Mussolini, after he had jumped into the opposing camp, to mobilize the intermediate classes against the proletariat. Hitler accomplished the same feat, translating the methodology of fascism into the language of German mysticism.

The bonfires which burn the impious literature of Marxism light up brilliantly the class nature of National Socialism. While the Nazis acted as a party and not as a state power, they did not quite find an approach to the working class. On the other side, the big bourgeoisie, even those who supported Hitler with money, did not consider his party theirs. The national "regeneration" leaned wholly upon the intermediate classes, the most backward part of the nation, the heavy ballast of history. Political art consisted in fusing the petty bourgeoisie into oneness through its solid hostility to the proletariat. What must be done in order to improve things? First of all, throttle those who are underneath. Impotent before large capital, the petty bourgeoisie hopes in the future to regain its social dignity by overwhelming the workers.

The Nazis call their overturn by the usurped title of revolution. As a matter of fact, in Germany as well as in Italy, fascism leaves the social system untouched. Taken by itself, Hitler's overturn has no right even to the name counter-revolution. But it cannot be viewed as an isolated event; it is the conclusion of a cycle of shocks which began in Germany in 1918.

The November revolution, which gave the power to the workers' and peasants' soviets, was proletarian in its fundamental tendencies. But the party that stood at the head of the proletariat returned the power back to the bourgeoisie. In this sense the social democracy opened the era of counter-revolution, before the revolution could bring its work to completion. However, during the time when the bourgeoisie depended upon the social democracy, and consequently upon the workers, the regime retained elements of compromise. Concurrently, the international and the internal situation of German capitalism left no more room for concessions. The social democracy saved the bourgeoisie from the proletarian revolution; then came the turn of fascism to liberate the bourgeoisie from the social democracy. Hitler's overturn is only the final link in the chain of counter-revolutionary shifts.

A petty bourgeois is hostile to the idea of development, for development goes immutably against him; progress has brought him nothing except irredeemable debts. National Socialism rejects not only Marxism but Darwinism. The Nazis curse materialism because the victories of technology over nature have signified the triumph of large capital over small. The leaders of the movement are liquidating "intellectualism" not so much because they themselves possess second and third rate intellects but primarily because their historic role does not permit them to draw a single thought to its conclusion. The petty bourgeois takes refuge in the last resort, which stands above matter and above history, and which is safeguarded from competition, inflation, crisis and the auction block. To evolution, economic thought, and rationalism—of the twentieth, nineteenth, and eighteenth centuries—is counterposed in his mind national idealism, as the source of the heroic beginning. Hitler's nation is the mythological shadow of the petty bourgeoisie itself, its pathetic delirium of a millennium on earth.

In order to raise it above history, the nation is given the support of the race. History is viewed as the emanation of the race. The qualities of the race are construed without relation to changing social conditions. Rejecting "economic thought" as base, National Socialism descends a stage lower—from economic materialism it appeals to zoologic materialism.

The theory of race, specially created, it seems, for a pretentious self-educated individual who seeks for a universal key to all the secrets of life, appears particularly melancholy in the light of the history of ideas. In order to create the religion of the genuine German blood, Hitler was obliged to borrow at second hand the ideas of racialism from a Frenchman, Count Gobineau, a diplomat and a literary dilettante. Hitler found the political methodology ready-made in Italy. Mussolini utilized widely the Marxist theory of the class struggle. Marxism itself is the fruit of union between German philosophy, French history and English economics. To investigate retrospectively the genealogy of ideas, even those most reactionary and muddleheaded, is to leave not a trace of racialism standing.

The immeasurable thinness of National Socialist philosophy did not, of course, hinder the academic sciences from entering Hitler's fairway, with all sails unfurled, once his victory was sufficiently established. For the majority of the professorial rabble the years of the Weimar regime were periods of riot and alarm. Historians, economists, jurists and philosophers were lost in guesswork as to which of the contending criteria of truth was real, that is, which of the camps would turn out in the end the master of the situation. The fascist dictatorship eliminates the doubts of the Fausts and the vacil-

lations of the Hamlets of the university rostrums. Coming out of the twilight of parliamentary relativity, knowledge once again enters into the kingdom of absolutes. Einstein has been obliged to pitch his tent outside the boundaries of Germany.

