

April, 1941

# THE NEW INTERNATIONAL

*A Monthly Organ of Revolutionary Marxism*

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*The Strike Wave and the War*

*By Max Shachtman*

**The American War Economy**

**What Lies Ahead?**

**Where Are We?**

*By Dwight Macdonald*

*Discussion Articles by J. R. Johnson and Albert Gates:*

**Is Russia Fascist? Is Fascism Capitalist?**

**Valtin's Book Eton Brahmin**

*By Henry Foster*

*By Sherman Stanley*

**Total War and the Revolution**

*By C. D. E.*

*Leon Trotsky: Tradition and Revolutionary Policy*

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# Manager's Column

SINCE the formation of the Workers Party and the definitive anti-war stand taken by THE NEW INTERNATIONAL, the inadequacy of a 16-page magazine and the need for at least 32 pages has been generally recognized by the great majority of its readers. On the occasion of comrade Trotsky's death we published a 32-page N. I. as a memorial to that great revolutionary leader. It was hoped at that time that we might be able to continue with 32 pages each month but we were forced back to 16 pages because of a drained treasury.

Now, again, because of popular demand and because we too recognize the need, this issue and subsequent issues will be 32 pages. This is not going to be easy. Sustaining it will require the cooperation of every reader, every branch member, every literature agent. The cost of the N. I. will actually be doubled though the selling price is increased by only one-third (20 cents per copy as compared to 15 cents heretofore). Twice as much paper is required; twice as much linotype labor; twice as much press-work; doubled mailing costs.

Nor will the increased bundle order price (from 10 cents per copy to 14 cents per copy in bundles of 5 or more) cover the extra expense. What we must have is larger bundle orders and above all many new subscribers.

We have not changed the subscription rate which remains \$1.50 per year. This must be our main source of revenue from now on. It should not be difficult to double our subscriptions considering the improved content and increased size while keeping the subscription rate down to a minimum.

Next month we feel sure that we will be able to present a much better picture of N. I. circulation than we can now.

★ ★ ★ ★

The success of our new venture depends in a good measure, on what New York can do in the way of increasing its bundle order, both for branches and newsstands, and making a drive for subscriptions. For the past few months its order has remained absolutely static—though its payments have improved. It is conservative to say that an immediate doubling of the order should be an easy task for the New York local. This depends as much, if not more, on individual members and individual branches than on the New York literature agent who is really doing a remarkably good job.

★ ★ ★ ★

Los Angeles has a new literature agent who has written in telling us of elaborate plans to place the N. I. on newsstands, get subscriptions and raise money to pay up on a back bill that is still too large after a substantial payment.

★ ★ ★ ★

San Francisco has not only liquidated the Oakland debt, but is practically paid up to the current issue on a bundle order that is the third largest in the country.

★ ★ ★ ★

Chicago Central better make good its promise to pay up on a bill if they want to handle the new 32 page N. I. We don't like to make threats—and we do want to maintain the N. I.

★ ★ ★ ★

Chicago South Side is falling behind too—but we know they will come through.

★ ★ ★ ★

No kick with Boston, Worcester, St. Louis, Akron and those other branches that are so prompt in payment—except that we expect big things from them in the way of bigger orders with this issue and from now on.

## THE NEW INTERNATIONAL

*A Monthly Organ of Revolutionary Marxism*

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Editor: MAX SHACHTMAN

Editorial Board:

ALBERT GATES, J. R. JOHNSON, MAX SHACHTMAN

Business Manager: JOHN BILLINGS

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We are still waiting for some word from Lynn and Cleveland as to what plans they have to liquidate their debt.

★ ★ ★ ★

The N. I. is getting through to various persons in the British Isles. A letter from Glasgow, Scotland, recently, tells of several copies of the N. I. being received and expressing regret that no payments could be made because the writer—nor any one else—can send money out. Which brings us to our monthly plea for contributions for foreign mailing. We have received some—but the more we get the more we mail.

★ ★ ★ ★

And now that we have 32 pages let our slogan be, KEEP IT GOING!

THE MANAGER

### Editorial Notes

THE article on the élite army and the prospects of revolution was written as part of a longer analysis by a Canadian comrade who visited the United States for a time and prefers to sign only his initials . . .

Dwight Macdonald's article on German fascism in the last issue of the review was, we neglected to note, a section taken from a longer and more detailed study of the question. Other articles on the same subject, by the same author and by others, will appear in coming issues of the review . . .

## The Editor's Comments

**Adopted as a way of defeating Hitlerism and keeping America out of the war, the Lease-Lend Bill is actually another step towards war for the United States and a strengthening of reactionary dictatorship—Does "All-Out Aid" to Britain mean American help to England or America helping herself to the British Empire?**

**T**HE LEASE-LEND LEGISLATION was put forward as an effective means of keeping the United States out of the war as an active belligerent by providing England and her allies with the means of defeating their enemies, the potential military adversaries of the United States. Newspaper statistics reveal an oversupply of dupes who accept this motivation all the more readily because they anxiously desire to defeat Hitlerism and yet stay out of the war. The deception is deliberately stimulated by all the shapers of public opinion, from the White House down to the tin-foil militarists of the liberal weeklies. The fact is otherwise. The legislation is not even a one-hour bivouac on the downhill march to war; it is an order to increase the pace, preliminary to tomorrow's order to break into a feverish charge.

The direction taken by the systematically developing trend of American government policy on the war question should be unmistakable to anyone capable of joining together two or more related events. Even if one were to make the utterly preposterous assumption that our statesmen have been doing nothing except lie awake all night and work indefatigably all day to prevent American involvement in the war, there has been an irresistible tidal tug which would have negated all these noble efforts—had they existed. But there have been no such efforts to speak of. The statesmen have rowed with the underlying current and made absolutely sure of their destination by lashing the rudder at the point marked War.

Roosevelt has inveighed eloquently against war. "I hate war," he cried a long time ago. But who loves war for itself, except those mentally deranged and gouty but safely retired colonels? Besides, he could just as easily have meant the Punic Wars rather than this one, and to judge not only by his acts but also by those of his words that are specific and purposeful, that is what he did mean. It is true that as recently as his election-campaign speech in Boston he assured perturbed parents that "Your boys are not going to be sent into foreign wars." A little more lucidity shouldered its way into the Rooseveltian prose when he said just before the Boston meeting, "We will not participate in foreign wars and we will not send our army, naval or air forces to fight in foreign lands outside the Americas, except in case of attack." Except in case of attack! Modern history is sick to its stomach from the need of recording the hundred and one examples of how useful this phrase—this easily concocted pretext—has been to a nation's rulers.

The Lend-Lease Bill is not the end, but one of the most important of a series of measures taken by the Roosevelt administration

to steer the country into the war. It was folly, in the first place, to imagine that the United States, particularly in view of the collapse of the New Deal, of its inability to resolve the problems of the chronic crisis, would long remain a non-belligerent in a world of total belligerency. The prolongation of the war beyond everybody's predictions—and the end is not yet in sight—only serves to make American participation more certain. If the United States did not enter the war almost immediately after its outbreak in the Fall of 1939, the reason for the delay must be sought not in Roosevelt's unimportant hatred of the war, but in the objective situation that faced Germany, too, before Hitler came to power. The country was not prepared for war, either in the sense of the military-technical preparations required for the prosecution of a modern slaughter match or in the sense of the ideological preparation of the masses. Hitler's job was to surmount both these difficulties in Germany and it took him six or seven years to do it. Roosevelt's job has been to catch up with and outstrip Hitler in two or three years, and that is what he has been doing. In both cases, the Leader aims at the achievement not of a New Social Order or the Christian Way of Life, but of a great imperialist destiny. Hitler believes he can do it where Wilhelm Hohenzollern couldn't; Roosevelt believes he can succeed where Wilson failed.

The parallel between the course of the two American war presidents is not without significant interest. A yellowed clipping from the New York *Evening Post* of April 4, 1917, shortly after the American declaration of war against Germany, traced Wilson's evolution as follows:

The stages of the President's changes of opinion are perfectly clear. In December, 1914, he was absolutely opposed to turning America "into an armed camp." In December, 1915, he yielded to the demands for preparedness. In January, 1916, he desired "incomparably the greatest navy in the world." In April, 1917, he yields to the principle of conscription to which he has hitherto been opposed or at least withheld his consent. From the beginning of the war he argued eloquently against our going into it, and because of his having kept us out of it he is reelected to the Presidency. In April, 1917, he decides for war, and thereby, curiously enough, wins the acclaim of the very business interests that most bitterly fought his reelection.

Change the dates, and but a few of the words, and the course of the present Wilson is fairly summarized, except in one important respect. Unlike Wilson, Roosevelt, by all indications, will not wait for the war to last thirty-two months before entering it.

To be sure, in all likelihood we will not be made a *formal* belligerent (the United States is already a belligerent in actuality)

"except in case of attack." But what a frivolous detail for determined men! Three-fourths of the studies of every diplomat are devoted to the art of attacking the enemy under the appearance of being attacked, to the devices by means of which attacks are provoked or otherwise conveniently arranged at short notice. The democracies are, in this respect, only a little more subtle and hypocritical than the totalitarian cynics; a little, but not much more.

All-out aid to England; make America the arsenal and larder of world democracy; help England defeat Hitlerism. With one policy, the enemy is crushed *and* war for America is averted.

So ran the arguments in Congress during the debate on the bill. One liar after another rose to repeat them, except, be it said in his favor, Carter Glass, who made no bones about his belligerence. But no sooner is the bill passed, and right after it, the handsome little purse of seven billion dollars to help implement it, than the talk of convoys rises in volume and intensity. The *New York Times* was the first authoritative spokesman to express itself for American naval convoying of shipments, with a cynicism that should shock anyone who puts great faith in the indignant protests the same periodical utters against the same morality when practised by fascist dupesters. The Administration's big trial balloon, the American Committee to Defend Democracy by Aiding the Allies, promptly followed suit. The Washington columnist of the Scripps-Howard chain, Raymond Clapper, reported on March 25 that

For the first time a London newspaper has thrown aside tactful restraint and has urged that the United States send its naval vessels in to convoy ships. England needs, said this newspaper, every American captain, every engineer, every American seaman who can be spared. I know that some of our best informed officials believe we must soon begin to convoy. From what I hear I am convinced that this step is coming. It may be nearer than any of us think.

What more adequate set-up than American "non-belligerent" convoys can be imagined for producing that German attack "except" for which Roosevelt swore that "your boys are not going to be sent into foreign wars"? And what more adequate set-up can be imagined than the Lend-Lease Act for placing in the hands of one man such complete, uncontrolled and truly dictatorial power—power Wilson did not enjoy even during war-time—to precipitate the country into the war without consulting or gaining the consent of our Milquetoast Congress, much less of the people of the United States?

The Lend-Lease Bill was one of the series of measures to take the country to the second big and murderous and futile war in this century. Only one of the measures, and not the last.

## All-Out Aid for England—Alas for Her!

It requires a truly childish mind (that is, one fitted for nothing more cerebrally strenuous than editing *The Nation* or *New Republic*), or a mind in an advanced stage of feebleness (that is, one fitted for something as base as editing the *New Leader*), to hold that the United States is following the policy of "all-out aid to England" in order that England may win the war. If it were true that the aid is being given so selflessly, so sacrificingly, it would indeed be an awesome and inspiring spectacle in our sordid times. But, alas for the embattled defenders of England's Most Christian and Democratic Way of Life for her four hundred million imperial slaves, America's all-out aid and early participation in the war will prove, is already proving, to be a not unmixed blessing. More bluntly, it is more of a threat than a promise.

The stakes of this war are the fabulous wealth and power of the British Empire. Of the six important claimants to this wealth and power—England, Germany, Japan, Russia, the United States

(yes, the United States!), and the colonial slaves and the working class to whom the Empire properly belongs—England's chances of holding her imperial inheritance are clearly inferior to those of the others. Only a person with lots of money to lose would bet on them. The *British* Empire, come what may, is doomed, and you have to be a vainglorious idiot like Churchill not to realize it.

Running through the policy of the United States is the determination to speed the day of its doom and to emerge from the war as receiver of the Empire. This *fact*, so strictly taboo in polite society, above all in British polite society, stands out like a lighthouse in the fog of wordy and hypocritical Anglo-Saxon embraces and expressions of mutual esteem.

Scarcely had the war begun than Mr. Roosevelt proceeded to Windsor in Canada to deliver an ever so friendly speech. The gravamen of the speech could not be obscured even by the tinkling verbiage of the President: Canada was henceforward to be considered less a protectorate of London than of Washington, a transformation corresponding to the process by which The City has been systematically displaced in Canada by Wall Street. To make this new state of affairs clear to the most obtuse English lord, the speech was promptly implemented by the establishment of a joint American-Canadian Defense Commission, dominated, as is fitting under such circumstances, by the real boss.

Canada is not the only sector of the Empire which is being led out of the British sphere and into the American. Without the United States, England cannot now get to first base in defending herself from the Nipponese seawolf in the Pacific. Every day, the loyal eastern subjects of His Majesty's Commonwealth of Nations are increasingly impressed with the indispensability to their security of America's power—and with the power of that power. From Singapore to Sydney, the stock of American imperialism rises not only at the expense of the Japanese but also of the British. London has been compelled to teach its Australian, New Zealand and Malayan subjects the decisive importance of the U.S.A. The latter has not been shy about emphasizing the lessons—with battleships and bombers.

The "aid" given to England thus far is another case in point. If what England has obtained materially from the United States up to now is fraternal aid given with a full and generous American heart, what would a good stroke of Yankee business look like? In the first place, England has had to pay on the spot for every item, big and small, that the U.S. has thus far produced for her and, very often, has had to pay for setting up the plants to produce them. In the second place, the prices she has had to pay are a caution! Sad to say, the American arsenal and larder for Gallant British Democracy has been operating, from the beginning of the war, not only at a profit but at a most gratifying profit, running anywhere from two to three and four times what the rest of the market would bear.

That would be enough, but it is not all. With a great display of virtue and restrained indignation at the non-payment of old debts incurred by Britain in the last war, the American bourgeoisie has quietly but firmly insisted on turning every British pocket inside out before extending any credit worth shaking a stick at. We're friends, aren't we? We're allies, aren't we? We're both fighting for the good old Christian way of life, aren't we? ask the Americans. In that case, your money will be quite safe in our hands, in fact, even safer (to say nothing of being more pleasant to the touch). Hence, the edifying Christian spectacle of the big American shakedown of England. Hence, the humiliating voyages here of British financial experts, balance sheets in one hand, money and securities in the other, for the close examination of their American cousin-bosses. Hence, the demand, which is in the process of fulfillment, of the transference of all British holdings (and even of all imperial holdings!) in this country to the

Americans. Hence, the demand for a similar transference of all British holdings in Latin America, for while the clean-up is going on it might as well be a thorough job done with real American efficiency.

Or, take the famous destroyers-naval bases deal—as neat a business deal as ever a whiskey-and-bead trader has put over on a straitjacketed Indian. For fifty old-age destroyers sent to England fully equipped with toothbrushes and cigarettes in the officers' quarters and toiletpaper for the washrooms, the United States virtually took over every important British territory off its Atlantic coast. We do not wish to exaggerate. It is true that the "lease" is not forever, but only for ninety-nine years. The British can therefore be consoled with the thought that they may refuse to renew the lease when it comes up again for consideration in the year of grace 2039. The fly in their consolation is that, like themselves, the American imperialists are better known to the world public as takers than as restorers of what they have already taken. Only, people in desperate straits cannot afford to take umbrage at a fly in the ointment.

Meanwhile, the British have other things to worry about on this side of the world than what they will do when the naval-bases lease comes up for renewal a century hence. Particularly since the last war, a lively conflict has been going on between the United States and England for domination of the Latin-American market. This conflict has been complicated, but not eliminated, in recent years by the entry of Germany and Japan into the lands south of the border. Behind all the touching protestations of undying Anglo-Saxon solidarity, a muted and subterranean competition continues between the two imperialist powers for domination of Latin America. There are even commercially-minded Americans who go so far as to suggest that since England is increasingly beholden to the United States, the least she can do in return is to get the hell out of Latin America and leave the field free to no less hungry and more deserving Yankees. The pressure being exerted for the achievement of this most amicable of all arrangements, rises every day in the United States, not least of all in the competent circles of the Administration. If the press does all it can to keep silent about this less than appetizing aspect of the Great Friendship, it can be due only to the fact that there must be a limit even to imperialist shamelessness. More accurately, a limit to flaunting it in public. But the limit of imperialist rapacity is the globe itself. And the United States aspires to nothing less than inheriting that part of the globe over which the British flag rises every morning. It already has a good start; the policy of "all-out aid" has already paid good dividends. *In the eighteen months since September, 1939, the United States, without being in the war, has made deeper encroachments into the power of the British Empire than have the combined efforts of the Axis partners!* The policy of "all-out aid to England" is paying mighty good dividends.

While they are being thus liquidated by their dear American friend-rival, the British must perforce maintain their frozen smile and speak their stereotyped phrases of appreciation. If the lords of England confine their fury to gnashing their teeth and tearing their toupees, it is not because of the renowned spirit of politeness and sportsmanship taught at the best schools, but because they are obviously in a position where they dare not protest. All they can hope to do is pay the piper; he calls his own tune and sets his own price. The crippled and scientifically-carved British beast cannot allow himself the luxury of releasing the outraged roar that is rising within his bosom. If he could, it would sound for all the world like the soul-searing anguish of a bootlegger protesting against the extortionate fees demanded for protecting his load of stolen liquor from being hijacked by a rival thug.

## A Glimpse Into a "New Social Order"

Dark though the situation and prospects of the British bourgeoisie may be, the gloom is not totally unrelieved by sparkling spots. The *gleichgeschaltete* German press does not arrive here regularly, but when it does come, via Siberia, it is sometimes interesting. A recent batch of copies of the Berlin *Lokal-Anzeiger* is a case in point, particularly the Economic Supplements. If its writers are severe in their references to indelicate spots on Britain, they are only less revealing about the mysteries of Hitler's much-advertized (and all too generally credited) "new social order."

In the issue of December 7, 1940, Carl Sennewald directs some critical remarks against war profiteering in England, and even speaks indignantly about the steel and armaments profits of such pillars of British Democracy (and the Christian way of life, of course) as Bonar Law, Baldwin and the late Chamberlain. He is positively upset by the fact that Vickers is now distributing 10 per cent dividends, and that other armament, airplane and automobile corporations, like Hawker Siddelly, Handly Page, Bristol, Gardner and Sons, Denis Brothers and others, are also profiting and profiteering during the war. Compared with Germany under the new régime, "the conception of rights and duties of the joint-stock companies [corporations] in England is basically different." In Hitler's new social order, there is another conception. And Pg. Carl Sennewald explains it too, so that all may understand.

Dividends are like a red cape to many, in part rightly, in part not. In general, dividends were a reward for the one who assumed a certain risk in investing money in an affair without being sure of realizing his expectations. Under certain circumstances, he might even lose all his capital. On the other hand, of course, there was the possibility of great profits in favorable cases. The period of such stock flotations belongs for the most part to the past, for today the formation of corporations on purely private initiative is rare. It might perhaps even be said that the initiative in this field has been assumed by the state, which is able to begin with an entirely different stake. The level of the dividends of existing corporations also depends almost exclusively upon the state, most certainly during wartime. In this period, the state is the principal customer; but even before now it was also the one that made the corporations profitable again. One need only recall the crisis years of 1931 and 1932, when many stocks remained without dividends and most of the quotations were below par.

Meanwhile, the character of a corporation in general has become somewhat different. A corporation is not conducted for the sake of dividends alone, but is supposed to serve the community [*Allgemeinheit*]; it is especially supposed to be social-politically valuable. The German stock enterprises distinguish themselves more and more in this respect from those abroad. It is precisely the large German enterprises that expend sums for social purposes which most often exceed the apportioned dividends. The dividends themselves are relatively stable and appropriate. If, in isolated cases, a dividend is ever passed, it is caused by special tasks and investments . . .

War dividends out of high armaments profits do not, in any case, exist in Germany. But for that, the German stockholder, in contrast to the British, has the certainty that his property not only remains preserved but also that he faces an assured future.

The "basically different" conception could not have been stated with more crystalline lucidity. If all is not too well with the working class under Hitler, it can at least reflect thoughtfully and gratefully upon the fact that while stockholders' property is preserved and looks to a guaranteed future, outright war profiteering is distinctly frowned upon—distinctly.