On the plane of politics, racialism is a vapid and bombastic variety of chauvinism in alliance with phrenology. As the ruined nobility sought solace in the gentility of its blood, so the pauperized petty bourgeoisie befuddles itself with fairy tales concerning the special superiorities of its race. Worthy of attention is the fact that the leaders of National Socialism are not native Germans but interlopers from Austria, like Hitler himself, from the former Baltic provinces of the Czar's empire, like Rosenberg, and from colonial countries, like Hess, who is Hitler's present alternate for the party leadership. A school of barbaric national pothering along the cultural frontiers was required in order to instil into the "leaders" those ideas which later found response in the hearts of the most barbarous classes in Germany.

Personality and class—liberalism and Marxism—are evil. The nation—is good. But at the threshold of private property this philosophy is turned inside out. Salvation lies only in personal private property. The idea of national property is the spawn of Bolshevism. Deifying the nation, the petty bourgeois does not want to give it anything. On the contrary, he expects the nation to endow him with property and to safeguard him from the worker and the process-server. Unfortunately, the Third Reich will bestow nothing upon the petty bourgeois except new taxes.

In the sphere of modern economy, international in its ties and anonymous in its methods, the principle of race appears as an interloper from a medieval graveyard. The Nazis set out with concessions beforehand; the purity of race, which must be certified in the kingdom of the spirit by a passport, must be demonstrated in the sphere of economy chiefly by efficiency. Under contemporary conditions this means competitive capacity. Through the back door racialism returns to economic liberalism, freed from political liberties.

Nationalism in economy practically comes down to impotent, though savage outbursts of anti-Semitism. The Nazis abstract the usurious or banking capital from the modern economic system because it is of the spirit of evil; and, as is well known, it is precisely in this sphere that the Jewish bourgeoisie occupies an important position. Bowing down before capitalism as a whole, the petty bourgeois declares war against the evil spirit of gain in the guise of the Polish Jew in a long-skirted caftan and usually without a cent in his pocket. The pogrom becomes the supreme evidence of racial superiority.

The program with which National Socialism came to power reminds one very much—alas—of a Jewish department store in an obscure province. What won't you find here—cheap in price and in quality still lower! Recollections of the "happy" days of free competition, and hazy traditions of the stability of class society; hopes for the regeneration of the colonial empire, and dreams of a shut-in economy; phrases about a reversion from Roman law back to the Germanic, and pleas for an American moratorium; an envious hostility to inequality in the person of a proprietor in an automobile, and animal fear of equality in the person of a worker in a cap and without a collar; the frenzy of nationalism, and the fear of world creditors. All the refuse of international political thought has gone to fill up the spiritual treasury of the neo-Germanic Messianism.

Fascism has opened up the depths of society for politics. Today, not only in peasant homes but also in the city sky-

scrapers there lives alongside of the twentieth century the tenth or the thirteenth. A hundred million people use electricity and still believe in the magic power of signs and exorcisms. What inexhaustible reserves they possess of darkness, ignorance and savagery! Despair has raised them to their feet, fascism has given them the banner. Everything that should have been eliminated from the national organism in the course of the unhindered development of society comes out today gushing from the throat; capitalist society is puking up the undigested barbarism. Such is the physiology of National Socialism.

Fascism, Servant of Monopoly Capitalism

German fascism, like the Italian, raised itself to power on the backs of the petty bourgeoisie which it turned into a battering ram against the working class and the institutions of democracy. But fascism in power is least of all the rule of the petty bourgeoisie. On the contrary, it is a most ruthless dictatorship of monopolist capital. Mussolini is right: the intermediate classes are incapable of independent policies. During periods of great crisis they are called upon to reduce to absurdity the policies of one of the two basic classes. Fascism succeeded in placing them in the service of capital. Such slogans as state control of trusts and the elimination of unearned income were thrown overboard immediately upon the assumption of power. On the contrary, the particularism of German "lands" leaning upon the peculiarities of the petty bourgeoisie cleared the place for the capitalist-police centralism. Every success of the internal and foreign policies of National Socialism will inevitably mean the further crushing of small capital by the large.