Strolling through the financial columns of the *Lokal-Anzeiger* from November 27, 1939, to December 9, 1940 (the only issues to arrive), we read some concrete examples of Pg. Sennewald's "basically different" conception. There is not much about the "rights and duties of corporations," but the matter of dividends is treated with genuine German preciseness.

The Stollwerck Brothers Corp. of Cologne announces "another

7 per cent dividend." The National Automobile Co. of Berlin-Oberschöne weide, after clearing a profit of RM. 180,000, decided "to distribute another 6 per cent dividend." The Golbern-Grimma Machine Construction Company, with a net profit of RM. 140,000 decided upon "a 10 per cent dividend again." Of the Lenz General Construction Company of Berlin, we note that "between 1933 and 1939, the turnover of the company has increased about 800 per cent," whereupon it has decided to increase its basic capital from two to eight million Reichsmark. The Klöckner Works of Duisburg announces a modest 6 per cent dividend. The Eduard Lingel Shoe Factory of Erfurt declares "another 8 per cent dividend." The Berlin Power and Light decides on a 10 per cent dividend (as before), while the Hoesch Coal and Coke of Dortmund seems

content with another 6 per cent dividend. The I. P. Bemberg Corporation of Wuppertal-Barmen announces that while affairs are going well, it is not entirely sure that last year's dividend of 8 per cent can be repeated. And so on. And so forth.

Close perusal of the papers fails to disclose any reference to strikes, union negotiations and contracts, wage increases or any of the other familiar and distasteful features of the "old social order" in Germany.

If they were included in our circle of readers, we would conclude these observations by writing: Messrs. DuPont, Sloan, Ford, Morgan, Rockefeller, Mellon and Associates, take note! But then, perhaps they have already taken note.

# Labor and Strikes in Wartime

THE PRESIDENT HAS ASSURED the country that the current "strike wave" is insignificant in scope, in the number of workers involved and man-hours lost. Provided with statistical data from the Department of Labor, Roosevelt declared that not more than one-fourth of one per cent of the workers in the country had gone on strike and that, consequently, there was no particular need for apprehension, especially in so far as the execution of the war industries' production schedule is concerned.

On the face of it, it would seem true that any movement in which only one worker in four hundred was involved might be important but hardly sensational. Considered from the standpoint of one interested exclusively in the question of how much war materials can be produced under given conditions, and how quickly it can be done, a disinterested analyst could not attribute the slowness in realizing the production schedule, as Dwight Macdonald points out elsewhere in this issue, to the strikes that have taken place. Not even if a higher estimate of the strikes is made than the one contained in Miss Perkins' modest figure; not even if allowance is made for the fact that a suspension of operations in a small but crucial plant may slow down or knock out one or more larger plants.

## Signs in Conflict

Yet, the acceptance by the press of Miss Perkins' figure and Mr. Roosevelt's reassuring comments, does not mesh very smoothly with the growing perturbation of the editorial writers. It is not reflected in the fact that the presumably unimportant strike wave shoulders even the most dramatic news from Europe out of prominent headline position. It does not correspond to the precipitate appointment of an eleven-man special national mediation board by the same reassuring President. It harmonizes badly with the growing clamor for anti-strike legislation; the rising anti-red hysteria (including the savage sentences imposed upon Browder and other Stalinists for what were, at most, trifling technical irregularities); the crowding of state legislatures with all varieties of bills to restrict or suspend democratic rights; and the urgently insistent pleas made on all hands to the various states to establish home guards, now that the National Guard has been mobilized, in order to deal with "possible labor disturbances." Finally and most important, the uncritical acceptance of the President's soothing syrup betrays a woeful inability to understand—rather, a desire to prevent others from understanding—the dynamics of the development of American labor's position in the present war situation. The development is not revealed, but obscured, by the

mere statistics of strike activities. It can be traced only by digging a little below the surface of appearances.

How explain the fact that the patriotic American working class should even consider going out on strike in a "defense" industry, even if the fraction of the total that decides on such a step is as tiny as Miss Perkins' figure would indicate? How explain the fact that an increasing number of workers, with the President's plea for sacrifices repeated on every radio station and from every newspaper column, is either going out on strike or favorably considering such action? How explain the fact that the ruling class has started taking such elaborate strike-breaking measures, if the "wave" is of such minor importance?

The patriotism of the American workers today, in their vast majority, is beyond dispute. There is no doubt, either, that most of them are for a pretty substantial program of "national defense," and that they would fight militantly enough in a war with an enemy of the United States, regardless of the real nature and aims of the war, or more exactly, precisely out of ignorance of its nature and aims. But between their patriotism in 1941 and their patriotism in 1917, there is an important difference. Whereas in the last war their patriotism bore an overwhelmingly *national* character, in the present war it bears a *distinctly* class character—not in all consciousness, to be sure; spotted and overlaid with reactionary aspects, of course; but nevertheless unmistakable in its essential tendency.

It is not Germany as a nation that the American workers have in mind, nor Italy; it is *fascism* that they hate and fear and are ready to combat. The brown-shirted terrorists have missed no opportunity in the past ten years to convince even the most internationally-disinterested working class in the world that their aim is the extirpation of the labor movement and, along with it, all those democratic rights which labor has managed to acquire in the course of more than a century of unintermittent struggle. Even at the chauvinistic peak (precisely there!) the American worker in 1917 would have found it pretty difficult to present himself with a concrete picture of what a world dominated by the Hohenzollerns would look like and what it would mean to him. He would have to be a pretty dullwitted sort not to be able to give such an answer about a world dominated by fascism.

## To a Special Patriotism—a Special Pacifism

At the same time, however, the patriotism of the worker, so unlike that of the financial and industrial barons and the government bureaucracy, is inseparably supplemented by an equally



singular pacifism. The majority of the workers are in favor of aid to England inasmuch as they want to see Hitler defeated in the war. Yet, they are at least as firmly in favor of the United States keeping out of the war. However public opinion has fluctuated on a whole series of questions, on the point of American participation in the war there has been and there still is a fairly uniform and overwhelming majority in opposition. The workers' patriotism is a reluctant one, cold to the beating of the war drums. It is a suspicious patriotism—and the element of suspicion in it is represented by "pacifism," by their consistent antagonism to all suggestions that the United States enter the war.

The American workers have not yet forgotten the Great Deception of the last World War. They are suspicious of every attempt at a return performance. With the lesson of 1914-1918 not yet obliterated from their consciousness, and with the significance of the most clamorous sponsors for a second American entry too palpable to be lost on them, they resist mutely—for there is still no force able to articulate and guide their resistance—the efforts made to turn them chauvinistic. While they protest that their patriotism is not inferior to anyone else's, and that they are as much for a well-organized "national defense" as the bourgeoisie, they refuse to give in to the government's appeals for class suicide. If fascism is to be smashed because it means super-intensified exploitation and oppression of labor, then the workers want none of it introduced here in the name of opposition to it. If fascism is execrable because it means the suppression of all democratic rights, it does not become more attractive when the same trend is manifested here in the name of democracy.

After more than a year and a half of experience with the war period in England and the United States, it is clearly necessary to introduce a modification into our analysis, a limited but necessary modification. Before the war broke out, we ridiculed the myth that it would be a war for democracy and against fascism. Nothing has happened to require a change in our position on this score. We added, however, that those democratic countries which entered the war against the totalitarian powers would themselves be converted speedily into totalitarian régimes so that before the war had proceeded for very long there would not even be an important trace of political difference between the belligerents. So far as the *tendency* of the imperialist democracies in the war is concerned, our analysis has been confirmed to the hilt. However, as to the *tempo* at which this tendency is developing, a modification is necessary. Neither England nor the United States has yet been "fascized." Not only has neither country produced a substantial fascist movement, but it has not even reorganized its economy and politics on a totalitarian basis to anything like the degree that marks the process in Germany, or even Italy. In a word, our analysis failed to lay sufficient stress upon the strength of the *counteracting tendency* which has slowed down the tempo of development of the totalitarian tendency: a vigorous, undefeated and undemoralized labor movement. It exists in England; it is even stronger in the United States, at least in several important respects.

How real this counteracting tendency is, how strong and above all how great its potential strength is, may be seen from the first series of strikes. Roosevelt may console himself or others with the picayune statistics of the Labor Department. At bottom, he knows better. That is why a series of flanking movements have been launched to circumvent the imminent spread of the strikes—although the truly American-Cossack police brutality against the striking workers in Bethlehem, Chicago and Richmond can hardly be called "flank movements." The ruling class realizes that the statistic of "one-fourth of one per cent" does not tell the real story. It is the basic mood of the workers that is involved, and whether it takes the form of strikes, or *threats of strikes*, or even

only a more truculent and imperious attitude than the workers have showed for years past, the mood is characteristic of the entire working class in one degree or another.

Patriotic? For "national defense"? Yes, that they are. But at the same time, they are workers thinking in class terms and acting along class lines. They are developing the momentum for a sensational national movement which it will take all the cunning and strength of the ruling class to prevent from exceeding the sweep and depth of the birth-of-the-C.I.O. and the sit-in strike movements of a few years ago.

### Five Impulsions to Struggle

All the perfervid pleas for "national unity" and "sacrifice from everybody" are insufficient to blot out of the workers' minds the following five considerations:

First: For more than a decade there was a crisis and mass unemployment, during which the standard of living of the working class went 'way below the "prosperity" days. Now is as good if not better a time as any to make up as much as possible for those dreadful days. An especially good time because unemployment is being reduced by the war boom, the army of potential strikebreakers is small, workers are in great and urgent demand, they are indispensable (the bourgeoisie reminds the workers of that every day!). The boom, following the crisis, far from dulling the militancy of the workers, sharpens it.

Second: In dealing with the bankers and industrialists, the government has shown a spirit of coöperation and accommodation which is matched only by the deplorable lack of idealism of the former. No worker can fail to have noted that Washington has yielded in virtually every respect to the demands of the manufacturers and financiers. No worker can fail to have noted some of the results, particularly in the form of steeply rising profits. What is more natural and inevitable than that the workers should demand an increasing, even if still ever so modest, share in the new "prosperity"? Every new announcement of growing company profits is worth ten union organizers' speeches in favor of unionism and demands for better working conditions.

Third: The cost of living has not yet risen to great heights, it is true, but the trend is clearly indicated. The worker and his family already feel it at the meat market, at the grocery, at the clothing store, at the landlord's payment window. The still modest demands of the workers—of only a small section of the workers, to begin with—are only an initial attempt to have their wages keep pace with the rising cost of living, to prevent that rise from outstripping their income too far. The employers will either give a little more "voluntarily" or it will be taken from them in struggles that will make what has happened look like a kindergarten rehearsal.

Fourth: Not many people are deceived about the real nature of the war boom in American economy. One must be pretty thoughtless and shortsighted not to reflect: How long will it last? What will things look like when it is over, when it collapses? Here too the memories of the last war serve the workers well. Their conviction that the war boom is artificial, precarious, temporary, impels them to "make the most of it" while it lasts. That is why we see the otherwise inexplicable phenomenon of workers eagerly accepting longer shifts and overtime. It is not the spurious idealism of a spurious patriotism that makes them willing to stay at their machines! It is their desire to accumulate as much as possible against the black days of collapse ahead. What an annihilating indictment of modern capitalism is implied by this rush to work longer and longer! Only, the inhuman pace cannot long be maintained. The workers' legitimate fear of tomorrow's insecurity will soon be translated into demands for a shorter work-

day, spreading the shifts among the millions still unemployed, and a higher rate of pay.

Fifth, and really summing up the previous four: Everybody is keenly conscious of the colossal war burden that is being heaped up. The last war was almost a little pinochle game in comparison. Yesterday it was hundreds of millions; today it is already billions; tomorrow tens of billions will be involved. Who will bear this terrifying burden, and the body-blows of inflation implicit in it? The class struggle which the warmongers, including those in the labor movement, hope to suffocate under the blanket of "national unity," will break out sharply and repeatedly in the form of a contest between the classes over which one of them shall bear what portion of the burden. The fight for higher profits and lower taxes represents the attempt of the bourgeoisie to unload the whole burden on the workers and the middle class; the fight of the workers for higher wages and against indirect taxation represents the attempt of the workers to shift the burden to the shoulders of the ruling class. Miss Perkins' strike statistics will look like mud before this fight is over.

Indeed, it has only begun. The attempt to suppress it violently in advance or to smother it with Judas-kisses, will, given the mood and needs of the American workers, be easier in the trying than in the succeeding. Success requires more brutal blows than the American bourgeoisie will be able to deliver in the next few months, at the very least, and a far more poisonous dose of imperialist patriotism and class collaboration than they have yet shot into the veins of the working class.

The American bourgeoisie is strong and brutal and shrewd; it still has great wealth and resources. But is it resourceful enough to satisfy the growing appetite of the workers? Or is it strong enough to curb that appetite? Not in our opinion. The least that one must say is that it would most certainly be premature to declare American labor licked!

The signs point to struggles ahead. Wartime may prove to be the biggest wartime the American proletariat has ever had in its fight against the enemy at home!

MAX SHACHTMAN.

# The American War Economy

## Where Are We? What Lies Ahead?

**W**HEN WE LOOK ABOUT US and see the speed with which a war economy is coming into being—the billions appropriated by Congress, the feverish building of industrial plants and army camps and power dams, the headlines about steel profits and new records in shipbuilding and anti-strike legislation—it is hard to believe we are just at the beginning of the road to a modern war economy. Yet such is the case.

Today in both Germany and England six out of every ten working hours are devoted to production for the war machine, leaving only four hours for all the needs of the civilian population. Today in the United States only thirty minutes out of every ten working hours goes for war goods, and even by midsummer, when the program is expected to be in "full swing," only about one hour and fifteen minutes out of every ten working hours will go for war. According to *Commerce Reports* for March 8, 1941, the German government is now absorbing—mostly, of course, for military purposes—the incredible total of 72% of the entire national income. Estimates are that the American government will spend this year about \$23 billions for all purposes, which is about 25% of the national income. Even allowing for the fact that America has a much bigger productive plant than Germany and hence can produce as much with a smaller percentage of national income, it is plain we are only at the start of the road to an all-out war effort.

This article tries to estimate how far we have gone and in what direction, from the point of view of the working class, we are going. It may be useful to begin by setting out the line of argument. This can be put, briefly, thus:

1. American war production is increasing rapidly, but has fallen far behind the planned expansion. The bourgeoisie are currently much concerned about this.

2. The explanation is not in "defense strikes," but in the conflict between the immediate profit and property interests of the bourgeoisie and the measures that must be taken to prepare for war (*i.e.*, to protect their long-range economic interests). The bourgeoisie have shown little ability

to subordinate the former to the latter and hence are unable to organize an effective war economy.

3. American labor has put forward the boldest and most intelligent proposals for organizing war production—the Reuther and C.I.O. plans. Politically reactionary, these are nonetheless impressive evidence of the bankruptcy of the present ruling class and the social maturity of the working class.

4. All classes of American society are at present enjoying, in different degrees, the benefits of the growing war economy, without as yet experiencing the disadvantages.

5. The Roosevelt Administration last summer talked of expanding both war production and civilian consumption at the same time—of an economy of "guns and butter." This program could have succeeded only with an enormous plant expansion by American industry. This expansion, for good business reasons, industry refused to make, nor was the Administration either willing or able to force them to make it.

6. Hence the war economy now taking shape is to be an economy of guns *instead* of butter. Even New Dealers now admit this.

7. To business this means at present export controls and priorities, the thin edge of the wedge of state control.

8. To the masses this will mean in the near future an increasing diversion of their purchasing power into war channels, and thus lower living standards. The government will engineer this both "voluntarily" through baby bond and war-savings-stamps campaigns, and forcibly, through taxation, "compulsory savings" schemes, and finally direct rationing.

9. We are still a good distance away from the "crisis point" in the development of our war economy, when the imposition of totalitarian state controls will become not only desirable but necessary. This point will come when a state of full production and employment is reached, at which point only totalitarian controls can avert a runaway price inflation. This point may be reached in the summer of 1942.

10. The Roosevelt Administration is already well prepared with plans for total economic and social controls in future. But actually to put them into effect may be politically difficult, if not impossible. The question is: can totalitarianism be imposed wholly from above, administratively, as "white" or "cold" fascism?

11. The answer to that question will be found chiefly in the ability of the American working class to put forward the revolutionary socialist alternative to Roosevelt's "white fascism" (and Hitler's "black" fascism).



# I. How Effective Is the War Production Program?

There are two parts to the Administration's arms program: the creation of a powerful American war machine, and aid to England. For the first, Roosevelt's latest proposal, which will probably have passed through Congress by the time this is printed, calls for the spending of \$23 billions in the next three years. For the second, now moving into high gear with the passing of the Lend-Lease bill, there is not definite amount specified. An idea of the enormous expenditures planned for both these purposes plus the regular expenses of the government is given by the *U. S. News* (March 28) estimate of the total government spending in the single fiscal year that will begin next July 1: namely, \$23 billions, or almost three times the 1939 government budget.

## War Production Higher But Far Short of Plans

So far the most successful part of the program has been the speed with which Roosevelt has proposed and Congress voted ever huger appropriations. If voting the money were the problem, the United States would be in a position to invade the Continent tomorrow and occupy Berlin in a week. But—as the Nazis have understood for a long time and as the democracies are beginning to learn now—money is one thing, production another. It is true that there has been a rapid rise in the volume of actual arms expenditures (as against appropriations) in the last few months, as the following table shows:

July, 1940 .....	\$177 Millions
September .....	\$200 Millions
November .....	\$300 Millions
December .....	\$473 Millions
January, 1941 .....	\$572 Millions
February .....	\$592 Millions

But this table also shows that the rate of increase, though rapid, has been much less than planned. For the current fiscal year (ending June 30) a total of \$6,500,000,000 was allocated for the war program. Two-thirds of the year has gone by and over half (\$3,600,000,000) of that amount remains unspent. To fulfill the budget schedule, spending in the remaining four months would have to be at the rate of \$900 millions a month—that is, the March total would have to jump about 80% over February and this rate of increase would have to be maintained. This seems clearly out of the question. As the table shows, the rate of expansion has been slowing down in an alarming (to some people) way of late: December was 57% over November, but January was only 21% over December, while February scored only a negligible (3½%) gain over January.

Aid to England has also slowed down of late. Last August shipments to England totalled \$125,000,000. By December they had declined to \$101,000,000. As for the vital supply of American planes, the *New Leader* of December 7, 1940, sadly noted: "Even the most optimistic in Washington do not see how we can hit the scheduled 1,500 planes a month before 1942 . . . Even at that time, we will only be able to turn over 750 planes a month to Britain, while German production stays at a 2300 a month level."

This failure of American war production precisely at the point when the war approaches a Spring crisis, when Britain's position may become desperate at any moment, and the German attack on British shipping is reaching new highs—this is naturally very disturbing to official Washington. Ex-Ambassador Bullitt, frequently a White House mouthpiece, said recently:

We know that our country is not producing weapons of defense fast enough and that we are not supplying weapons in sufficient quantities to the British, the Chinese and the Greeks . . . We have not lived up to our tradition of American enterprise and industrial efficiency . . . We are making just the effort that it is not troublesome to make. We could double our planned output of airplanes and tanks and merchant ships and guns in 1942 if we would but buckle to the task now.—(*Time*, March 10.)

## Why, Oh Why, Can't We Produce?

This pathetic lament is typical of recent bourgeois comment on the war program. Also typically, Bullitt blamed it all on the isolationists and the communists. The most popular scapegoat, of course, is labor. The nation's press has launched a campaign to get strikes "outlawed" and unions put under strict government control. Strikes in "defense industries" are played up prominently on the front page: reactionary Congressmen make the welkin ring with their cries of "treason" and "sabotage." In a letter to the *N. Y. Times* dated March 6, Secretary Perkins gave some cold facts from the Bureau of Labor Statistics: (1) "Strikes in defense industries in 1940 resulted in lost time equal to only one-fourth of 1 per cent of the total defense effort"; (2) the average duration of defense strikes last year was 8 days, of non-defense strikes, 20 days; (3) "From September, 1940, through January, 1941, the number of man-days of idleness because of strikes has been 27 per cent less than it was year before . . . The average number of days per strikes in January was 9.6 days as compared with an average of 16.6 days per strike in January in the five year 1935-1939."\*

No, it's not in this direction that the explanation will be found for the lag in arms production, and the reactionaries who are now campaigning for stricter controls over labor will find, if they put their program through, that they have solved nothing. The roots of the problem lie much deeper: in the conflict between capitalist profit and property interests and the demands of a modern total war economy.

## The Situation in Aircraft

Consider, for example, the vital aircraft industry. At the end of December, Knudsen admitted that plane production was 30% behind schedule. This was conservative. In August Knudsen had stated that military planes were then being turned out at the rate of 11,000 a year, and had predicted that by January, 1941, the annual rate would be 18,000. But when that time came, practically no increase had been registered: 1,002 military planes were produced in January, which is at the rate of slightly over 12,000 a year. Other evidence could be cited: the fiasco, just beginning to leak out, of the Allison water-cooled engine; Admiral Towers' recent testimony that the present serious shortage of engines for Navy planes would last until the summer of 1942; Knudsen's announcement last October that the automobile industry would turn out 12,000 planes for Britain in a few months and his revision of the figure, several months later, to 3,600—with the first of them not scheduled to come off the assembly lines until 1942.

What is behind this? The only important strike to date in

\*Conservative papers have claimed that "defense" strikes, while not on a large scale, have involved key production points—so that a strike of a few hundred men in, say, an aluminum casting plant might hold up the work of many thousands of industries dependent on that plant's output for some essential part. This is possible, but there is no way of proving it without much more research than I have seen devoted to the subject. And in any case it seems doubtful that this factor could raise the one-fourth of 1 per cent loss estimated by Secretary Perkins to anything significant.

aircraft was the Vultee strike, and not even Congressman Dies could blame it all on that. What is involved here, as in similar situations in other war industries, is the determination of the private companies, on the one hand, to protect their profits and their plant investment, and the inability (and unwillingness) of the Government to take the necessary steps (involving administrative invasion of legal property rights) to force planned and maximum production. It was the aircraft companies which led the sit-down strike of business last summer which forced through Congress the kind of excess-profits bill they wanted: they simply refused to sign contracts until their terms were met. Similarly,

for months the plane companies insisted, despite Washington pressure, on filling all the extremely profitable orders from commercial airlines they could get, and it was only the exercise of priority power by the Defense Commission recently that finally forced them to give military planes the right of way. And it was pressure from the plane companies which as much as anything killed the Reuther plan for mass production of planes in idle automobile factories by the automobile industry (of which more later). Any radical change in production methods—such as the Reuther proposal—would, of course, render obsolete much of the present plant investment of the aircraft industry.

## 2. The Working Class Alone Can Plan

The pattern is the same in other industries as in aircraft: the logic of their *immediate* profit interests leads the bourgeoisie to sabotage the war program designed to defend their *long-range economic* interests. It is a little more complicated than that, however. The control and planning on a national scale which are the heart of war economy today, these are a new road for capitalism, ending God knows where, from which the bourgeoisie shrink back. So we find that the only class whose social interests are broad enough to allow it to think on the national *planned* scale required by a modern war economy is the working class, and we see, in England first and now in America, the supreme paradox, the irony of ironies—the working class showing more ability to create an effective economy to wage imperialist war than the ruling class itself. This suggests, I might add, how enormously more effectively a working class, socialist government could prosecute a war against Hitler.

It is the C.I.O. which has put forward the two boldest and most far-reaching plans for reorganizing the war program: the Reuther Plan and the C.I.O. proposal for industrial councils (specifically worked out in Murray's plan for the steel industry). These plans—and their fate—deserve a bit of attention at this point.

### The Reuther Plan

The Reuther Plan, as most people know, is based on the fact that, because of the seasonal nature of automobile production, the vast resources of the industry in machine tools, plants and skilled workers are idle, on a year-round basis, half the time. Reuther proposed to use these idle men and machines to build a standardized pursuit plane with mass production methods at the rate of 500 a day, or 150,000 a year. He claimed that this figure could be reached within six months. (Today, more than six months after the Reuther Plan was first proposed to the Administration, plane production is at the rate of 12,000 a year.) This could only be done, of course, by treating the entire automobile industry as a single vast productive mechanism, planning and coordinating without any regard for existing corporate lines, competition, or property rights. The necessary authority to do this Reuther proposed to vest in a nine-man board, equally divided between labor, management and government.

The plan was at once greeted with a barrage of technological criticism from both the auto and the aviation industries. To the layman, these criticisms are not very convincing—and, furthermore, there is the fact that much of what Reuther proposed is now being done, on a small scale and with the proper safeguards to property interests, by the automobile industry. The real objections of both industries to the plan were not stated in public,

since they involved the delicate matter of profits and property. The aircraft companies were against the plan because (1) they would lose business; (2) introduction of mass production would make worthless most of their present plant investment; (3) the relatively small aircraft companies would go to the wall once the huge and wealthy automobile companies entered their field. The automobile companies opposed the plan because (1) they would lose considerable managerial control over their business to a board composed mostly of government and labor representatives; (2) even if the board were "satisfactory" to the companies, the entire present structure of private ownership in the industry would be shattered (and might be difficult to restore later on, if the plan worked); (3) the plan, although in theory it would not interfere with normal automobile production, actually would involve such a drastic reorganization of the industry that production of cars undoubtedly would suffer, at least at first—and this promises to be the most profitable year the industry has had in a decade. Beyond all these objections was also the simple fact that the plan was proposed by labor. What would the public think if the C.I.O. turned out to know more about their industry than the automobile moguls themselves?

The reception the Reuther Plan got from the Administration was rather chilly. Far from being patted on the head and called a bright boy for showing papa how to win the war, Reuther never even got a serious hearing. He laid his plan before Hillman last August, who spoke to Knudsen, who has done and said nothing about the plan since then. On December 22, no doubt a little impatient, Murray of the C.I.O. made the plan public, discussing it with Roosevelt the next day. ("No commitment either for or against was made by the President," reported the *Times*.) There followed a round of conferences with Washington officials, some radio speeches by Reuther, and then the plan seemed to quietly expire.

### The C.I.O. Industrial Council Plan

Similar in essentials is the story of the C.I.O. Plan for setting up councils, with labor, management and government represented on each, to plan war production in each industry. The aim was to draw into war production the thousands of smaller companies that so far have been left out in the cold. Murray claimed that "out of 10,000 manufacturing establishments capable of providing defense materials, only 30% have received government contracts." From the standpoint of production, this is bad. From labor's viewpoint, it is bad also, since workers have to eat whether they work for big or little businessmen. Murray also presented a special plan for steel, based on the experiences of the S.W.O.C. "Large steel firms are overloaded with orders," he

stated, "while smaller steel firms are operating as little as 45% of capacity." In these plans the C.I.O. put its finger on what is more and more coming to be recognized as a major weakness of the present war economy: that, following the line of least resistance, the O.P.M. has allocated orders mostly to the biggest companies, leaving untapped the collectively vast productive facilities of thousands of small firms. The C.I.O. plan would spread out control both geographically (away from Washington, into each industry) and socially (labor representatives), thus making possible a more even distribution of war orders. The objections to the C.I.O. Plan were of the same order as those to the Reuther Plan, and have proven equally decisive.\*

### The Parallel with England

The significance of the Reuther and C.I.O. plans is enormous, especially when one considers how closely the American experience parallels the British in this war. The British bourgeoisie has also been revealed by the stern test of war to be bankrupt as a ruling class. Not until the Labor Party entered the government last spring was there even the beginning of a serious war effort, nor was it accidental that in that first crisis cabinet the three key economic posts were given to labor politicians: Dalton in Economic Warfare, Morrison in Supply, and Bevin in Labor. What is the meaning of these unprecedented developments—the working class not merely passively submitting to the bourgeois war machine—as in the last war—but actually showing a greater boldness and grasp of how to run it than the bourgeoisie themselves? The explanation, I think, is that (1) the economic problems of waging war in 1914-1918, staggering though they were compared to anything that had been known up to then, were relatively simple and could hence be solved with a relatively mild reshaping of peacetime capitalism, as compared to the problems that must be met and the revamping of the peacetime economy that must be made in contemporary warfare; (2) capitalism today is incomparably more decadent and literally *unworkable* as an economic system than it was in 1914-1918, so that the bourgeoisie simply make a terrible hash of things when they try to function in the old ways. The working class thus has

today an unparalleled opportunity to take the power that is slipping from the grasp of a dying ruling class—as, for that matter, have the fascist demagogues. The great tragedy of our period up to now has been that the reformist leaders of the working class in England and America have done all they could *not* to take the power so lightly held by the bourgeoisie. Labor "leaders" like Bevin and Morrison and Murray and Green are thrusting the working class back into the house of democratic capitalism just as the whole structure is collapsing.

Thus the *actual effect* (as against its *symptomatic significance*) of the intervention of labor into the organization of the war economy has been merely to tie the workers to the wheels of the imperialist war chariot, since this intervention is made without first securing control of the state by revolutionary action. It has not even strengthened labor's bargaining power *within the capitalist system*: the Labour party chiefs have steadily lost power to Churchill's Tories in England since last May, while the shift of the Roosevelt Administration to the right in the last few months needs no underlining. Nor has labor's intervention, under these conditions, been very effective even technically. The reformist politics of labor bureaucrats like Bevin, Reuther and Murray, their timid refusal to call into action the working class—little effort was made to bring to bear on the Administration rank-and-file working-class pressure for the Reuther Plan, for example; its fate was decided entirely in conferences with top government officials—have made it possible for the bourgeoisie to use labor's economic plans only to the extent they think is absolutely necessary for national survival. Thus Knudsen has put into effect the automotive-aircraft tieup advocated by Reuther and the spreading of war production advocated by Murray—but only in a crippled, small-scale form, safely within the bounds of private enterprises. Churchill has likewise taken care to sabotage the more "extreme" (*i. e.*, effective) features of the labor politicians' economic plans, so that even today the British war economy is far from maximum efficiency. It should be clearer than ever today that working-class planning can be fully effective, whether for peace or war, only within a working-class socialist political system.

## 3. The Road Ahead for the U. S. War Economy

At present all classes of American society are enjoying the benefits of war economy without, as yet, feeling very seriously the disadvantages. This is because the government is injecting into the national economic system sums which make the New Deal's peacetime pump-priming efforts look picayune: \$23 billions of government spending a year means boom times on a 1929 scale. On the other hand, the Administration has, so far, refrained as much as possible from applying those controls over the property of the bourgeoisie and the consumption of the masses which will become increasingly necessary as war production develops. So for the present, every one is happy, the precise degree of happiness being related to the particular rung

of the economic ladder one happens to occupy. Big business is, naturally, happiest: last year the average yield of all stocks on the N. Y. Stock Exchange was 5.7%, highest since 1932, and more dividends were paid out to stockholders than in any year since 1937. The middle classes also have cause for rejoicing. Their consumption has so far been greatly increased by the war boom: automobile production last year was the biggest in four years, and production schedules are set for another 1,500,000 vehicles in the second quarter of this year: there is a home-building boom on, with residential building contracts for February 56% ahead of last year; current department store sales are up 19% over last year. (These figures, by the way, indicate how far we are from even the beginnings of the sort of war economy Germany has had since 1936.) Even the working class is sharing in the boom, in its modest way: it is expected that by the end of the year the present 7,000,000-odd unemployed will be reduced by half.

\*About the same time as the Reuther and C.I.O. plans were made public, the National Association of Manufacturers held its annual Congress of American Industry. The historical bankruptcy of the present-day American ruling class was here dramatically revealed. The Congress of Industry devoted its sessions to such vital current problems as government ownership of the railroads (against), the St. Lawrence Waterway Project (against), the Wagner Act (against), the unbalanced federal budget (against), etc. Its biggest achievement was to launch the Robey investigation of "subversive" sentiments in the nation's schoolbooks. As little as possible was said about the fact there is a war on, for, as *Time* put it: "The subject of defense found the cream of American industry unable to make up its mind."

### The Incompatibility of Guns and Butter

But there is something uneasy and foreboding about this

prosperity. The middle classes and workers see rationing and lower living standards ahead. Wall Street, too, is uneasy, as is shown by the lack of activity on the Stock-Exchange and the failure of stock prices to rise despite huge earnings. Here an important point must be made: that the *immediate* economic interests of the bourgeoisie and the masses are to some extent similar. That is, the business man wants to fill *both* Government war orders and also the civilian orders which are pouring in as a result of the general stimulus to the economy by the huge government spending; even though he makes more on a government order—which is not always the case—a businessman, with an eye to after the war, wants to fill the orders of his private customers as much as possible. "Business as usual" is his dream, which means that civilian consumption would be allowed to rise as high as the war boom would take it. Thus the question might be asked: since everybody, including the liberal weeklies, want a war economy of guns *and* butter, why isn't this what we are going to get?

Before answering this question, we should understand clearly that this is *not* what we are going to get. The turn away from butter, in fact, is already in process. "When the defense program was first undertaken, the general policy was to superimpose it on the normal requirements for the civilian population . . . The defense program has now, however, passed into its second stage. It can no longer be superimposed . . . If it is possible to produce what we need and still take care of our business as usual, that, of course, is what I want to do; but we must have the defense material regardless." (Donald M. Nelson, leading O.P.M. official, as quoted in *Time*, Jan. 27, 1941.) Last summer, Roosevelt declared cheerfully that the nation need not be "discomboomerated" by the war program, that business could proceed "as usual" and the people could have more and not less butter. In this as in other matters, events have made a liar out of our President. The conservative *U. S. News* for March 7 sums up the trend thus:

When the defense program was launched, official plans centered on a policy of providing the American people with both guns and butter. With idle plant and millions of unemployed, the opinion was widely held that defense requirements, superimposed on non-defense output, would lead the country to full employment and provide adequate arms without sacrificing living standards. "Business as usual" was not to be too greatly interrupted.

This theory has now broken on hard production facts. However much defense plant expands, officials now recognize that more government supervision is necessary to keep defense industries operating at peak. A gradual broadening of priority orders issued from O.P.M. is now viewed as inevitable.

The only way that the liberal-reformist program of guns *and* butter could have been put into effect would have been by an expansion of productive capacity large enough to supply both war and civilian needs.\* But business doesn't want to expand too much, because it is better to make a good profit on orders piled up months and even years ahead than to build new plants and risk being caught with ruinous amounts of excess capacity after the war boom is over. Thus we find the same pattern repeated throughout American industry in recent months. Several weeks ago the Federal Power Commission predicted a serious shortage of power for war industries "if power needs continue

\*It is true that there are still 7,000,000 unemployed, and that a large percentage of the national productive capacity is still idle much of the time. But to put these to work would involve government interference with the economic system on a tremendous scale. This idle capacity is wholly among the smaller plants. The big monopolistic corporations, whose pressure on the Administration is decisive, have more orders than they can handle now and are not at all interested in sharing the gravy with smaller competitors (who find it hard to get government orders precisely because they are small). Centralized planning and control could undoubtedly greatly increase production even by the big corporations, but the fate of the Reuther Plan is an indication of how far that solution is likely to get.

to be underestimated by the utilities as they have been in recent months." The railroads, under pressure by the Administration to increase their rolling stock so as to handle the heavy volume of traffic expected in future, have steadily rejected the suggestion as "public hysteria." A similar battle has been going on between New Dealers, who want greatly expanded steel production, and the big steel companies, who don't. Roosevelt has finally settled the dispute in favor of the companies on the basis of a report by the conservative engineer, Gano Dunn. (And already business publications admit it will soon be necessary to apply priorities to steel.) The machine tool industry, one of the two worst bottlenecks in war production, has doubled its production in a year without making any significant additions to its plant—preferring to pile up huge back-logs of future orders and ration its customers. So too with aluminum, the other bad bottleneck, where the monopolistic Mellon-owned Aluminum Co. of America (backed by the dollar-a-year men on the Defense Commission) for months insisted there was plenty of aluminum for both civil and military needs—until, last fall, the shortage became so acute that priorities had to be applied by the government.

The pattern has been the same in every big industry: a quite understandable reluctance by business to sink capital in plants which may later on be excess capacity (and tend to drive down prices), and an equally understandable reluctance on the part of the Roosevelt Administration to take the drastic steps (planning, centralized control, government-owned plants) which would be necessary to expand industrial capacity to the point where it could supply both military and civilian demands. This was Mr. Nelson's "first stage" of the war program, and the battle was won in every case by business. And so, since plant capacity is not enough to supply both guns and butter, the choice has had to be made for guns—which is the "second stage" we are now entering into. For the masses, this means, in the future, rationing (of this, more later). For industry it means, beginning now, increasing priority control by the government—that is, the rationing of scarce commodities like aluminum or nickel among industrial consumer on the basis of which industry is decided to be more essential to the war program, and hence entitled to "prior" call on the rationed commodities. And the decisions are made by the government bureaucracy (sweetened with dollar-a-year men) and are enforced by Federal law.

## Priorities for Business

Business, naturally, doesn't much like this invasion of its property rights either, but it chose it quite deliberately as a preferable alternative to plant expansion. ("Industry faced the problem of priorities with its eyes open," comments one business paper.) But a lesser evil is nonetheless an evil. The explanation of the strange apathy of the stock market despite the huge profits being made today and despite the more than sympathetic attitude of the Roosevelt Administration, is to be found in the steady growth of governmental controls over business since the Nazi Blitzkrieg last Spring. (That the controls are mostly administered by sound business men—and not by New Dealers—softens the blow; but it all means, nevertheless, entering into a strange and perilous new economic world.) This growth has not yet been pushed by Roosevelt, who on the contrary has shown every desire to avoid "discomboomerating" American business. Like Caesar, he has thrice put aside the crown—and, like Caesar, he seems fated to wear it all the same. For the requirements of the war program are pushing American capitalism with an irresistible logic into the harness of state control.

As in Germany, the first steps towards total *Wehrwirtschaft*

began in the field of foreign trade. Last June Roosevelt put an embargo on the export of machine tools, following this up a month later with an order requiring governmental licenses for the export of "any munitions, materials, or machinery needed in the national defense program." On October 22, Roosevelt issued an Executive Order "decreeing priority for defense orders placed with private industry." (The authority had been voted to him the preceding June 28.) "The order set up the first general governmental control over private industry in the peacetime history of the United States," commented the *N. Y. Times*. The Administration moved slowly and with caution down this dangerous and untried path. Roosevelt selected the most ineffective and pro-Wall Street of the Defense Commission chiefs to administer priority control: E. R. Stettinius, Jr., former chairman of U. S. Steel Corp. and a loyal "Morgan man." It was not until February 24, four months after Roosevelt set up the priorities board and eight months after Congress voted him the power, that Stettinius put into effect the first industry-wide priority systems, in the machine tool and the aluminum industries, where shortages had been acute for months. The pace has been accelerating, however. Several weeks later, Stettinius had to put three more industries under full priority control: nickel, magnesium, and synthetic rubber. And it is expected that in the near future three more will be added: zinc, scrap iron and lumber—the last two of which have already been forced, by government pressure, to lower their prices.

### For the Masses—Taxes, Enforced Savings, Rationing

We need not be too much upset by the sad plight of business. For the masses much worse things are in store than priorities. For one thing, of course, priorities as they extend will more and more affect the living standards of the people. Her aluminum pots and pans are the first, but by no means the last, sacrifice the American housewife will have to make for the war. But there is much more than that to it.

Congress has raised the national debt limit to \$65 billions, and there is already talk of \$100 billions. The money will have to be raised by taxation and by borrowing. A survey of business sentiment printed in the December *Fortune* found a 67% majority in favor of higher taxes. This is less surprising than it seems: the question is, who is to be taxed? Recent Congressional actions give some clue to the answer. The excess profits tax passed last summer set rates at from 25% to 50% against 100% in England today. And on February 24 last, the Ways and Means Committee of the House made history by reporting out favorably a measure to lower corporation taxes by over \$100,000,000 a year—the first time in ten years Congress has taken a step towards lowering the corporation tax. There is a campaign on in Congress—opposed at present by the Administration—to raise much of the needed war money through a general sales tax. As for borrowing, the Treasury already has announced a campaign to sell "baby bonds" and war-savings stamps in order to tap the income of the working class. If this voluntary method fails to bring in enough revenue, there is talk of some adaptation of the famous Keynes plan for "compulsory savings" (by withholding part of the workers' wages until "after the war") which was defeated last winter in England by labor opposition.