The program of petty-bourgeois illusions is not discarded; it is simply torn away from reality, and it dissolves in ritualistic acts. The unification of all classes reduces itself to semi-symbolic compulsory labor and to the confiscation of the labor holiday of May first for the "benefit of the people." The preservation of the Gothic script in counterpoise to the Latin is a symbolic revenge for the yoke of the world market. The dependence upon the international bankers, Jews among their number, is not eased an iota, wherefore it is forbidden to slaughter animals according to the Talmudic ritual. If the road to hell is paved with good intentions, then the avenues of the Third Reich are paved with symbols.

Reducing the program of petty-bourgeois illusions to a naked bureaucratic masquerade, National Socialism raises itself over the nation as the purest form of imperialism. Absolutely false are hopes to the effect that Hitler's government will fall tomorrow, if not today, a victim of its internal insolvency. The Nazis required the program in order to assume the power; but power serves Hitler not at all for the purpose of fulfilling the program. His tasks are assigned him by monopolist capital. The compulsory concentration of all forces and resources of the people in the interests of imperialism—the true historic mission of the fascist dictatorship—means the preparation for war, and this task, in its turn, brooks no internal resistance and leads to further mechanical concentration of power. Fascism cannot be reformed or retired from service. It can only be overthrown. The political orbit of the regime leans upon the alternative, *war or revolution*.

The first anniversary of the Nazi dictatorship is approaching. All the tendencies of the regime have had time to take on a clear and distinctive character. The "socialist" revolution pictured by the petty-bourgeois masses as a necessary supple-

ment to the national revolution is officially liquidated and condemned. The brotherhood of classes found its culmination in the fact that on a day especially appointed by the government the haves renounced the *hors d'oeuvre* and dessert in favor of the have-nots. The struggle against unemployment is reduced to the cutting of semi-starvation doles in two. The rest is the task of uniformed statistics. Planned autarchy is simply a new stage of economic disintegration.

The more impotent the police regime of the Nazi is in the field of national economy, the more it is forced to transfer its efforts to the field of foreign politics. This corresponds fully to the inner dynamics of German capitalism, aggressive through and through. The sudden turn of the Nazi leaders to

peaceful declarations could deceive only utter simpletons. What other method remains at Hitler's disposal to transfer the responsibility for internal distresses to external enemies and to accumulate under the press of the dictatorship the explosive force of nationalism? This part of the program, outlined openly even prior to the Nazis' assumption of power, is now being fulfilled with iron logic before the eyes of the world. The date of the new European catastrophe will be determined by the time necessary for the arming of Germany. It is not a question of months, but neither is it a question of decades. It will be but a few years before Europe is again plunged into a war, unless Hitler is forestalled in time by the inner forces of Germany.

INTERNATIONAL NOTES

"New" Ideas on Italy

A pamphlet entitled *Italy Against Fascism* has recently appeared in New York, dated September 1942. We received our copy through the mails. The author (or authors) and the group that published the pamphlet remain anonymous. We can easily understand conspiratorial caution. Unfortunately, however, they take the same precautions on the plane of ideas. They do not say to which tendency they belong, they do not reveal their political past, they do not criticize any definite movement or organization. This attitude gives the pamphlet an extremely vague and to a certain degree equivocal character.

For it soon becomes clear that the authors of the pamphlet are not political novices, youths who are awakening to political life. On the contrary, if we try to reconstruct their history on the basis of the pamphlet, it would appear that these are old routiners of the emigration.

The pamphlet begins by giving a picture of the Italian underground movement. It notes the appearance of a new revolutionary generation of Italy which was not acquainted with the pre-fascist epoch and it declares:

"A young Communist inside Italy would feel intellectually and emotionally closer to a liberal revolutionary in Italy than to a leader of the Italian Communist Party abroad. A young liberal would feel the same way."

Let us admit for a moment that this fact is true. It can be explained by various factors such as the bankruptcy of liberalism in our epoch and the degeneration of the Communist International (Stalinism). The pamphlet itself does not offer any explanation of this asserted fact, but, as we shall see, builds a whole political program around it.

One sentence betrays the way the pamphlet approaches political problems:

". . . the most important difference between anti-Fascists (inside Italy) is based

not so much on ideas as on experience."

But ideas are generalized experience. They find their expression in programs, tendencies, political traditions. This artificial and superficial opposition between ideas and experience reveals a theoretical carelessness and cannot help but remind us that Italy was one of the hunting grounds of Bakuninism. So it is not surprising that we find, a little farther along, a sentence as shallow as this:

"To the totality of destruction that is Fascism has been opposed the totality of freedom that is revolutionary anti-Fascism."