It is important to understand that such measures, at present, are designed chiefly to raise money. They have another effect, however, which will become increasingly important: by diverting the masses' spending power into governmental channels, that is away from consumption goods into war goods, they promote that shift from butter to guns which is essential in a war economy.

Thus a sales tax is simply an indirect form of rationing. It was for this reason and not for the additional revenue it raised (which was relatively negligible) that in England last fall the Churchill-Labour government finally put into effect a general sales tax. The same economic effects came from the sale, whether voluntary or forced, of Government securities to the public.

### The Crisis-Point: Full Employment and Production

Here in America we are only in the first stages of war economy. All these devices—priorities, export controls, taxation, baby war bonds—are as nothing compared to the totalitarian control over the entire economy one sees in Germany. Our capitalist economy is still far from the real crisis-point, when the inflationary tendencies of war economy threaten to get out of control. That point will come when the national economy reaches a state of full employment and full production, that is to say, when consumer buying power at its maximum runs into the stone wall of a productive mechanism that can expand no more. The result then will be a runaway price inflation, unless the state can intervene to freeze prices and wages and divert—by taxes and direct rationing—mass purchasing power from consumption goods into the war machine.

The American economy is still far from that point today, with 7,000,000 unemployed and a large reservoir of unused plant capacity. Prices in the first eighteen months of the war have risen very little, and a few weeks ago the American Statistical Society predicted that commodity prices are not likely to rise more than from 5 per cent to 10 per cent during 1941. As Chairman Eccles of the Federal Reserve Board recently put it: "I do not see how it would be possible to have a dangerous general inflation so long as we have a large amount of idle men and unused resources."

The crisis is still far off, but it is approaching. Some observers think that full employment and production may be reached by the middle of 1942. Already the Defense Commission has prepared a series of Executive Orders for price control, to be issued when necessary by the President. Much broader powers than he now has, however, will have to be voted by Congress. A government official recently remarked that much of the national price structure "is now being held at proper levels by means of paper clips and rubber bands." Something more than paper clips will be needed later on.

### The Road Ahead

How much "later on" it is depends not only on the economic factors just mentioned but also on political developments. It is easy to forget that the United States is not yet, technically, at war with Germany. But this technicality is important, for until an actual declaration of war the famous "M-Day" plans drawn up years ago by Army experts cannot go into effect.\* The nature of these plans is indicated briefly in *Time's* comment (June 10, 1940): "The U. S. M-Day Plan is so perfect that the actual Nazi program of complete mobilization for a knockout blow was based on it, after a six-month study, in 1934."

The totalitarian nature of the measures Roosevelt will propose "later on" is clear. But to propose is one thing, to execute another. The great political problem which will then confront Roosevelt will be how to persuade—or force or both—the bourgeoisie on the one hand and the working class on the other to yield to the government the necessary authority for putting into

\*There may well be, however, a campaign to get Congress to grant M-Day powers to Roosevelt even in peacetime. Thus the *U. S. News* for March 14 reports: "High Army and Navy officials are convinced that this country's defense effort will not click until Mr. Roosevelt takes the Army-Navy industrial mobilization plan out of the mothballs and gives it a try."



effect a totalitarian social and economic system.\* This is the problem Hitler had solved by 1936 (the "crisis-point" in the development of the German war economy), that Daladier-Reynaud never solved, and that is still far from being solved in England even today under the pressure of imminent invasion. The difficulties England is having, and American is beginning to have, in creating a total war economy came chiefly, in my opinion, from the fact that, unlike the German situation, there is no mass political pressure behind it. The political question here, which I have

\*It goes without saying that the chief problem will be not the bourgeoisie but the working class, which loses more and suffers more under a total war régime. But let us not underestimate the difficulties to be encountered from the bourgeoisie as well. Their fears are well expressed in a recent businessman's news-letter from Washington: "Trend is very strong towards bigger and bigger government. Defense emphasis tends to obscure this trend; to divert attention from steadily growing use of government power; to hide real meaning of what's happening . . . It's a super-New Deal that is growing up, that is taking shape as government moves in to direct a vast and growing defense effort. Industry recalls that it was somewhat the same in 1917-18 . . . But overlooked is the fact that Roosevelt is building defense into the regular machinery of government; that in 1917-18 wartime controls were built *outside* regular government machinery; that *there will be much more difficulty deflating government after the present emergency than after the last one.* Ideas that present defense controls are just a flash in the pan are mistaken."

no space to go into, is whether such a totalitarian economy can be imposed administratively, from the top, or whether a mass political movement like fascism is necessary. In other words, can there be a "white" or "cold" fascism? The answer to that question depends largely on the ability of the American working class to make its strength felt in economic and political action. And here we can take heart from the Reuther and C.I.O. plans which, however reactionary politically, demonstrate that the American working class, by virtue of its class position and interests, can think and plan in terms far broader and more effective than the American bourgeoisie is able to. Much the same lesson is to be learned from the intervention of British labor in this war. And let us hope that the sad fate of the C.I.O. proposals, and of the Labour party leaders in the Churchill cabinet, will sink home to the American workers, and that they will come to understand that the struggle against fascism, inside and outside the country, can only be fought on a revolutionary political basis. The only alternative to Roosevelt's "white fascism" is revolutionary socialism.

DWIGHT MACDONALD

# Total War and the Revolution

**N**O SERIOUS PERSON dares to speak any longer about the "phony war" between the Axis and the Anglo-Saxon bloc. War in its most concentrated form, total war, has come to stay with us for quite some time to come. It extends its battlefields with every month. It is cutting ever so deeply into the remotest domains of social life. Like crises and fascism in the past, so will war and militarism now determine the further course of the class struggle.

Nor will the theoretical and practical work of revolutionists remain unaffected by the war and the changes it wreaks upon the life of society. They must learn to adapt themselves, in thought and action, to the new conditions. They must keep in mind that our entire generation of revolutionary Marxists since the creation of the Third International had been educated with a view to revolutions growing out of *peace-time conditions*.

It was the fight against the reformists first, against the fascists later, which above all determined the strategical and tactical preparaitons of revolutionary cadres. True, both the Chinese and the Spanish revolutions, more so even than the Russian revolution, were harbingers of a new type of the struggle for power, of a swift passage from insurrection into protracted warfare, which in Spain already took on aspects of a miniature total war.

It became more and more evident that, due to the synchronization of political and military struggle, the political influence wielded by the proletarian revolution and its various fractions was commensurate with their respective military power, and conversely.

Even such passing insurrections as the Vienna uprising and the Asturian miners' revolt of 1934 displayed the mortal threat to workers' rebellions from a modern standing army (artillery in Vienna, airplanes in Asturia). Both uprisings were quelled with relatively small forces.

The Fourth International, due to its preponderantly propagandistic character, paid little attention to these problems. It is precisely for this reason that Trotsky, impressed by the swiftly spreading military transformations throughout the world, became so insistent in stressing the coming of a "military epoch" and its bearing upon the revolutionary struggle. I must say I have the

impression that not very many comrades have heeded his warnings.

## Total War—the Rise of an Elite Army

And yet, in private talks they all, leaders and rank-and-filers alike, would time and again raise questions which undoubtedly are looming in the minds of many a class-conscious worker.

What are the chances of victory for revolutionary mass uprising facing modern armies, equipped with devastating mechanized weapons which can be handled by a small force of skilled pilots and mechanics?

Did not Hitler's *Blitzkrieg* show, they ask, that the days of mass armies are gone? That war tends to be fought by a new type of soldiers' aristocracy, an *élite army*? Are not the pilots and tank drivers, the technicians of mechanized warfare, a new sort of "knights of the military epoch"? Are we not about to witness a revival, in modernized form, of the exclusive soldiers' caste of feudal times?

If entire empires can be crushed by these new "knights," what about the masses of badly-equipped infantry soldiers and unarmed industrial workers? Could they not be wiped out at any time by a hand-picked crew of hostile air- or tank-men?

To answer these questions we must look somewhat closer into the composition and the functioning of modern armies.

Obviously the air and tank arms, the former more than the latter, constitute aristocratic units tending to develop an *esprit de corps* of their own. The handling of complicated machinery calls for rigorous physical and psychological selection.

The German as well as the British air forces use young boys of eighteen to twenty-one as fighter pilots. "A fighter pilot of 27 is an old man," writes Vincent Sheean in a study of the air war over Great Britain, "and the only such pilot known to me was grounded . . . to make way for younger boys." The reason: young and physically fit boys can better stand the "black-out," *i.e.*, the loss of consciousness in the quick turns, dives and maneuvers at break-neck speed. In the bomber squadrons the men "are a little older."



Of the mentality of these youngsters, Sheean writes: "The boys have a terrific loyalty to their own squadron . . . they are high spirited . . . their language is something that would curl the hair of their maiden aunts . . . they are not keen about political and patriotic speeches . . . [In the bomber squadrons] the type is very much the same."

These adolescents form the "vanguard" of British democracy. Of them Churchill has used the phrase: "So many owe so much to so few." With scarcely any life experience behind them, except the craft of flying to kill; imbued with a narrow spirit of exclusiveness; isolated from, or incapable of checking their experience against, older people and broader masses, these "democrats" display an adventurer's spirit very reminiscent of the crude killer's pride of Mussolini's flying sons. To shoot against the Germans or against revolting "plebeians"—as long as it were a question of isolated acts, it would make little difference to their dull and unquestioning minds.

But it would be different once the revolution had taken on a true mass character and, like the tidal wave of Russia's 1917, use setbacks only as a stimulation to renewed aggression. Then, other factors would count.

First of all, there is a terrific turnover in both the air and the tank force, due to the strain on human mind and body. The death rate is high, too. Only 40 per cent of the British flyers brought down over the Isles were saved. The percentage of the wounded is unknown, but high. On the other hand, the air and tank forces are compelled to expand their effectives with every month of the war. As a result, the selection is becoming less rigorous as to the social background. Boys of "plebeian" origin have to be admitted. They will, in critical times, remember their own class background.

Furthermore, pilots who are "old men" at 27 join the more proletarian gunner and ground crews. Without losing their flying experience they are drawn closer to the influence of the "plebeian" mechanics and auxiliary forces. In the same way, during the last war, a strong feeling of solidarity developed between the front officers of lower rank and the soldiers against the haughty staff officers. Many a front officer later joined the ranks of the revolution.

As to the ground crews, predominantly highly-skilled workers, they already reach the scope of a mass army. The German air force, with an estimated 36,000 planes, included by November 1, 1940, one million men, *i.e.*, one-fifth of her total man power under arms. The British R.A.F., estimated at 5,000 planes, employed 150,000 men, about 17 per cent of her total man power. What an overwhelming dependence of the "flying knights" on plebeian ground crews!

But this is not all. Planes and tanks deteriorate quickly. By mid-January the Germans had lost about 4,000 planes over the Isles, the British had lost about 1,100. These losses will grow further, proportionately to the growth of the air power and air warfare. The same is to be said of the tank arm.

Moreover, there is the rapid wear and tear of both planes and tanks. During the last war, planes lasted from one to two months, tanks three months. By 1918 Great Britain had to produce 2,700 planes a month to keep up an air force of 2,000! Mechanized warfare reveals itself again as a war between huge production units, dependent on the workers.

The knights of mechanized warfare are, then, far less an independent and exclusive fighting force than would appear at first. They may be able to strike a swift blow against passing mutinies or uprisings. As to maintaining their striking power in a protracted war or revolution, their dependence on servicing crews and on industrial replenishment is overwhelming.

## Blitzkrieg and Revolution

Still the chances of military survival of contemporary revolutions are far from clarified by what was said up to now. Has not the German army set the startling example of cutting to strips entire countries, even entire empires, with but a small mechanized force and in record time?

Can the proletarian revolution, usually clumsy and slow in organizing its dictatorship and the corresponding military machine, hope to win the race against a technically superior and better prepared counter-revolutionary foe?

Will the political differentiation among the *élite*, the superior number of the infantry mass as against the *élite*, and the dependence of the latter on the industrial working class, be given time to work against the pace of total war?

These are no simple questions to answer. But some light can be shed upon them by eliminating certain misunderstandings about the nature of Hitler's *Blitzkrieg*.

First of all, the concept, brought forth by sensational journalism, that *Blitzkrieg* means the end of using huge field armies, does not correspond to the facts. After the collapse of France, when these concepts filled the pages of the American press, G. C. Marshall, U. S. Chief of Staff, wrote in a letter published later in *Harper's Magazine*:

[Out] of some two hundred and forty divisions [of the German army] now in action in France, only twelve . . . are armored divisions and eight others are fully mechanized. With a natural tendency to emphasize the dramatic aspects of the fighting, war correspondents have created in the popular mind the impression that the bulk of the Germany army is made up of bombing planes and armored divisions, and have thereby obscured the essential clew to its remarkable success—the fact that it is a balanced force of all arms, with the proper proportion of infantry, artillery, planes, tanks, mortars, engineer, signal and service units, with a thoroughly equipped service of supply, all designed with complete unity of command and purpose. Probably the most impressive aspect of that army . . . has been the ability of the infantry-artillery to follow up the penetration raids of the mechanized forces, covered by the air force, and consolidate every gain of ground. [It] means teamwork at its best.

The Chief of Staff's namesake, S. L. A. Marshall, in his book, *Blitzkrieg*, comes to the analogous conclusion that total war does not consist in the use of independent air or tank weapons at the expense of infantry and artillery, but in the "perfect marriage" of all arms and all resources, material and psychological, within the capacity of the warring powers.

At the height of the *Blitzkrieg* in France "the tanks and armored car divisions (supported by the air arm) served with ever-increasing effect as shock units softening up the ground for infantry advance, depriving the enemy of his mobility."

The weakness of the Dutch and Norwegian armies made it possible to operate with small selected forces. But in Poland, Belgium and France the daring advance of the mobile units was made possible only because they operated from bases consisting of huge mass armies which protected the general position against reversals, small or great, and provided a backbone even if entire advance columns of tanks and armored cars would have been wiped out.

Looking now at the experiences of Albania and Lybia, it becomes evident that the relatively small use of German infantry in actual combat was due to the complete impotence of the Allied Staffs. These experiences show, furthermore, that while mobile warfare causes quick reversals, shifts, and turns on the various fronts, the war as a whole tends to be protracted, once the adversary has learned to meet *Blitz* tactics with *Blitz* tactics.

In other words, as both camps learn to pit against each other modernly equipped forces in the air, on the land and the seas; as

the surprise element is eliminated—war settles down to a stalemate. The military limitations of purely mechanized warfare; the lack of man power adequately trained for such warfare; the limitations in the mass production of planes and tanks; and finally considerations of climate, terrain and supply facilities—all combine to give greater weight to the use of the infantry mass in order to force a decision.

A few general conclusions in respect to the military perspectives of revolutionary movements are possible even today, though the war has not yet reached its peak of technical achievement.

First, the quelling of partial or spontaneous mutinies and rebellions will be much easier than in the past.

Full-fledged revolutions, too, will be threatened with lightning strokes of annihilation from a superior adversary within the country and especially by foreign intervention, on the part of countries where the mass radicalization would proceed at a slower pace.

The respite the Russian revolution was granted for raising its Red Army, may very well be refused to many of the revolutions growing out of modern wars. Thus, it is not excluded that incipient Communes would suffer militarily the fate of Holland, or Norway, or Poland.

To check such dangers, to gain time, the revolution would, from the outset, have to have at its disposal an air force and mechanized shock brigades strong enough to ward off the first assaults of the counter-revolution.

This is why the participation of class-conscious workers and Marxists is paramount for the future of socialism in the epoch of "universal militarism."

Their task would be facilitated by the already mentioned general factors working to the detriment of the counter-revolutionary military *élite*. Moreover, protracted revolutions will occur in a time when, due to the general exhaustion of the war industries, the pace and scope of air and mechanized warfare would be universally reduced. And in the use of infantry, of mass forces, the revolution would prove incomparably superior, once it could resist the first onslaught of the counter-revolution.

## Infantry Mass—Skilled Workers of Warfare

The backbone of total warfare, and even more so of revolutionary warfare, is, then, still the old infantry soldier, "the nation in arms." His importance for the outcome of the revolutionary struggle calls for a closer scrutiny of his physiognomy.

The popular idea of an infantry soldier is that of a human robot drilled to blind obedience, to complete abstinence from anything but purely mechanical, physiological reflex.

It is true that the war game of 1914 required such a type of soldier. The armies were pitted against each other in straight, linear formations. The task was mainly to advance from or against trenches and fortifications, protected or attacked by a heavy curtain of artillery fire. Increased fire power of the enemy, close coördination of advance with the screen of supporting artillery fire—made automatic, unthinking action of the individual soldier his best virtue. He had to proceed with clock-like precision, shooting straight in front of him, irrespective of the objective. In this duel between the opposing lines, it was in the end the superiority of artillery fire that decided the outcome.

But soon the disadvantages of straight-line advance became manifest. Machine guns, now attached to every infantry platoon and protected by steel shields, could not be put out of action by straight-line fire. Flank attacks became increasingly necessary. But flank attacks broke up the automatic advance and fire-direction. The infantryman had now to be given "a fairly wide degree of independence in the choice of his aim" (L. Renn, *Warfare*).

The Germans, always first to learn the lessons of war, adopted by 1916 new infantry regulations, significantly enough based on the literal translation of the manual, discarded by the French, of Capitaine Lafargue!

It provided for the breaking up of the old rigid platoon into small units, consisting of a light machine gun surrounded by riflemen, who were divided into a defending and an attacking wing, advanced and acted on their own, at an angle to the main line of the defense, with the aim of reaching the best position in order to hit the enemy target.

But this was only the beginning. In an attempt to break the stalemate that had developed towards the close of the war, Ludendorff devised a new type of attack, which was but the rifleman's variation of the tactics of "break-through" used by present-day mechanized forces.

Heavily-armed infantry, broken up into small groups, began to feel out the "weak spots" in the rigid enemy lines. "Infiltration emerged as a plan for fragmenting and destroying piece-meal a partially armored line (trenches, fortifications), in the expectation of effecting a break-through and achieving decisive tactical objects."

These new tactics, in turn, called for a new type of defense, "defense in depth," the famous "strong points" which Weygand tried, belatedly and in vain, to oppose to the German tank attacks.

*Linear warfare gave way to area warfare*, which is the main feature of the land war.

Even in its embryonic forms, at the close of the last war, the new type of warfare completely altered the training and the function of the infantry mass.

The blind robot-like discipline of the linear "time-table" advance had to give way to a training aiming at the development of the greatest degree of individual initiative, independence and intelligence, corresponding to the action needs of huge area operations, with numerous units acting on their own.

Ludendorff, describing the adaptation of the infantry set-up to the tactics of infiltration at the close of the last war, gives—according to Wintringham—highly instructive figures:

Year	Tactical unit	Men in unit	Number of men in a whole army responsible for tactical decisions
1757	Army	15,000-50,000	1
1815	Brigade or Division	2,000- 6,000	20-30
1870	Battalion or Brigade	800- 3,000	100-200
1914-16	Company-Division	200-15,000	200- 10,000
1917 (Germany)	Group	8-16	100,000-200,000

Note the amazing decentralization of commanding responsibilities within a modern army in action. From whole armies down to basic units of a dozen or so; from 200-10,000 responsables at the outset of the last war to 100,000-200,000 at its close!

This process has largely grown since, and been further intensified by another feature of total warfare, the close interaction of air, tank, artillery and infantry power, which makes necessary a greater mingling of the various arms within an infantry division, requiring that the soldiers, having had "some grounding in the use of their own weapon, should also learn about the use of weapons employed by other units and other arms."

Thus, total warfare is completely transforming the physiognomy of the "nations in arms." The infantry soldiers are no longer a dull, patient mass of slaves at the hand of a few arbitrary commanders. They are a "closely woven web of various arms and various services" taxing every individual soldier with increased skill and increased responsibility. "The life of the modern infantry man has become difficult and complicated. [He is] per-

forming hard labor of one sort or the other [even when] actual fighting belongs to the rarer happenings."

The German army was again first to produce this type of highly skilled soldier. While its high command is still recruited from the old Junkers' caste, its skeleton of middle and lower officers is composed of former privates of the professional Reichswehr, giving the army the "plebeian" but highly efficient character of a body of skilled workers, closely knit together and closely collaborating, acting under centralized strategic command with utmost freedom in tactical execution.

Things have been, and still may be, different in the British army. Wintringham, the "left-wing" defensist, writes:

But owing to the social structure of Britain in the past, and of the class that rules the army, it is difficult for the higher commanders to trust and encourage their juniors . . . The leadership that hunts foxes cannot believe that the young officers from civil life (so charmingly labeled "temporary gentlemen" in the last war) can possibly think for themselves and act for themselves without close and continuous control from above. As for sergeants, corporals and ordinary men of the ranks, they are unfortunately debarred by birth and income from polo and fox-hunting; how can they possibly be given the right and the duty to act on their own? In this way class considerations have in the past made it difficult for the army to achieve the form of leadership necessary for modern war.

Under the combined pressure of the soldier mass and purely military requirements, John Bull is slowly "stream-lining" his army.

As to the United States, her army leaders, too, are beginning to awaken to the new situation. Pearson and Allen report in their column on February 13, 1941, about the work of Infantry General George Lynn in the training of the new U. S. army:

An infantry regiment in 1917 had 2,500 riflemen of 3,600 in the regiment. In modern infantry a regiment has only 900 riflemen, the rest of the men operating tanks, mortars, heavy machine guns and repeating rifles.

Modern infantry actually carries its own light artillery. It can operate

effectively without supporting artillery. Instead of going into action abreast, one man to a yard, modern infantry spreads its fire over a wide area.

In 1917 the Army had not one machine gun and no tanks until the war was almost over. But the new doughboy will handle himself far more effectively.

Thus, total warfare produces peculiar changes in the use of human material, changes which may prove of deep significance for the course of future revolutionary struggles.

In *industry* it tends to standardization, to mass production principles, to the lowering of the proportion between skilled and unskilled workers, to the "diluting" of skilled into semi-skilled labor, to the mobilization of inexperienced, often backward, elements of the population for industrial production, women and children included.

In the *army*, it tends to increase the specialization, the skill of the individual soldier in every class of arm. It draws a large part of the skilled industrial workers into the army, many of whom have gone through the experience of labor organizations. And the very nature of the war makes it impossible to impose upon them the blind and rigid robot training of the last war.

In other words, *production for war* becomes, more than in the last war, a matter of unskilled, mechanical labor in Ford style, whereas the *use of war weapons*, and battle tactics, in general, demand higher skill and higher individualization than before.

In the Russian revolution, the "skilled workers" of warfare, the sailors, machine-gunners, armored car crews, provided the backbone of the revolutionary leadership among the masses.

The raising of mass armies consisting of specialists and skilled soldiers of "low" origin will again furnish a vast reservoir for the coming revolution. The former workers or unemployed, experienced in a new "trade," given to self-confident initiative and hardened in action, will be among the ablest, if not the very leaders of the masses of industrial workers at home.

C. D. E.

# German Society and Capitalism

IT IS THEORETICALLY POSSIBLE that the future course of society may take a direction unforeseen by revolutionary Marxists at present, but the attempt of Dwight Macdonald\* to portray the German fascist state as representative of a new social order is a grievous violation of serious and scholarly investigation. His study is based upon journalistic interpretations of secondary and indecisive phenomena of present-day German society. Despite devoted efforts to understand German economy under Hitler, he has been unable to generalize correctly the studied facts, nor to place them in their proper context and importance.

Macdonald's reference to Trotsky's remarks anent Hitler's rôle of a super-Wrangel and the latter's attack on the Soviet Union, is entirely misplaced and without importance. Trotsky erred in the field of prophesy where conjunctural turns frequently occur, especially when forecast is made some eight years before an event occurs. But this fact proves nothing in reality. And, so far as the war is concerned, the end is not in sight.

The matter of the *Blitzkrieg* is quite something else. For here is a key to Macdonald's position. It was the *Blitzkrieg*, quite understanding on economic and military grounds, which so shocked

Macdonald that it drove him to what he calls a study of German economy. He searched for the source of Germany's swift victory over France in his own preconceived "new social order." Of Germany's military triumphs, he therefore writes:

Germany's crushing superiority in war machines (planes, tanks, guns) over the richer "democracies," the new military tactics her army displayed, and the new *non-capitalist ways in which she is now exploiting her victory—all of these phenomena can be explained only on the basis of a radical difference in economic and social systems between Germany and France-England.* (Emphasis mine—A. G.)

What these "non-capitalist methods" are remains a secret. In any case we shall show that the whole theory is false and groundless in fact. By his writing, Macdonald does reveal that he knows little of German or European military history, and certainly little of European (especially German) economy.

While this is not the occasion for a review of German military and economic history, it is necessary to point out:

- 1) Germany has long been a powerful military nation with an enormous military tradition;
- 2) In 1870-1871 German arms vanquished France in a few weeks (for that period, also a *Blitzkrieg*);
- 3) Germany was on the verge of victory against the Allies several times during the 1st World War, without a fascist state;

\*See the article by Dwight Macdonald on Germany and the fascist social order in the last issue of THE NEW INTERNATIONAL.

4) In any gigantic military struggle, new tactics, new strategies, new machinery, new methods of offense and defense arise;

5) The "non-capitalist" means Germany supposedly has and is employing are traditionally imperialist-capitalist;

6) The economic systems of Germany and the Allies are fundamentally identical "war economies";

7) The war is not over and as it continues in the latter half of its second year promises to spread over the entire globe and to continue for many years;

8) The war cannot be won by a *Blitzkrieg*; it has already lasted too long, when the *Blitzkrieg*, as conceived by the General Staffs, especially the German, was a war lasting from three weeks to three months;

9) The German economic organization has been and is today the mightiest in Europe—although that, of and by itself, as we shall soon establish, is only half the answer.

But, queries Macdonald, if the Allies knew all this, why did they not prepare to meet Hitler in advance? The answer to that is, in my opinion, obviously answered. Modern war is an extremely dangerous and expensive undertaking with little or no guarantees involved. The Allies had hoped to turn German attentions toward the east (Russia) and thus avoid war, if not altogether, then at least for some time. England-France were confronted with a *fait accompli* in Germany's military resurgence, which, on the basis of their industrial potential and specific class relations (bourgeois-proletarian) they could not hope to match. In two years they could not do what it took Germany with an "enslaved proletariat" more than five. Yet despite this, Germany has not achieved its victory. On the basis of Macdonald's views this should have occurred shortly after the fall of France in early 1940.

Germany's conduct in world affairs prior to the outbreak of the present war, was highly reckless because she had nothing to lose. In contradistinction, England and France had nothing to gain from a war with a vanquished foe and everything to lose. Armed Germany, ready to stake all in the hope of victory, was truculent, abusive and aggressive. England and France, playing for time, hoping for diversions to prevent the immediate outbreak of war, playing the game of diplomacy for all it was worth, worked belatedly and feverishly to prepare because neither would give up a single imperialist possession of their own to appease Germany.

But the *Blitzkrieg*, Macdonald notwithstanding, while illuminating as a topical military subject, has no fundamental significance beyond that, and certainly no fundamental social significance. And yet, it is upon such a basis that the discoverer of new social orders builds his tenuous structure.

## On the Study of Marx

It is not only necessary to "reread" Marx's *Capital*, but also to READ it, to STUDY it and to avoid the researcher's method of seeking quotations to fit a preconceived pattern, using them divorced from their context and meaning, especially where they have nothing to do with the subject.

How is Macdonald "illuminated" by rereading Marx's *Capital*? He has discovered what comprises simple capitalism. The "mysterious" commodity is stripped of its mystery and there it stands in all its nakedness, long decades after Marx engaged in his economic writings! Yes, it is true that capitalism means commodity production, production for a market, that a product entering the process of exchange becomes a commodity, that the worker sells his labor power to the capitalist in the open market. All of this is true, just as it is true that capitalism means competition, production for profit, and private ownership of the means of production. So much time and space wasted. It would have done Macdonald far more good to have spent his energies in a study of the economics of *monopolist capitalism*, for it would have taught him many things which he does not seem to know, and

the lack of knowledge of which disqualifies him from effectively discussing the issue in dispute.

## What Is Modern Capitalism?

Capitalism has become monopolist. Simple factory production, industrial capitalism, has given way to mass production, the victory of industry over agriculture, of heavy metallurgical industry over light, textile, and the triumph of finance capital. Under these conditions, there is a relative end to the competitive struggle in the domestic market, subject to controls by monopoly capitalism, which controls the market, competition, production and prices. It is also characteristic of the present epoch of monopoly capitalism that the domestic market is no longer decisive and dominant. The world market, world prices and world trade, the endless search and competition for raw materials, prevail. We live under a system of world economy.

Macdonald, with a stroke of his pen, dissolves the domestic market in Germany, but he fails to understand that in the present epoch the national market is completely subsidiary and subordinated to the world market, and the national division of labor subject to and integrated with the world division of labor.

The tendency and the reality of monopoly capitalism is to elevate the world market at the expense of the home market. Bukharin described in detail the new capitalism in his book, *Imperialism and World Economy*, when he wrote:

There is a regular market connection, through the processes of exchange between numberless individual (national) economies scattered over the most diverse geographical areas. This world division of labor and international exchange presupposes the existence of a world market and world prices. (P. 23.)

And further:

International exchange of commodities is based on the international division of labor . . . international exchange has its basis not in division of labor, which presupposes the production of different use-values, but solely in different levels of production costs, in values having various scales in various countries, but reduced through international exchange to socially indispensable labor on a world scale. (*Ibid.*, pp. 24F.)

This holds true especially for Germany, where economy has been for many decades indissolubly intertwined with world economy. The post-war crisis in Germany resulted not from what Macdonald talks about, but entirely from its relation to world economy, its severance from the world markets, from the sources of raw materials and colonies with its rich supply of cheap labor. Germany's present war effort can be explained solely by its desire to *redivide* the world, establish its own dominant colonial empire and occupy the place of America and England. Macdonald does not understand this because he does not understand monopoly capitalism as a system of world economy. That is why, too, he is led to such a sophomoric absurdity as to declare that Germany has dissolved the world market.

The causes of the last World War are now universally known. We suspect, although we are not certain, that Macdonald knows them too, but since it does not fit his preconceived pattern of present-day German economy, he forgets everything. World War I was a struggle for a redivision of the earth. Germany's integration in world economy as long ago as 1914 and earlier was expressed in her foreign investments, which totalled more than 35 billion marks. In addition, the Kaiser's Germany was in possession of a growing colonial empire. The measure of her stature is apparent by Germany's intervention in every important international imperialist problem of that period.

The central aim of the Versailles treaty was the destruction of

Germany's colonial empire and military power. The mistake of the Allies was that, in dismembering Germany's borders, in imposing astronomical reparations and seizing her colonial empire, they failed to destroy the immense German industrial plant which enabled Germany's military and economic resurgence.

Under the conditions of mass production, the volume of commodities seeking a market has increased, especially in capital goods. This situation occurs with a declining home market, resulting from the disproportionate relationship in the rise of productivity of labor and relative decline of the national consuming power. How explain the contradiction of rising productivity, the mass production of capital and consumers goods and the relative decline of consumption? The contradiction is only explainable by the composition of capital, the polarization of wealth. The falling rate of profit is a tremendous factor driving the bourgeois power beyond the borders of the country and this is especially true for highly industrialized countries like England, Germany and the United States.

Marx graphically described this process when he wrote:

Overproduction of capital never signifies anything else but overproduction of the means of production—means of production and necessities of life—which may serve as capital, that is, serve for the exploitation of labor at a given degree of exploitation . . . Capital consists of commodities and therefore the overproduction of capital implies an overproduction of commodities. (*Capital*, Vol. III, p. 300.)

There is an immense export of commodities in general, in which, however, the export of capital is distinguished from the export of commodities of consumption. The motivating force for the export of capital is not that it cannot be employed at home, but that it can be more profitably employed in foreign, colonial and agricultural countries. Of this Marx wrote, with prophetic wisdom, long before the era of monopoly capitalism had arrived:

If capital is sent to foreign countries, it is not alone because there is absolutely no employment to be had for it at home. It is done because it can be employed at a higher rate of profit in a foreign country. (*Ibid.*, p. 279.)

Or again:

. . . capitals invested in colonies, etc., may yield a higher rate of profit for the single reason that the rate of profit is higher thereon account of backward development and for the added reason that slaves, coolies, etc., permit a better exploitation of labor. (*Ibid.* My emphasis—A. G.)

Macdonald has to prove that none of the aforementioned references have application to Germany, and we are certain that he cannot do so. We have already mentioned the disproportionate relationship between production and consumption. Consumption is restricted under capitalism because its prevailing tendency is toward capital accumulation and expansion, and "a production of surplus value on an enlarged scale." Therein lies the explanation for the present war and Germany's desperate conflict. In relation thereto Marx wrote:

This is a law of capitalist production imposed by the incessant revolutions in the methods of production themselves, the resulting depreciation of existing capital, the general competitive struggle and the necessity of improving the product and expanding its scale of production, for the sake of self-preservation and on the penalty of failure. The market must, therefore, be continuously extended. (*Ibid.*, p. 287. My emphasis—A. G.)

Modern imperialist capitalism is accompanied by an intensification of the world struggle between nations because (1) there is an increased world competition in the sales market, (2) there is an increased competition in the markets of raw materials, and

(3) there is an increased competition in the spheres of capital investment. It is the contradiction between the growth of productive forces, on the one hand, and the national limits of production on the other, that sends capital out to all corners of the earth begetting this terrifying competition between national capitals.

Again, the modern capitalist contradiction occurs because:

. . . there is a growing discord between the basic social economy which has become world-wide and the peculiar class structure of society, a structure where the ruling class (the bourgeoisie) itself is split in "national" groups with contradictory economic interests, groups which, being opposed to the world proletariat, are competing among themselves for the division of the surplus value created on a world scale . . . the development of productive forces move within the narrow limits of state boundaries while it has already outgrown those limits. (Bukharin, *op. cit.*, p. 106. My emphasis—A. G.)

And yet Macdonald can write that: Germany has destroyed the world market!

Monopolist capitalism has marked the end of simple capitalism, *laissez-faire* capitalism. Under these structural changes, the rôle of the state to the classes has undergone changes, although its basic rôle remains identical: the instrument of bourgeois society. Macdonald speaks of the democratic bourgeois state as bourgeois apologists describe it, but as it actually never was, and certainly could not be under monopoly capitalism.

The state fuses with monopoly capitalism and has a more direct and intimate interest in the economic well-being of the "nation." In declining capitalism, the duties of the state are magnified, since the increased conflict of "national capitals" marks the struggle between states.

Engels, despite an essential exaggeration of the development of the state as the sole capitalist, foresaw the main development of the state as far back as 1883. His theoretical writings served as the basis for the works of the post-war Marxists, who, in their studies of imperialism, showed the new rôle of the bourgeois state. Engels wrote:

In any case, with trusts or without, the official representative of capitalist society—the state—will ultimately have to undertake the direction of production. This necessity for conversion into state-property is felt first in the great institutions for intercourse and communication—the post office, the telegraphs, the railways . . . If the crises demonstrate the incapacity of the bourgeoisie for managing any longer modern productive forces, the transformation of the great establishments for production and distribution into joint-stock companies, trusts and state property, show how unnecessary the bourgeoisie are for that purpose . . . But the transformation, either into joint-stock companies and trusts or state-ownership does not do away with the capitalist nature of the productive forces. In the joint-stock companies and trusts this is obvious. And the modern state, again, is only the organization that bourgeois society takes on in order to support the external conditions of the capitalist mode of production against the encroachments as well of the workers as of the individual capitalist. *The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital.* The more it proceeds to the taking over of productive forces, the more citizens does it exploit. *The workers remain wage-workers—proletarians. The capital relation is not done away with. It is rather brought to a head.* (Engels, *Socialism, Utopian and Scientific*, pp. 121 ff. My emphasis—A. G.)

The measure of state control and ownership has not proceeded as far as Engels believed, even in fascist Germany, although the resultant class relations described are entirely accurate, as evidenced by post-war Europe and America.

Without understanding this capitalism, it is impossible to understand the Third Reich and we propose to show how Germany fits precisely into this pattern of monopoly capitalism as a system of world economy.



## Macdonald's Germany Through a Looking Glass

Germany is a new society, says Macdonald, not capitalist. To be sure, he adds, uncertain of himself, capitalists do in fact exist, but only in form. Private ownership in the means of production prevails—but only in form. Profits are made—but the profit system exists only in form. Wage labor is present—but only in form; the free labor market no longer exists. The market exists—but only in form. There is a stock exchange and “the speculator buys and sells stocks and bonds”—but this is only a form. “The old capitalist forms *exist*,” he says, “but they express an entirely different content” (emphasis in original—A. G.). What, then, is new? The state controls! There is no longer a profit system! There is only production for use, planned economy! “Germany has destroyed the world market.” What utter nonsense!

Since the Versailles treaty, the principal effort of German capitalism (once the failure of the proletarian revolution was certain) has been directed to breaking the chains imposed upon it by the victorious Allies, to escape the heavy war reparations, to acquire colonies, establish a place in the division of the world markets, and to realize an equal status in the markets of raw materials. How could the “enormous German plant” enjoy a normal existence under the Versailles restrictions? Obviously, it could not and Germany faced utter and complete collapse. The Weimar régime recognized this, but on the basis of inter-class relations and internal prostration, could do little about it, although its attempts were many. Hitler understood it even better than the Stresemanns and Brünings and he understood that it was necessary to solve internal class relations first and then to rearm to bring about a *possibility* of realizing German needs.

The democratic bourgeois régime of Germany tried by peaceful and persuasive means to obtain large concessions from the Allies and failed. The early attempts at a German-Austrian customs union were met with a direct order to desist or suffer the penalty of a renewed Allied military intervention. Under the conditions of post-war economy none of the other imperialist powers could grant Germany basic concessions without injuring their own profit economies. Anglo-French imperialism recognized that a German-Austrian customs union meant the creation of a German Middle European tariff alliance to establish a stronger monopoly (fusing German and Austrian capital under the former's domination) to deal on a *world scale* with other gigantic monopolies.

The fascists came to power as the result of a combination of factors, not the least of which was the aim of finance capital to place in power a party of its own image, determined to bring about a rebirth of German imperialism, no matter what the effort or what clashes might be engendered.

What has the Hitler régime accomplished? First and foremost, the destruction of the organized working class, their power of resistance, the reduction of their living standards, and the intensification of their exploitation at the hands of monopoly capitalism. Second, the rearmament of the nation. Third, securing the power of the heavy metallurgical industries over all other capitalist groupings through the medium of war orders, a revival of German industry in general in preparation for war. And finally, reclamation of German territories in Europe and seizure of non-German areas. Germany, slowly but surely, has been breaking into the world market and reestablishing her pre-1914 threat to the other powers in a period of international decay and sharpened world competition.

German economy today is a war economy and contains all the abnormalities of a war economy in addition to other abnormali-

ties under which German economy has operated for the past twenty years. In truth, the whole Hitler era is marked by the rise of a war economy. The war effort is directed by the state. In its present rôle it has only extended the characteristic tendency of monopoly capitalism.

These accomplishments were realized on basically capitalistic grounds, as even Macdonald admits, since he says that before 1936 Germany was capitalist. It is in that year that the social change supposedly took place. This is featured by state control, planned economy and production for use. What actually did occur in Germany? We shall have occasion to refer to Italy also, since it is, despite Macdonald's failure to discuss that country, a fascist nation and the forerunner of Hitler's Germany. Macdonald's deliberate avoidance of a discussion of Italy is indicated for the reason that there a more simple capitalism operates and his theories are even more ludicrous in the light of developments.

## The “New Social Order” in Practice

In their franker moments, when propaganda for mass consumption and the confusion of Macdonald is not required, the fascist spokesmen really characterize their system and the purpose of their anti-capitalist revolution.” The fascist spokesman Luigi Villari in *The Economics of Fascism*, writes:

Fascism . . . is definitely a system of class collaboration. It rejects the idea of class and of contrast between classes, and aims at conciliating the aspirations of all the categories of the population in the nation as a whole.

Does it challenge capitalism? If by capitalism we mean simply the classical liberal economic theory of *laissez faire*, fascism does represent a new spirit [!], inasmuch as it provides a *form of economic planning* which in some quarters is regarded as tantamount to a kind of state socialism. But if by capitalism we mean individual enterprise and the *possession of the means of production by private individuals*, fascism by no means rejects it. In fascist economics the state steps in only to correct the defects and deficiencies of private enterprise and intervenes where private enterprise has failed, *but the capitalist principle is accepted*. (P. 111. My emphasis —A. G.)