What does this "totality of freedom" mean? Contempt for "ideas," that is to say scientific theory, is always combined with a blind acceptance of empty phrases.

The pamphlet then goes on to say about the Italian underground movement:

"Widespread propaganda has been carried on to weaken the morale of the armed forces and of the civilians; a clandestine press has been set up on an unparalleled scale; political meetings have been held and combat groups formed in nearly every town and village; a strict coordination of all these units has been established."

And further along:

"The production of the clandestine press varies from booklets to loose manifestos, and these are widely distributed by the opposition throughout Italy."

This information sounds rather exaggerated. Undoubtedly an underground movement does exist and we have seen poorly mimeographed sheets printed in Italy. But printed booklets! Combat groups in nearly every town and village! A strict coordination of all these units! We merely have to recall the state of the underground movement in Russia in January 1917 or in Germany in October 1918 to see that we are dealing here with an unpardonable product of petty-bourgeois grandiloquence.

The pamphlet reproduces the program on which "the most active anti-Fascist groups

inside Italy are in complete accord." This also seems to be the program which the author supports; however, he does not state it explicitly.

The first point of the program is:

"They recognize that the present war is a continuation on a worldwide scale of the international fight against international Fascism and its supports, a fight initiated in Italy twenty years ago."

This is a typically liberal affirmation, completely false. The struggle in Italy twenty years ago was the struggle of different classes inside one nation. The present war is the struggle of contenders who all belong to one class, the imperialist bourgeoisie. (We except, of course, the struggle of the Soviet Union and semi-colonial China.) Let us recall that Churchill declared that if he were Italian he would be fascist. Nevertheless, he is now a valiant defender of "democracy."

The second point of the program reads:

"Consequently, they believe that imperialistic and nationalistic aims should be excluded from the present struggle, rightly defined as a civil war. They deem it essential for the democracies to understand that Fascism means an international 'New Order' of destruction. . . ."

Here is the usual Jeremiad of the liberals, who try to convince the imperialists not to be too imperialist. ". . . it is essential for the democracies to understand." And what if the imperialists understand how to manage their interests without such unsolicited advice, as the Darlan deal recently showed?

The third point of the program follows the same line:

"They believe that after the victory of the United Nations, no actual peace can be achieved unless the United Nations really become a UNION of PEOPLES on an INTERNATIONAL basis. They point out that the results of the last war have sufficiently proved that nationalism is a negative force, *unhealthy even in small doses.*" (Capitals and italics in the original.)

The same pious prayers! Let us note also the denial of *any* progressive character to nationalism. This is no accident. Liberalism, with its servility before the power of imperialism, very easily joins in contempt for the nationalism of the small oppressed nations, and imagines it is taking on a very left appearance.

Moreover, the author falls into an insoluble contradiction when, in the fourth point, he writes:

"They proclaim that if the war aims and the peace policies of the United Nations are to be based on a nationalistic conception, the Italian people must have the right to ask that all Italian-speaking territory be left untouched."

The fifth point of the program proclaims:

"On the internal front, they believe that a post-Fascist Italy should be built on the principles of FREEDOM, both political and economic."

What are the "principles" of freedom? Writing freedom in capitals does not provide the badly needed explanation. What does "economic freedom" mean? Out of "economic freedom" grew the present-day system of trusts and monopolies. Does the pamphlet propose to go back to the epoch of free enterprise? Or does it have in mind some kind of Proudhonist or Bakuninist scheme?

The sixth point announces to us:

"The Italian underground believes that betterment of social conditions cannot be achieved through reforms granted from above, but through immediate political control by the people directly interested in the reforms."

This statement permits as one interpretation the proletarian revolution but, alas, it is so vague that it also permits many others.

Pseudo-Radical Proposals

The seventh point gives us a program of "fundamental changes":

"a) Distribution of the land to the peasants, as individual or collective property according to the different agricultural needs.

"b) Socialization of medium and heavy industries with control by factory workers.

"c) Socialization of the banks and of the social security institutes."

Programs like this are nowadays very cheap. If you do not say exactly how they can be materialized, by which forces and against which enemies, they are worthless and even harmful, for they only add to the confusion.