Please note, Comrade Macdonald, how concise and categorical! Germany and Italy have conformed to this pattern. The “interests” of the workers are now represented by the “impartial” state and the fascist labor organizations. The immediate aim of the fascist power was to make impossible strikes or any kind of struggle by the workers which might interfere with the constant functioning of the industrial machine. Have they succeeded? Even Macdonald recognizes it but does not place it in its proper context when discussing fascist economy because he does not realize its significance in bourgeois production. Here the state enacts the rôle depicted by Engels.

The prohibition of strikes and class struggles in Germany and Italy are obligatory for their economy. Strike prohibition is not primarily a political question, it is an economic one of the highest importance, for Italy because of its low level of development, for Germany because of its relation to world economy.

Referring to strikes, solidarizing class battles, Villari writes:

One of the chief benefits of the present [the fascist] régime is the complete elimination of these episodes of violence. (*Ibid.*, p. 64.)

And why? Because

. . . a poor country like Italy—whose economic life was only beginning to develop, whose production and working capital was still insufficient—could ill afford such disorders. (*Ibid.*, p. 66.)

Thus, the prohibition of the class struggle in Italy was incumbent in order that the capitalist class might develop its economy. Between 1920 and 1924, strikes were reduced from 2,070 to 260,



and when Mussolini's power was consolidated, strikes disappeared, while the level of existence of the proletariat was materially reduced. Villari writes:

Society's interest [!] is that production should continue, and that its costs should not be so high as to prevent national industry from *competing with that of other countries!* (*Ibid.*, p. 95. My emphasis—A. G.)

The quotations speak for themselves.

Germany even more than Italy requires class peace and "national unity" (at the point of the bayonet) to enable it to wage the struggle for world power. Its international position requires the ruthless exploitation of the proletariat for competitive economic purposes. And the efficiency of German industry today is in a large measure the result of the enslavement of the proletariat and the subordination of the entire industrial apparatus to war aims.

Capitalism is not only a system of class inequality, it is also a system of state inequality. Germany and Italy represent two bourgeois nations struggling for their existence in world economy.

### In Whose Class Interests?

As a result of the first World War, and even prior thereto, the tendency toward nationalization in certain industrial branches existed in all bourgeois countries. Yet in the years following Mussolini's seizing power, a process of denationalization occurred in the following industrial branches: match, telephone, insurance, municipal power plants, state railways and postal service. They were either turned into the hands of private capital or there occurred an increase of private power and private capital.

Moreover, the victory of fascism was followed with direct state hand-outs to private capital. In the pre-Hitler era, the Gelsenkirchen Company received from the government \$125,000,000 for stock establishing government control. Hitler returned this stock to the company for \$100,000,000—a neat increase to the company.

As a result of bank crashes, the Weimar régime in 1931 established control over the following banks: Dresdner-Bank u. Danat, Commerz u. Privatbank and the Deutsche Bank u. Diskonte Gesellschaft. Government control ended in 1937, five years after the establishment of the Third Reich.

Shipbuilding, a state monopoly by virtue of stock ownership, ended in 1936. The government returned its stock to the Deutsche Schiff u. Machinebau and Hamburg Sud-Amerika.

On December 13, 1935, the law of 1919 socializing power production was repealed and returned to private ownership and control.

Tax exemption, a very typical bourgeois method of subsidizing capital, was widespread in Italy and Germany with the advent of fascism. In Italy supplemental taxes on negotiable securities was abolished; tax exemptions were permitted large corporations which merged and the 10 per cent tax on capital invested in banking was abolished.

Throughout the years of Hitler's rule the same process was experienced. A law was passed in 1933-1934 authorizing industrialists to deduct from their taxable income money expended on new equipment! The government reimbursed owners for expenses in repairing houses, factories and stores. Tax delinquents had their debts reduced by half. In July, 1933, legislation was passed providing tax exemptions to new business firms. In 1934, the government granted tax reductions in the amount of 500 million marks to facilitate resumption of business. Income taxes for 1934-1935 were reduced by half of what they were in 1931-1932. And in 1935 a reduction was granted on inheritance taxes. The state also prohibited new industries competing with the old. And non-

conforming industries were forced into associations with big monopolies!

Beyond the Brenner Pass, in Italy, the fascist régime gave direct subsidies to industry. The Ansaldo Metal Trust was given 400 million lira. Banco di Roma, Banco di Napoli, Banco de Sicilia, Banco de Milano, Credito Italiano, Banco Commerciale, all insolvent, were made solvent by the state! The state, the good old impartial state, set up the Society to Finance Italian Industry with a capital of a half billion lira.

To be sure, all of this was done to stimulate industry. But note carefully, that there were not and are not to this day, expropriations of the capitalist class, and no nationalization. Quite the contrary, a revival of industry and the acquisition of profits was realized with state assistance. This was accompanied by reprivatization of nationalized sectors of economy.

Let us return to Germany. In 1932, industrial production stood at 57.2 as compared with 103.0 in 1929. A revival was experienced six months prior to Hitler's triumph. In 4½ years of Nazi rule the 1929 level was reached. How marvelous, swoons Macdonald. How superior to democratic capitalism. And he writes:

In my opinion the superiority of fascist to capitalist economy is due less to its undoubtedly more intense exploitation of human labor than to its *superior ability* to plan and control national production without hindrance from the archaic market system. (Emphasis mine—A. G.)

I have already shown that Germany's economic situation stems directly from its relation to the world market, to which its economy is subjected. Macdonald's remarks anent the market is stuff and nonsense, for he overlooks the essential fact that in the war, the government has become the chief home market, in the absence of widespread exports and participation in world economy.

German economy has developed in a completely one-sided manner: an increase of capital goods production, decline in consumers' goods despite increases in population and demand. In the absence of a strong position in world economy, rearmament has served as the basis for economic revival. Control and restrictions in production grew out of rearmament needs. Thus, in 1932 one billion marks were spent on rearmament, while in 1937, fifteen billions were so absorbed. With the outbreak of the war, this has risen to thirty billion marks yearly. In 1932, only 2 per cent of the national income was diverted into rearmament, while in 1937, 22 per cent was so spent and in the war, from 55 to 65 per cent of the national income has been siphoned off. In these figures is to be found the explanation for the economic revival of German industry and the great abnormalities in economic life.

The internal debt has reached a fantastic level which threatens an inflationary stage. But this obvious fact is lost on Macdonald, who declares that under Germany's "controlled" economy no inflation is possible; the government controls currency. It would have been better had Macdonald left this question alone entirely. German finances, it is true, are controlled by the government, but it is a financial system that is based upon the bayonet, the looting of subject countries, heavy taxes, securing immediate reparation payments from defeated countries and the most primitive methods of capitalist accumulation.

Hitler's measures to prevent inflation are typically capitalist and are only possible because of the presence of the war. The losses are socialized, that is, they are placed on the backs of the proletariat and poor peasants, while at the other pole, there is a steady profit accruing to the financial and industrial ruling class. Heavy taxation is levied to finance the war. The proletariat is tied to the industrial machine. In the light of German methods,

John T. Flynn, in the N. Y. *World-Telegram* of March 13, 1941, wrote (attention, Comrade Macdonald):

Financial observers are becoming increasingly interested in what is going on in business inside of Germany. It has become the fashion here to talk about the great economic vigor of Germany and her fascist economy when the war will end . . . Better informed observers do not admire Germany's system and its alleged vigor as much as these journalists and military men. As a matter of fact, the process of inflation inside Germany must be moving at a pretty rapid rate. Of course, Germany does not tell us too much about such things . . . this "great" and "efficient" German economic system, which is going to knock us [the United States] out of the world's markets after the war, is lumbering along on no new or novel devices but on the same well-worn scheme of the capitalist system which has gravely

*weakened or ruined every capitalist nation . . . and will, of course, do the same thing in Germany . . . Germany, in spite of Mr. Hitler's mouthings about the end of capitalism in a capitalist country . . . It has resorted to taxation until that power is exhausted. This is the good old way under all systems. Then it has resorted to the equally good old way of borrowing at the banks . . . It is possible to keep this up quite a long time—as long as there is a war and a dictator . . .*

Flynn, of course, is a dubious-liberal critic of capitalist economy. On such concrete questions, he knows what he is talking about.

ALBERT GATES.

## Discussion:

# Russia--A Fascist State

**M**ANY COMRADES ACCEPT "in the main" Trotsky's method of analyzing the U.S.S.R. but wish to change his conclusions. They are pursuing a false path. Trotsky's basis was the state property form. If he was wrong, it is there, at the start. To break with that will not be as easy as might appear at first. The whole method of political economy is involved.

Every generation inherits productive forces at a certain stage of development, hand-plows, spinning-wheels, Ford assembly plants. Each level of productive forces demands a corresponding method of exchange and consumption. Within these given conditions men form social relations, relations with each other, fundamentally, classes. The class which rules production forms its own state and its own property forms or property relations. Property is the right to appropriate, which has sprung from the duty of organizing production or, in simpler ages, of regulating society. Production determines property, property does *not* determine production. The property relations are but the legal expression of the social relations of production. They have no validity apart from the social relations. Suppose you had asked a Southern slave-owner to analyze slave production. *He* would say that the first necessity was to own some property in slaves, and if he were a man of books, he would say that slave society rested on the juridical detail, *the title* which he had obtained when he handed over his money. It was Marx who exploded this bubble. The legal title, the juridical detail, was transferred from one owner to another by the sale, but not created by it; "it was created in the first place by the conditions of production. As soon as these have arrived at a point where they must shed their skin, the material source of the title, justified economically and historically and arising from the process which creates the material requirements of life, falls to the ground, and with it all transactions based upon it".<sup>1</sup> "As soon as" in this connection does not mean the morning after. Particularly, though by no means always, in periods of revolution and counter-revolution, there is often a discrepancy or re-shuffling between the juridical or legal relations (property) and the actual productive relations. The greatest example of this is capitalism itself, which transformed the productive relations in which a laborer appropriated his own product into productive relations in which his labor was appropriated by others. But while accomplishing this, the greatest economic transformation in history, capitalism prudently maintained the old juridical relation, the form of private property. Marx therefore always insisted on the distinction between "self-earned property" and "capitalistic private property" and in a famous passage he demonstrated how

"the separation of property from labor has become the necessary consequence of a law that originated in their identity"<sup>2</sup> A very important conclusion can be drawn from this. *The same property relations can be the legal expression of a revolutionary (or counter-revolutionary) transformation in the social relations of production.* This is not the same as the process of one class substituting itself for another class in the same type of society. It is the substitution of one method of production for another method of production within the same formal juridical relations.

So fundamental to Marx's method was this distinction between property relations and the social relations of production that he refused to recognize property forms or property relations at all, unless they included the total relations of production; "outside of these relations bourgeois property is nothing but a metaphysical or juristic illusion."<sup>3</sup> For Marx, "to define bourgeois property is nothing other than to explain all the social relations of bourgeois production".<sup>4</sup> He wrote of the "various forms of private property, as, for example, wages, trade value, price, money, *etc.*"<sup>5</sup> Bourgeois property relations could only be defined "by a critical analysis of political economy, embracing the whole of the relations of property, not in their juridical expression as relations of will, but in their real form as relations of material production. As Proudhon subordinated the whole of these economic relations to the juridical notion of property, he could not go beyond the response which had been already given by Brissot before 1789 and in the same terms 'Property is Robbery.'"<sup>6</sup>

Trotsky committed a similar error. With irrevocable emphasis he declared that his basis was the property form. His initial and overwhelming mistake was to identify state property indivisibly with the proletariat as ruling class. As late as October 1933 he declared that a "real civil war" between the proletariat and the bureaucracy was impossible.<sup>7</sup> The history of his theory is the record of his retreat step by step from his initial position until in the "U.S.S.R. in War" he abandoned it.

Thus Trotsky and we who followed him failed to distinguish between first, means of production in the hands of the state where the state is merely an economic form like a trust, a bank, or a cartel; second, state ownership as a purely juridical relation, which tells us no more than that it is the duty of the state to organize production and distribute the product; and third, a workers' state, *i.e.*, a state transitional to socialism; this last is not a juridical question at all but a question of the economic conditions and social relations of production, which can be

4. *Correspondence*, p. 11. 5. *Poverty of Philosophy*, Kerr, p. 168. 6. *Selected Essays*, p. 172. 7. *Poverty of Philosophy*, Kerr, p. 195. 8. *The Soviet Union and the Fourth International*.

1. *Capital*, I, p., 886. 2. *Capital*, I, p., 640.

summed up in one phrase: is the working class master or not? The third category includes the other two. But neither singly nor together do the first two necessarily include the third. We have made a colossal error here in the past. We must recognize it frankly, abandon the method decisively, trace its historical and theoretical roots and consequences, and start afresh. Lucky for us that we have not to do it in the heat of action as the Bolsheviks in 1917.

*Within the state property form the working class can be master as in 1921 or enslaved as in 1941. Two such antithetical social relationships alter the entire character and movement of production, that is to say, the very type of economy.*

## Capital Is Conditioned on Wage-Labor

We must begin with productive relations, and not in Russia, but with the productive relations of the capitalist epoch as analyzed by Marx. Implicit with many is the idea that Marx did not "foresee" fascism or Stalinist Russia. Certainly Marx did not "foresee" anything. He was an economist, not a rabbi. (How these primitive habits of thought persist!) But he certainly thought he had discovered the essential characteristics of all modern society. Let us see what he meant.

For Marx, means of production and laborers are the basis of all societies, and the special way these are united distinguish the various economic epochs from each other. In earlier epochs, means of production were united with the slave or the serf. Though owned, they were not capital. Wage-labor is the specific condition of the means of production assuming the form of capital. And this one historical condition, says Marx, comprises a world's history. The wage-laborer sells his labor-power for a fixed time. The wage-laborer is entirely divorced from the means of production. *In these respects capitalist society is unique.* Neither the communal laborer, the ancient slave, nor the serf were divorced from the means of production. All produced mainly their own subsistence and the subsistence of their masters. *They did not predominantly produce commodities for exchange.* Hence the stagnant character of their production. Marx saw that society, after four hundred years of capitalist development and the creation of the world market, could never again go back to subsistence production. Therefore the future in its broad outline was plain. The mass of humanity would increasingly be wage-laborers and for this reason the means of production would continue to be monopolized by a few. The result of this would be increasing misery and degradation of the wage-laborers. To prevent themselves from perishing the laborers would be compelled to seize the means of production and thereby abolish wage-labor and the capital relationship. Otherwise, barbarism.

That is all he said and it is plenty. In that sense there is no possible economic structure of society, *i.e.*, combination of means of production and laborers, which Marx's analysis did not embrace. A fascist "class" may arise, in the narrow sense that Bukharin speaks of rentiers in the *Economic Theory of the Leisure Class*. The fascists may even supersede the bourgeoisie entirely (though I see no sign of it). How would that affect the economic structure of society? They would produce for all, (as they said they would)? But this could be done only by abolition of the system of wage-labor and monopoly of the means of production. To a Marxist the idea that a minority ruling class would continue to monopolize the means of production but distribute the product equally, is an intolerable stupidity. Or the fascists would bluff, mediate and maneuver, Bonapartist fashion, leaving

the mass of producers as wage-laborers (which is what they have actually done). State ownership, private property, bureaucratic collectivism, managerial society, all these have to be seen within the frame work of the fundamental relationship of capital and wage-labor and the inevitable consequences. That knowledge is the greatest strength of our movement. With it we have a basis for all our analysis, whatever problems we face. Without it? Look at the mass of confusion and groping, patch-work and adventurism now proliferating in the movement. If we want to break with Marx's foundation we must do so consciously and deliberately.

The belief that Marx did not "analyze" Stalinist Russia springs from a complete imperviousness to Marx's finest work—his abstract definitions. Let me give one example. Surplus value, we know, is generated not by the constant capital, the capital invested in means of production, but by the variable capital, the capital invested in wages. Now observe the elasticity of Marx's method: "It does not alter this essential fact that the capitalist may pay the laborer either in money or in means of subsistence. This alters merely the mode of existence of the value advanced by the capitalist, seeing that in one case it has the form of money for which the laborer himself buys his means of subsistence on the market, in the other case that of means of subsistence which he consumes directly." Marx is now trimming his definition to the bone. "A developed capitalist production rests indeed on the assumption that the laborer is paid in money and more generally on the assumption that the process of production is promoted by the process of circulation, in other words, by the monetary system." The monetary system promotes but it is not absolutely necessary, so Marx throws it out. "But the production of surplus value—and consequently the capitalization of the advanced sum of values—has its source neither in the money form, nor in the natural form of wages, or of the capital invested in the purchase of labor power. It arises out of the exchange of value for a power creating value, the conversion of a constant into a variable magnitude." Yet you can quote Marx on money interminably and drug yourself into the belief that a society which does not use money in the process of production is not capitalist. But it is precisely in the superb simplicity of these definitions, that we can grasp the insight which led him to say: "I have discovered the economic law of motion of modern society." Trotsky on the other hand says that the bureaucracy is not a capitalist class because it has neither stocks nor bonds! The far-reaching character of this error shows how deeply Trotsky was entangled in the most superficial aspects of property relations. Marx almost always makes jokes at stocks and bonds. They are merely titles to surplus-value. They do not determine capitalist production. *We shall soon see this misconception coming up again.* If Hitler wiped away stocks and bonds tomorrow, and paid wages in subsistence, how the typewriters would tick with new societies.

## Wage-Labor in Russia

In Russia the proletariat is a class of wage-laborers. The peasantry, despite all the fictions of the property forms, are wage-laborers, some of them receiving part of their wages in subsistence and all receiving a strictly controlled bonus on the year's work. *This predominance of wage-labor makes the means of production capital. The means of production, monopolized by a section of society, in their rôle of capital, have an independent life and movement of their own.* The bureaucracy then becomes what Marx always insisted the capitalist class is, merely the representative, the agent, the personification, the incarnation of capital. The agents or representatives of the means of production as capital can call it state property or common

9. Not necessarily increasing poverty. A worker on relief today may have more at his disposal than his grandfather did when working. Yet the modern worker is more miserable, more frustrated and more resentful. For wages too are a social relation.

property or private property or Peruvian property or bureaucratic state socialist property if they have good enough reason for doing so. They may have monopolized the means of production for five generations or for five years. They may organize and appropriate in open competition with each other or through their state. They may plan the economy and lead it to chaos or they may have simple old-fashioned chaos without plan. But from the juridical and metaphysical fiction of the abstract property relations to Stalin's new 15 year plan, all are to be analyzed and appraised only in the light of the primary social relation, the class struggle. Here you have two alternatives. You can say with the Cannonites that the proletariat is still the ruling class and Russia transitional to socialism by way of chaotic economy, the G.P.U., prisons as factories, factories as prisons, corruption of the international proletariat. That is criminal nonsense but it is logical and consistent crime. But you cannot like Shachtman call the bureaucracy a class whose state control "guarantees economic and political supremacy"<sup>10</sup> and at the same time call Russia "a transitional and therefore unstable social order."<sup>11</sup> American capitalism is an unstable but not a transitional social order. You can have a social order transitional to socialism or back to capitalism, with the proletariat as ruling class or struggling to maintain its position as ruling class. Or you can have another type of society with defined social relations. But both together? No. If you say with Shachtman that the bureaucracy is a class and "owns the state and therewith the state property"<sup>12</sup> you are saying that the ruling class in Russia "owns" the means of production. What you are saying in reality is that the ruling class is in such a productive relation to the working class that the means of production thereby become capital. That is what Marx meant by saying that capital was conditioned on wage-labor. If you don't want that, then back to the old degenerated workers' state conception.

The relationship of capital and wage-labor has certain consequences. It constantly increases the misery, oppression and degradation of the workers. I can show, not only from the testimony of Victor Serge and Yvon, but from independent investigation of Stalinist sources, that the average income of the Russian workers which in 1936 was already less than it was in 1913, is today somewhere between 50 and 75 percent of the 1913 level, despite the manifold increase in production. The workers' oppressions, slavery and degradation are the worse in the world. Never before has there been a régime in which the gap has been so wide between what is preached and what is practised. The degradation of human personality has reached unbelievable depths. Socialism will be built by free men, not by driven slaves. Stalinist society can build only capitalist barbarism. And it is and will become more barbarous not in spite of but because of the immense centralisation of capital, this time in the hands of the state. That is precisely Marx's theory of increasing misery.

In 1936, Trotsky admitted that 15% of the population in Russia received roughly as much of the national income as the remaining 85%. Today that disproportion is infinitely wider, and approaches the distribution in capitalist states. Here we have, exemplified, Marx's theory of capitalist distribution. Distribution is merely the reverse or reflex of the social relations of production. Accumulation of wealth at one end of society and misery at the other is a law of all societies. But this process in slave society is entirely different to the process in capitalist society. *In capitalist society, misery and wealth accumulate directly because of the increasing productivity of labor.* Hence the dynamism of capitalist development and the long centuries of ancient and medieval stagnation. For historical reasons this movement has been tremendously accelerated in Russia. But the movement itself

is strictly economic. It is illusory to hope that if given a chance, Stalin will change and raise the standard of living of the masses. That is Christianity, not Marxism. "The level of wages is not fixed by legislation but by economic factors." Stalin remains where he is because he knows better than to attempt any fundamental change in distribution without a fundamental change in class relations. Only when production is ruled by the producers themselves and, without too much delay, on an international scale, can the permanent crisis be resolved. When the crisis is suppressed economically it breaks out politically. It is suppressed politically by a gigantic apparatus of repression and wholesale massacre. Planned terror cements the planned economy. (Strange that the professional dialecticians cannot recognize the unity of these opposites!) Accumulation combined with misery are intertwined aspects of a unity—the process of capitalist production. On this rock Trotsky foundered. All who follow his path will suffer a similar fate with greater speed and less excuse.

### Trotsky's Dilemma

In one of his last articles Trotsky exposed his dilemma. "The October revolution pursued two intimately related tasks: first the socialization of the means of production, and the raising through planned economy, of the country's economic level; second, the building on this foundation of . . . a socialist society administered by its members as a whole. The first task in its basic outlines has been realized; despite the influence of bureaucratism, the superiority of planned economy has revealed itself with indisputable force." Now for what he says is intimately related. "It is otherwise with the social régime. In place of approaching socialism it moves further away." So that, though intimately related, they grow further apart. Why? "Owing to historical causes, which cannot properly be dealt with here, there has developed on the foundation of the October revolution a new privileged caste which concentrates in its hands all power and which devours an ever greater portion of the national income."<sup>13</sup> Why? That is the question of questions. Trotsky could never give a satisfactory answer. And yet the solution is simple. What economics hath joined together not even history can put asunder. Make the verbally intimate relation really intimate by changing two words in the last sentence: ". . . a new privileged caste which concentrates in its hands all power *and therefore* devours an ever greater portion of the national income." Trotsky says that there isn't enough to go round. But why do the workers get the short end? *Why does it grow worse every year?* Will it ever stop? The growing misery of the Russian workers is not due to preparations for the war. It is between 1935 and 1941 that the income of the bureaucracy in relation to the workers has reached the most fantastic heights. Like Brissot and Proudhon who made property an "independent relation," Trotsky is compelled to explain all by super-theft, by declaring that Stalin's state is organized nine-tenths for stealing and Stalin's supporters are thieves.<sup>14</sup> That is useful as agitation. It is not analysis. The only explanation is that the predominance of wage-labor compels inevitable results.

Was there wage-labor in Leninist Russia? In form only; or yes and no, as is inevitable in a transitional state, but much more no than yes. The rule of the proletariat created a new *economy*. Whereas in a capitalist society the basic relationship is on the one hand wage-labor and on the other hand means of production in the hands of the capitalist class, in Leninist Russia the relationship was: the form of wage-labor only on the one hand because on the other were the means of production in the hands of the laborer who owned the property through the state. This made the class relations so different from those of capitalism as to alter the whole character and movement of wages and make

Russia socialist "in principle." To lump this together with wage-labor in the Marxian sense is to believe that the way from New York to Montreal is the same as the way from New York to Miami. It is to miss completely the rôle of the Russian proletarian state in the transition period. The aim was to increase well-being instead of misery. Without world revolution workers' ownership was doomed. During the first Five Year Plan Stalin tried to abolish transition. It cost the lives of some ten million men. It is impossible here to trace the complicated economic development. But first the workers lost direct control; then the Stalinist constitution marked the end of even the pretense that the workers owned anything, and wage-labor therefore takes its unchecked course of increasing the misery of the Russian workers except for Stakhanovites and others whom Stalin bribes to support his régime. This is exactly what Marx "foresaw". Before this discussion is ended, it will be seen that far from being outside Marx's analysis, Stalinist Russia is the greatest affirmation of his analysis of capital hitherto seen.

Is Russian economy "progressive"? What is an economy abstracted from the class relations? As Stalinist chaos revealed itself, Trotsky could maintain the doubtful contention of a progressive economy only by the uncontested fiction of the proletariat as ruling class. By 1939 all he could say was: "Wait at least until after the war and then, if there is no revolution, we shall have to admit that nationalized economy can support an exploiting class." In plain words, Trotsky's theory came to a complete impasse. In reality, the economy was progressive, not because of state-ownership in general and planned economy in general, but because the state which owned was a working-class state and the economy was therefore directed in the interests of society as a whole. When, by 1936, all power was definitely lost, then the economy might grow absolutely—there is nothing to prevent world capitalism doing that—but the total social relations increasingly became such as to destroy even such planning as was possible, and keep the economy and the whole of society in a state of permanent crisis. Stalinist Russia, like American capitalism, is transitional to crisis and collapse and transitional to nothing else. How can that be progressive? Shachtman, by making the bureaucracy into a class and yet half-employing Trotsky's method, has pushed Trotsky's initial error, excusable when it was originally made, to an impossible extreme. In Germany and Russia the ruling class possesses, uses as its own, and for its own interests the means of production? Yes, says Shachtman. The German bourgeoisie and the Stalinist bureaucracy are both fetters on the productive forces? Yes, again. Both in Germany and Russia these rulers monopolize all advantages of the socialization of labor and increased productivity while among the workers grows the mass of misery, oppression, slavery, degradation, exploitation. Yes. In each country the state plans the economy to increase class power, prestige and revenues. Yes. In each country only a proletarian, social revolution can change this. Yes. Then why may we not call the bureaucracy a capitalist class of the same economic type as the German bourgeoisie? Says Shachtman: "the juridical detail" of ownership is of the "profoundest importance." This is indeed the magnification of a juridical relation into the basis of society. Shachtman does not see that his article proves the economic identity of Germany and Russia. The intellectual reason for his failure to recognize this is that he has not made the break with Trotsky's approach. What is worse, he carries it over from Russia to Germany. For example: "[Hitler's] boldness and 'radicalism' in all spheres is directed toward maintaining that 'juridical detail', that is, capitalist society, to the extent to which it is at all possible to maintain it in the period of its decay." So capitalist society depends on Hitler's not changing that juridical detail, in fact for Shachtman, capitalist society is that juridical detail, ownership. This is our old friend,

the slave-owner again, who believes that slave production rests on his ownership of the slave. Marx worked for forty years to prove not that but the opposite. "The level of wages is not fixed by legislation but by economic factors. The phenomenon of capitalist exploitation does not rest on a legal disposition but on the purely economic fact that labor-power plays in this exploitation the rôle of a merchandise possessing among other characteristics, the agreeable quality of producing value—*more* than the value it consumes in the form of the laborer's means of subsistence."<sup>14</sup> That is German society and Russia, both capitalist. This is no incidental mistake. Shachtman's whole article is built on it. *But note that it is Trotsky's methodology on Russia applied to capitalism.* Russia was a worker's state because the state owned. So now, according to Shachtman, Germany is a capitalist state because the capitalists own. Social relations? The workers? The movement of production? All subordinated to the metaphysical and juristic fiction of an abstract property relation, ownership. We must get rid of this method of thinking. It is bourgeois, and will lead us straight into the camp of the bourgeoisie. However calmly and educationally we wish to discuss the Russian question we must bear this tremendous fact always in mind. After nearly twenty-five years of work and thought on the Russian question, the successor of Marx, Engels and Lenin, pursuing a consistent line, invited us to enter one of the war-camps and we refused. But for the accident of circumstance we would have been on one side of the barricades and the leader of the October revolution on the other. It is to do Trotsky and ourselves a great injustice not to realize that fundamental concepts of thought, bourgeois on the one hand and Marxist on the other (there are no others), are here involved. Of that, more later.

Today the bureaucracy, like any other capitalist class, in proportion to its political solidarity, plans in order to get as much surplus value as possible from the workers, it plans to preserve itself against other capitalist classes. An individual capitalist who is unable to extract surplus value goes bankrupt, gets a government subsidy, or allows his capital to lie fallow. The state, as national capitalist, produces in certain branches at a loss, which is atoned for by gain in others. Why is the total national capital any the less capital because it exploits the workers under unified control instead of in separate conflicting parts? The proof of this will be long in coming. It will involve a new *Capital*. The competition between capitalist and capitalist is a distinctly subordinate relation, a conflict over the distribution of the surplus value. Marx said so often. The decisive social relation is the antagonism between workers and capitalists over the production of the surplus-value—the class struggle. It is not merely a more important relation than the rest. It *determines* the rest. Why else do we lay all our stress on the class struggle? Profit is only a "peculiar form" of surplus value. Surplus value can take the form of capitalist wages, "for quantity and quality of work performed" (in Russia today its distribution takes very unusual forms). But it can be *produced* in only one way. All analysis, research and theorizing, however "profound," are useless unless they deal with these apparently very elementary but in reality decisive questions.

The Russian question is no isolated question but is the question of our economic epoch today. Marx and Engels taught that without the proletarian revolution the state would be *compelled* to take over capitalist property and make it state-owned (Shachtman will never be able to accept this. He cannot, without ripping his position on Russia to pieces or by confusing still further capital as property with capital as function.) The German capitalist, with every social relation of production, wages, trade, profit,

14. Rosa Luxemburg, *Reform and Revolution*. Those who think that this and similar definitions apply not only to capitalism but to slavery and some other "new" societies should be given plenty of rope.



all controlled by the state, is little more than a state-functionary. This was accomplished by one agency in one way. How it will be done elsewhere, and by what stages, we do not and cannot know. There will be advances and retreats, even in Germany, but the whole moves inevitably towards state-ownership. Stalin, contrary to Trotsky's persistent premonitions, strengthens state property, but if private property were restored in Russia tomorrow, it would inevitably be statified again. Socialization of the labor process proceeds apace in every country, with consequent socialization of exchange, and rigid regulation of every commodity, of which labor power is the chief. Today these conditions, or sheer chaos, demand statification, and they will have it. If the proletariat does not statify,—the bourgeoisie will. But by so doing, it intensifies every contradiction of capitalism and drives society on the

road to ruin. Of capitalist barbarism Stalinist Russia is a forerunner. Under no circumstances is it to be defended.

The above is the bare but basic outline. That is all there is space for. Specific differences in economic and social conditions, and the historical origin of Hitlerite and Stalinist society are very great, and will later be the subject of careful differentiation. But it was necessary first to establish the fundamental identity of a wage-laboring working class and a state controlling all aspects of economic, political and social life. This is the general formula of capitalist decline and *determines* the steady progress to greater and greater barbarism and nothing else, until the socialist revolution. The future of society can therefore be clearly posed, fascist barbarism or socialism.

J. R. JOHNSON.

# Archives of the Revolution

Documents Relating to the History and Doctrine of Revolutionary Marxism

## Tradition and Revolutionary Policy

The question of the relation between the party's tradition and its policy is far from a simple one, particularly in our epoch. Many times, in the recent period, we have had to speak of the immense importance of the theoretical and practical tradition of our party and have declared that in no case could we permit the breaking of our ideological lineage. But it is necessary for us to agree on the way to conceive the tradition of the party. For this, we shall have to commence with some historical examples in order to base our conclusions upon them.

Let us take the "classic" party of the Second International, the German social democracy. Its fifty-year old "traditional" policy was based upon the adaptation to parliamentarism and to the uninterrupted growth of the organization, the press and the treasury. This tradition, which is profoundly alien to us, had a semi-automatic character: every day flowed naturally from the one before it and also, naturally, prepared the one to follow. The organization grew, the press developed, the cash-balance swelled.

It is in this automatism that the whole generation following Bebel took shape: a generation of bureaucrats, philistines and dull-wits whose political physiognomy was revealed in the first hours of the imperialist war. Every congress of the social democracy spoke invariably of the old tactic of the party consecrated by tradition. And in actuality the tradition was powerful. It was an automatic, acritical, conservative tradition which ended by suffocating the revolutionary will of the party.

The war finally deprived the political

*We publish herewith, for the first time in this country, another chapter from a series of articles written by Leon Trotsky for the Moscow Pravda towards the end of 1923 and later assembled in a brochure under the general title of The New Course. The articles marked the beginning of Trotsky's open struggle against the "trio" of Stalin, Zinoviev and Kamenev, then the leaders of the growing bureaucracy that finally devoured the Communist party and usurped power in the Soviet Union. Zinoviev and Kamenev acknowledged, three years later, that Trotsky had been right in his 1923 criticism. This masterful chapter from The New Course is not only invaluable for an understanding of the history of the period, but has also a lively contemporary interest by virtue of the brilliant and penetrating analysis it makes of the theme dealt with.*

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life of Germany of its "traditional" equilibrium. From the very first days of its official existence, the young communist party entered the tempestuous period of crises and overturns. Nevertheless, in the course of its relatively brief history, one observes not only the creative but also the conservative rôle of tradition which, at every stage, at every turning point, collides with the objective needs of the movement and the critical mind of the party.

Right in the first period of the existence of German communism, the direct struggle for the power became its heroic tradition. The terrible events of March, 1921, revealed that the party did not yet have sufficient forces to attain its goal. It was necessary to make a turn-about face

towards the struggle for the masses before beginning again the direct struggle for power.

This turn-about face was hard to accomplish because it ran counter to the new tradition. In the Russian party today, all the differences of opinion, even the insignificant ones, that rose in the party or in its Central Committee in recent years, are being recalled. Perhaps it would also be fitting to recall the cardinal disagreement manifested at the time of the Third Congress of the Communist International. Now it is plain that the turn made at that time under the leadership of Lenin, in spite of the fierce resistance of a considerable part, and at the beginning a majority, of the Congress, literally saved the International from the destruction and decomposition with which it was threatened if it took the road of automatic, acritical "leftism" which, in a short space of time, had already become a congealed tradition.

After the Third Congress, the German communist party accomplishes, painfully enough, the necessary turn. There begins the period of the struggle for the masses under the slogan of the united front, with long negotiations and other pedagogical procedures. This tactic lasts more than two years and yields excellent results. But at the same time, these new methods of propaganda, prolonged, are transformed . . . into a new semi-automatic tradition whose rôle was very important in the events of the second half of 1923.

It is now incontestable that the period which runs from May (beginning of the resistance in the Ruhr) or from July (collapse of this resistance) up to November, the time when General Seeckt



takes power, was a clearly defined phase of unprecedented crisis in the life of Germany. The resistance that the half-strangled republican Germany of Ebert-Cuno sought to offer to French militarism, broke down, dragging down with it the woeful social and political equilibrium of the country. Up to a certain point, the Ruhr catastrophe played for "democratic" Germany the same rôle as, five years earlier, the defeat of the German troops for the régime of the Hohenzollerns.

Incredible depreciation of the mark, economic chaos, general effervescence and uncertainty, decomposition of the social democracy, a powerful flow of workers into the communist ranks, general expectation of a state overturn . . . If the communist party had changed abruptly the rhythm of its work and had profited by the five or six months that history granted it for a direct political, organic, technical preparation of the seizure of power, the outcome of the events might have been altogether different from the one we witnessed in November.

But the German party had entered the new brief period of this crisis, perhaps without precedent in world history, with the methods of the preceding five-year period of propaganda for the establishment of its influence over the masses. A new orientation was needed then, a new tone, a new way of approaching the mass, a new interpretation and application of the united front, new methods of organization and of technical preparation, in a word, an abrupt tactical turn. The proletariat had to see at work a revolutionary party marching directly to the conquest of power.

But the German party continued, by and large, its policy of propaganda, even though on a larger scale. It is only in October that it adopts a new orientation. But by then it has very little time left in which to develop its leap. It gives its preparation a frenzied rhythm, the masses cannot follow it, the lack of assurance of the party is communicated to the proletariat and, at the decisive moment, the party falls back without striking a blow.

If the party surrendered exceptional positions without resistance, the principal reason is that it was unable, at the beginning of the new phase (May-July, 1923) to free itself of the automatism of its preceding policy, established as if for years, and to pose squarely in its agitation, action, organization, technique, the problem of the seizure of power.

Time is an important element of politics, particularly in a revolutionary epoch. You sometimes need years and decades to make up for lost months. It would have been the same for us if our party had not taken its leap in April, 1917, and had not seized power in October. We have very reason to believe that the German proletariat will not pay for its omission too dearly, for the stability of the present German

régime, as a result above all of the international situation, is more than dubious.

It is clear that, as a conservative element, as the automatic pressure of yesterday upon today, tradition represents an extremely important force in the service of parties that are conservative and profoundly hostile to a revolutionary party. All the strength of the latter rests precisely in its freedom from conservative traditionalism. Does this mean that it is free from tradition in general? Not at all. But the tradition of a revolutionary party is of an entirely different nature.

If you now take our Bolshevik party in its revolutionary past and in the period following October, you will recognize that its most precious fundamental tactical quality is its unequalled aptitude for orienting itself rapidly, for changing its tactics quickly, for renewing its armament and applying new methods, in a word, for effecting abrupt turns. Stormy historical conditions made this tactic necessary. The genius of Lenin gave it a superior form. This doesn't mean, to be sure, that our party is completely free from a certain conservative traditionalism: a mass party cannot have such an ideal freedom. But its strength manifested itself in the fact that traditionalism, routine, were reduced to a minimum by a clear-sighted, profoundly revolutionary tactical initiative, at once bold and realistic.

That is what the real tradition of the party consists of and should consist of.

The more or less great bureaucratization of the party apparatus is inevitably accompanied by the development of conservative traditionalism with all its effects. It is better to exaggerate this danger than to underrate it. The indubitable fact that the most conservative elements of the apparatus are inclined to identify their opinions, their decisions, their procedures, and their mistakes with "old Bolshevism," and try to identify the criticism of bureaucratism with the destruction of tradition, this fact, I say, is already in itself the incontestable expression of a certain ideological petrification.

Marxism is a method of historical analysis, of political orientation, and not an ensemble of decisions prepared in advance. Leninism is the application of this method in the conditions of an exceptional historical epoch. It is precisely this alliance of the peculiarities of the epoch and of the method that determines that courageous, self-confident policy of abrupt turns of which Lenin gave us the best models and which, on several occasions, he clarified theoretically and generalized.

Marx said that the advanced countries show, in a certain measure, to the backward countries the image of their future. Attempts have been made to convert this conditional proposition into an absolute law which was, by and large, at the bottom of the "philosophy" of Russian Menshev-

ism. By virtue of it, limits were placed before the proletariat, flowing not from the course of the revolutionary struggle, but from a mechanical pattern. Menshevik Marxism was and remains solely the expression of the needs of bourgeois society, an expression adapted to a backward "democracy." In reality, it turned out that Russia, uniting in its economy and its politics extremely contradictory phenomena, was the first country to be impelled upon the road of the proletarian revolution.

Neither October, Brest-Litovsk, the creation of a regular peasant army, the system of requisitioning food products, the N.E.P., nor the State Plan were or could have been foreseen or predetermined by pre-October Marxism or Bolshevism. All these facts and turns were the result of the autonomous, independent, critical application, marked by the spirit of initiative, of the methods of Bolshevism to each different situation.

Every decision, before being adopted, engendered struggles. The simple appeal to tradition never decided anything. In actuality, with each new task, with each new turn, it is not a question of looking into tradition and discovering there an unexisting answer, but of profiting from all the experience of the party in order oneself to find a new solution appropriate to the situation and, by that very fact, to enrich tradition. It can even be said that Leninism consists in not looking backward, in avoiding being bound by precedents, by purely formal references and quotations.