As a fitting conclusion to this pamphlet, there is a chapter on the awkwardness of the American radio propaganda to Italy. This chapter is full of advice to the United Nations: "Their propaganda must show. . ."

"It must convey the conviction. . .," etc., etc. The whole reasoning is based on the postulate that "this war can best be won by arming and supporting the European Revolutions." Of course, on this assumption American propaganda is rather stupid and makes many mistakes. But the assumption is false. There is no mistake. The propaganda corresponds to the character of the war. That is why, instead of "arming and supporting the European Revolutions," Washington prefers to deal with the Darlans, Francos, Mannerheims, or some Badoglio. "They fail to understand," the pamphlet complains about the rulers of the United Nations. Not everything. They understand perfectly the realities of imperialism which unfortunately the writers of the pamphlet "fail to understand."

M.L.

The British ILP

The following letter was addressed to the editor of *Left*, a British monthly sponsored by the ILP but of which George Padmore, who is not an ILP member, is now an editor. Editor:

In the October 1942 issue of *Left* you reproduced in part my article, "The ILP—Words and Reality," from the June 1942 *Fourth International*, and I cannot but thank you for that. But, in so doing, you involved me in a discussion with Walter Padley, who answered my article in your December issue. I do not intend to reply to Padley's arguments one by one; the delays caused by distance would make such a controversy of extremely little interest to your readers. I must only say that neither Padley's answer nor—what is more important—the Independent Labour Party's policy and activities in the months after my article have been able to make me change my estimate of this party.

In this short letter my sole intention is to try to show the main defects of Padley's method of argument. First, Padley—like every true centrist—could not fail to accuse the Fourth International of maintaining a dictatorial regime; he cannot forgive the British followers of the Fourth International, "who allow an international centre thousands of miles away to dictate their political thinking." Very fortunately, the British Fourth Internationalists did not wait for my article to criticise the ILP. They have done it for a long time, very often with much more powerful and direct arguments than mine. Nobody had to "dictate" this to them. They only had to observe the political reality. As a matter of fact, how could the Fourth International "dictate" anything to anybody? It has no fat posts to offer, no well-lined cash-box, no GPU. What else could bind its followers together but the common recognition of a certain number of

objective truths? The characterization of the ILP as a centrist party is one of these truths. Since centrism is not for us a subjective appreciation, some kind of insult, but an *objective* political reality, with very definite features, its existence can be established by different people, even "thousands of miles" apart, without anybody having to "dictate" anything to anybody else.

In my article I gave a few examples of the opportunist character of the ILP's parliamentary work. My criticism was based on facts and quotations—including the minutes of parliament. Padley does not try to disprove these, but to refute me, he simply quotes abundantly the ILP's basic statement on parliament. It is well known that every opportunist party has in its archives some fine resolutions that it takes out on holidays. (Incidentally, even the ceremonial "basic statement" is not so fine and could be criticized on many points.) The day-by-day practice, however, is quite different. The inconsistency, for a revolutionary viewpoint, of the work of the ILP's parliamentary representatives is traditional and can be verified by everybody (from Maxton's thanks to Chamberlain after Munich for having saved the peace, to Maxton's recent proposition that the African colonies pass under the yoke of American imperialism). I must also mention the disproportionate role played by the parliamentary group in the internal life of the ILP where it is the bulwark of the right wing; indeed, the party as a whole is its prisoner.

I must make one final comment on Padley's remark that revolutionary parties "do not grow on trees" and that perfection does not exist in this world. Padley uses a very old sophism: perfection is impossible, there will always be defects, therefore—this is the implicit conclusion—why criticise them? An argument on the same pattern is used by every supporter of the status quo. "Man is not perfect," answers the philistine to the socialist criticism of bourgeois civilization. "The ILP does not pretend to perfection," answers Padley to our criticism. Certainly perfection does not belong to this world. But what does it mean to repeat such a platitude? It means only to justify passivity.

No, indeed, the ILP is not perfect and, in our opinion, it can go forward only through a sharp struggle against a large part of its present leadership. The coming wave of revolutions will require from revolutionary parties clarity, firmness, consistency and resolution. These qualities are those in which the present leaders of the ILP are most lacking. The duty of the members of the party is to push aside those who prattle about "impossible perfection" and to proceed to adapt their organization to the revolutionary requirements of our epoch.

MARC LORIS.

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