Lenin himself recently expressed this idea in the phrase of Napoleon: "*On s'engage et puis on voit.*" [First get into it, and then you see what happens.] In other words, once engaged in the struggle, not to be excessively concerned with canons and precedents, to plunge into the reality as it is and there seek the forces necessary for the victory and the paths leading to it. It is while following this line that Lenin, not once but dozens of times, was accused in his own party of violating the tradition of "old Bolshevism" and of repudiating it.

Let us recall that the *otsovists*<sup>1</sup> came forward invariably under cover of the defense of the Bolshevik traditions against the Leninist deviation (on this point there are some extremely interesting materials in *Krasnaya Lietopis*, No. 9). Under the ægis of "old Bolshevism" but in reality under the ægis of formal, fictitious, erroneous tradition, all that was routinist in the party rose up against

<sup>1</sup>A leftist faction in the Bolshevik group after the 1905 revolution, led by A. Bogdanov, Volsky, Lunacharsky, Alexinsky and Manuilsky which published the periodical *Vpered* (Forward). Named *otsovists* because of their policy of "recalling" the labor representatives from the Czarist Duma on the ground of the Duma's reactionary character. *Otsovists* is the Russian equivalent of "recallists."—ED.

Lenin's "April Theses." One of the *historians* of our party (the historians of our party, up to now, alas! have no luck) told me in the midst of the October events: "*I am not with Lenin because I am an old Bolshevik and I stand on the ground of the democratic dictatorship of the proletariat and peasantry.*" The struggle of the "left communists" against the Brest-Litovsk peace and for the revolutionary war also took place in the name of saving the revolutionary traditions of the party, of the purity of "old Bolshevism" that had to be protected against the dangers of state opportunism. It is needless to recall that the whole criticism of the "workers' opposition" consisted essentially of accusing the party of violating the old traditions. We recently saw the most official interpreters of the traditions of the party in the national question place themselves in contradiction with the needs of the party's policy in this question, as well as with the position of Lenin.<sup>3</sup>

These examples could be multiplied by giving a mass of others, historically less important but no less conclusive. But what we have just said is enough to show that every time objective conditions require a new turn, a bold switch, creative initiative, conservative resistance betrays a natural tendency to oppose to the new tasks, to the new conditions, to the new orientation—the "old traditions," so-called old Bolshevism, in reality, the empty husk of a period just left.

The more self-enclosed the party apparatus is, the more it is impregnated with the feeling of its intrinsic importance, the more slowly it reacts to the needs rising out of the ranks and the more it is inclined to oppose formal tradition to the new needs and tasks. And if there is one thing capable of delivering a mortal blow to the intellectual life of the party and the doctrinal education of the youth, it is the transformation of Leninism from a method demanding for its application initiative, critical thought and ideological courage into a canon that demands only interpreters appointed once for all.

Leninism cannot be conceived of without theoretical sweep, without a critical analysis of the material bases of the political process. The instrument of Marxian investigation must be constantly sharpened and applied. It is precisely in this that tradition consists, and not in the substitution of a formal reference or a quotation that is accidental to the analysis. Leninism cannot be reconciled with ideo-

logical superficiality and theoretical negligence.

Lenin cannot be chopped up into quotations suitable for all cases in life, because for Lenin the formula is never higher than the reality, it is always the instrument that makes possible grasping the reality and dominating it. One can find in Lenin, without difficulty, dozens and hundreds of passages which, formally, seem to contradict one another. But it is necessary to see not the formal relationship between one passage and another, but the real relationship of each to the concrete reality in which the formula was introduced as a lever. The Leninist truth is always concrete.

As a system of revolutionary action, Leninism presupposes a revolutionary sense sharpened by reflection and by experience, and which, in the social realm, is equivalent to the muscular sensation in physical labor. But the revolutionary sense cannot be confused with the demagogic flair. The latter may yield ephemeral and sometimes even sensational successes. But you have there a political instinct of a lower order. It always leans towards the line of least resistance. Whereas Leninism seeks to pose and to resolve the fundamental revolutionary problems, to overcome the principal obstacles, its demagogical contrary consists in evading problems, in producing an illusory appeasement, in lulling critical thought.

Leninism is primarily realism, the qualitatively and quantitatively superior appraisal of reality, from the standpoint of revolutionary action. It is no less irreconcilable with the flight from reality, with passivity, with dilatoriness, with the supercilious justification of the mistakes of yesterday on the pretext of saving the party's tradition.

Leninism is genuine independence from prejudices, from moralizing doctrinarism, from all forms of intellectual conservatism. But to think that Leninism means "anything goes," would be an irremediable error. Leninism embraces not formal but genuinely revolutionary morality, mass action and the mass party. Nothing is so alien to it as functionary-arrogance and bureaucratic cynicism. A mass party has its morality, which is the union of fighters in and for action. Demagogy is irreconcilable with the spirit of a proletarian party because it is deceitful: giving one or another simplified solution of the difficulties of the time, it inevitably undermines the near future, weakens the party's self-confidence.

Battered by a wind and beset by a serious danger, demagogy promptly dissolves in panic. It is hard to juxtapose, even on paper, panic and Leninism.

Leninism is martial, from head to foot. War is impossible without ruse, without subterfuge, without deception. The victorious war ruse is a constitutive element of Leninist policy. But at the same time

Leninism is supreme revolutionary honesty towards the party and the working class. It admits neither of fiction, windjamming, or pseudo-grandeur.

Leninism is orthodox, obstinate, irreducible, but it implies neither formalism, canon or bureaucratism. In the struggle, it takes the bull by the horns. To try to make out of the traditions of Leninism a supra-theoretical guarantee of the infallibility of all the sayings and ideas of the interpreters of these traditions, is to scoff at genuine revolutionary tradition and to convert it into official bureaucratism. It is ridiculous and vain to try to hypnotize a great revolutionary party by the repetition of the same formulæ, according to which you would have to seek the right line not in the essence of each question, not in the methods of posing and solving this question, but in information . . . of a biographical character.

Since I should speak for a moment of myself, I will say that I do not consider the road by which I came to Leninism as less sure than the others. My acts in the service of the party are the only guarantee of it: I can give no other. And if the question is posed in the field of biographical investigation, it would still have to be done in the proper way.

It would then be necessary to answer some thorny questions: were all those who were faithful to the teacher in small things, just as faithful also in the great ones? Did all those who showed docility in the presence of the teacher give, by that token, guarantees that they would continue his work in his absence? Is Leninism nothing but docility? I have no intention whatsoever to analyze these questions by taking as examples individual comrades with whom I, for my part, intend to continue to work hand in hand.

Whatever may be the difficulties and the differences in the future, they will be overcome only by the collective work of the party's thought, checking back on itself each time and thereby maintaining the continuity of development.

The character of revolutionary tradition is bound up with the special character of revolutionary discipline. Where tradition is conservative, discipline is passive and acts like a brake at the first moment of crisis. Where, as in our party, tradition consists in the highest revolutionary activity, discipline attains its maximum, for its decisive importance is constantly verified in action. Thence the indestructible alliance of revolutionary initiative, of the bold and critical working out of questions, with iron discipline in action. And it is only by this superior activity that the youth can receive this tradition of discipline from their elders and continue it.

As much as anyone, we cherish the traditions of Bolshevism. But let not bureaucratism be identified with Bolshevism, tradition with official routine.

LEON TROTSKY.

<sup>3</sup>Theses presented by Lenin to the Bolsheviks immediately after his return to Russia, in April, 1917, in which he advocated the reorientation of the party for a direct struggle for proletarian power.—ED.

<sup>4</sup>The reference is to the national question in general, and the question of the Georgian Soviet Republic in particular, in which Lenin and Trotsky found it necessary to combat the views and activities of Stalin, Ordjonikidze and Dzerzhinsky. Details in Leon Trotsky's *Stalin School of Falsification*.—ED.

# + BOOKS +

## Into the Night of Confusion

*Out of the Night*, the book of an obscure former Comintern functionary, is a strange blending between a thrilling adventure story and the gruesome record of bureaucratic abuse and treachery.

Throughout the book one finds it hard to distinguish between facts and imagination. With all due respect to the Grand Old Man of German literature one could apply to it the title which Goethe chose for his autobiography: Truth and Poetry.

Jan Valtin was a seaman's child. His boyhood he spent with his family, roaming from port to port, from country to country, from continent to continent. He became an expatriate before he ever had been given a fatherland, an outcast before society had even time to refuse him a place to settle down and grow respectable.

At the age of nineteen he joined the German Communist Party. With the sailors he shared the militancy and the buoyant thirst for action, but also the lust for adventure and port romance. He lacked the stability of the industrial worker and throughout his political life merely mingled with them. His education was scattered, his mind lacking discipline and training. He hurled himself into direct action and with his inherited passion for mystery joined from the outset not the regular Party but a motley crowd of seamen—underground workers, of romanticizing and blundering hobos of the revolution, who live a life distant from the settled course of the proletarian "land rats", always ready to pick a boat and roam the world (as he does after the 1923 revolution), grossly inflating their importance, contemptuous of patient ideological work, and (like himself) ready victims of bureaucratic corruption.

In 1923, when he joins the organization, the party faces the most explosive revolutionary situation of Germany's history. It prepares for the conquest of power (and we know its leaders shall miss it through the most amazing display of indecision). The party is creating its underground military machine. It prepares for illegality. It will soon have to go underground, a fact Valtin never mentions. Sailors are useful men in such a situation. Valtin is one of the many to throw in his two pennies worth of work.

What his exact function was, one cannot really tell. He cleverly mingles the rather prosaic errands he has to carry out with

colorful tales of the life on the high seas and in the ports, with half-digested rumors and apparatus gossip picked up here and there, so that in the end one doesn't know which of the deeds, true or invented, are his own and which are those of others.

After the 1923 revolution he carries messages and propaganda material into overseas countries; again the quick pace of the adventure plot never allows the reader to get an inkling of the essential unimportance of his missions.

In 1925, on an errand in San Francisco, a G.P.U. agent allegedly charges him with the murdering of a foe of the Comintern's secret organization. This mandate he ties up with a talk he had, two years before, with an underground worker in Germany who, with the obtuse and boastful toughness so characteristic of many would-be revolutionaries (soon they shall become an easy prey to Stalin's macabre adulteration of the revolution), are ravished about the details of how to kill a man. For fully two years, he now thinks, they had schemed to send him to the United States to have him murder a man.

Strangely enough the story of the unsuccessful attempt which cost him three years behind the prison walls is devoid of the concreteness of background information which otherwise so sharply marks his tale of even the smallest errands.

After his release from prison he becomes a blindly devoted, unthinking, disciplined cog in the by now fully degenerated apparatus. He is dividing his work between the German party and the seamen's organizations of the Comintern. The tragic cabal of bureaucratic life unfolds before his eyes. Stalin's G.P.U. has definitively taken over the commanding posts. The Third Period is on. Adventures, bureaucratic stage-shows take the place of genuine mass influence, yet what the worker thinks and feels matters little in Valtin's life. His doubts are quickly smothered by the opportunities of climbing up the ladder of the Stalinist hierarchy.

He goes with the apparatus through thick and thin. He is blind to the shocking realities of Soviet Russia; deaf to the warnings of his friend, the free-lance revolutionary Bandura; blind and deaf to the gripping prophecy of his teacher Ewert who forecasts with bitterness the doom of the German revolution.

He is dumb, blind and deaf about these things, yet a talented pupil in the great scramble for bureaucratic favors gained through treachery and intrigue. He gives away his best friends. Through his co-operation Bandura, and later a few more,

are spirited away to Russia, while Ewert is exiled to Brazil, where he still rots away in Vargas' prison.

He is quick in learning the tricks and manners of show congresses. Elected one of the heads of the high-sounding but utterly impotent International of Seamen and Harbor Workers, he lures two wretched Hindu sailors into the "International Congress" with promises of introducing them to "sing-song missies". And when they have served their function as involuntary delegates of India, "they were told", as he puts it discreetly and impersonally, "Beat it bums, get back to your ships."

What a stifling atmosphere of cynicism! What an emotional invalid must a man be to fall to such depths of abuse of ignorant colonial slaves! What those bureaucratic upstarts were capable of doing, surpasses the imagination of even the most seasoned foes of Stalinist degeneracy. Really, Trotsky was right in saying that Shakespeare could never have created more sinister plots.

Yet there are pages in which this man, cursed as he is with weakness of mind and character, shows his measure as a revolutionary. I don't mean the pages on which he describes the tortures suffered in Hitler's jail. Others have gone through and written about it, with greater objectivity, less egotism and more insight. There is Langhoffs' unforgettable book *Mohrsoldaten* which, at a time when the Valtins still called defeats victories and framed and hunted down revolutionists critical of the Comintern, showed the tragedy of Communist militants caught in the claws of the *Gestapo*, bewildered and still unbelieving that the Nazi ally had become the real hangman.

Though Valtin remains as unconcerned as ever with the political roots of the party débâcle, he is for a while freed of the apparatus, and merging with rank and filers he aids in the building of a small underground apparatus in Hamburg in a pathetic attempt to keep up the fight. They set up a print shop and distribute leaflets. And here, for the first time, I felt, that the man was speaking in his own voice. At last he is handling a task, and truthfully describing a task, which does not go beyond his own limitations. He can now display his skill as a practical and resourceful organizer of small groups.

The same sensation is gained from the work he does for a short span of time in the secret party branch in prison. He is filled with militancy and feels sheltered by the presence of co-religionists.

But soon his spirits sink again, and a man emerges whose militancy is feeding on inertia and despair. Incapable of generalizations, having been pushed into a position beyond the range of his political knowledge and abilities, a helpless tool for all these years, he now seeks with animal instinct for an avenue of escape. His faith has faltered not because of political disillusionment, but because he has gained

the suspicion that Wollweber, one of the head men of the German underground machine, has doublecrossed him and his wife.

He is ordered by the party to play up to the *Gestapo* in order to be admitted as a trusted spy. From his own account it is clear that he seizes this opportunity of a promise of freedom not merely out of devotion to his party. His story, by the way, again appears highly overdramatized and contradictory. There have been quite a few other cases of people whose importance and possible use to the *Gestapo* was far beyond that of Valtin and who posed as *Gestapo* spies, acting on party orders. Yet they did not need to fight a long-drawn "dark duel" with the *Gestapo* which by that time could afford to take chances with people, charging these would-be agents at first with minor trial-missions. And certainly even they were not honored with a personal audience by Himmler . . .

From the moment of his pleading for the favors of the *Gestapo* up to the break with the Comintern, Valtin's actions are gropings through a confused conflict between old allegiance and the now indomitable desire of personal escape. He himself is startled at times how through his cunning with the *Gestapo* officers emerge the contours of a new man who desires but one thing, to get away from the old life and to seek contentment in the shadow of a retiring homelife. But the way to freedom, to regaining his wife, leads through the G.P.U. Like all the Agabekovs, the Besedovskys, the Krivitzkis this little-man-what-next serves the old machine to the bitter end while secretly he dreams and schemes about flight. He pretends and maneuvers until the inevitable break is forced upon him. It is a break not of clashing political concepts, but a break accomplished in the dark night of personal antagonisms, unsavory intrigues, and mutual double-crossing. This breaking up of people's intellectual and moral fiber, this blind and hectic scramble for a personal way out and-after-me - the - deluge - as - far - as - the - revolution-goes, is perhaps the most shocking sight of the grandeur and decadence of Stalin's apparatus.

Gruesome and stunning as Valtin's account of Stalinist crimes is, it makes good reading. Valtin, the tramp and sailor, is a born story-teller. His writing is tense and straight-forward. He has a good flair for details and a strong sense for dramatic situations. And since it is about himself he writes, he naturally has a tendency of dramatizing, glorifying and fictionalizing his case. This, together with a leaning to pedantic overwriting, so characteristic of the German self-taught, is at times quite irritating. The more so, since he lacks the kind of sensitivity and discrimination which not only make the genuine artist but also preserve one from the intellectual and moral blunders which he has been stumbling through to this very day.

His passion for story telling and maybe also a robust determination to be a success in the new profession make it difficult, as I said, to distinguish truth from fiction. Long before his book was published I knew his story from an acquaintance whose memory and good faith I have no reason to doubt. Valtin, when he was still an unassuming refugee, eeking out a miserable living and filled with the ambition to write adventure stories, gave a version of his break with the Stalinists which differs a great deal from his account in the book.

Having fallen under suspicion in Copenhagen, he was invited by Wollweber to board a Russian boat. He suspected it meant kidnapping, since usually party functionaries travelled to Russia with passports and visas. So he declined and asked instead to be allowed to fight in Spain. They sent him to France, where he got his papers, money, and instructions how to cross the border. He was set to leave, when a girl working in the office warned him that his name had been given to Mink, the famous G.P.U. hangman in Barcelona. So, he decided to miss the train and instead went to the United States. Thus, he had money to travel, time to manage his escape while his hangmen thought him to be *en route* for Spain, and was denounced as a *Gestapo* agent discovered in Paris, not in Copenhagen—all of which would make the story quite credible. But to sneak out of the Comintern, the way hundreds of other did and do, is too common a story. So in the book we wind up with a real detective thriller, with a jailer mysteriously taking all his belongings but handing back to him exactly six *krone* out of the sixteen he had, with a house on fire to cover his escape, with unsuspecting G.P.U. agents helping him all along his journey to France, etc., etc.

Of course, this is all hypothesis, and nothing can be proved since, for the time being at least, the silence imposed upon other participants makes Valtin, the author, his own and only witness.

But check the account about how he got into the German underground apparatus. You'll find yourself asked to believe that a 19-year old boy, who had been scarcely three, four months in the most powerful European party of the Comintern, a party having at its disposal thousands of old and experienced revolutionary workers, that such a young and inexperienced boy in so great a party is, after only a few weeks, introduced into the very heart of the underground movement; receives missions directly from the resident G.P.U. agent in Hamburg; Hugo Marx delivers the messages through a maze of intermediaries to no one else but "General Wolf, who crushed the Kronstadt uprising"; is initiated into the machinations of man-smuggling and rum-running, of huge murder plots against General von Seeckt, Borsig, Stinnes and so on. Nineteen years old, four months in the party, and completely in the know!

I say, it is a matter of personal preference to believe or to disbelieve these stories. But one cannot resist the sneaking suspicion that the sailor's love for a good yarn and a desperate will to be a success as a writer gets the better of the chronicler of facts.

Yet, even if the whole book were a piece of fiction it would not lose its sinister realism. Like the movie comedy *Ninotchka* it derives its vitality and realism from the disintegration of the *nouveaux riches* of the degraded revolution. Valtin is as credible and possible a character as *Ninotchka's* pathetic Soviet men who wind up as restaurant owners rather than face again life under Stalin's "socialism".

But the real fraud, the boundless treachery of Valtin's book, is the attempt, aided to success by the high-g geared power of American publicity, to identify Stalinism with the socialist revolution, and the socialist Revolution, through Stalinism, with Nazi barbarism.

In 1923 Valtin fought courageously as a simple soldier in the streets of Hamburg. But of the driving forces of the German revolution, its history and the reasons for its débâcle he knows as good as nothing and has obviously never cared to find out anything. As usually he judges by the microscopic standards of his personal experiences and picked up anecdotes. If there was a premature uprising staged by the party organization in Hamburg, there were, too, scattered all over Germany mighty spontaneous uprisings of workers abandoned by a timid and opportunistic party leadership, which missed a chance that never again returned in such scope and force.

But with Valtin, the revolution of 1923, as all the actions he has known, is but the result of a conspiracy staged by an obscure and criminal gang of plotters who do not care about the workers. His political and historical ignorance is aided by the fact that he never really lived with the rank and file and got his half baked political education during the Third Period when the Comintern tried to make good for lack of influence by lightminded bureaucratic adventures.

Thus, the narrow vision of the subaltern underground courier, his passion for good stories, combined with the recent apprenticeship in *Saturday Evening Post* stunt journalism, and an added sprinkling of Hearst red-baiting, make for a new interpretation of the events of revolutionary class struggle of our times: they all spring from the cunning mind of the Asiatic despot Stalin and are to serve the spreading of his personal power.

In Valtin's tale of the 1923 revolution the climax is provided by an alleged conspiracy of the Russian General Skobeliev to launch the revolution through the assassination of von Seeckt, Borsig, Stinnes, etc. His story he backs up by the frame-up trials of the German counter-revolution and

(how reminiscent of the Moscow trial technique) by quoting "none other than Zinoviev himself, the President of the Comintern who wrote in a manifesto, 'von Seeckt is the German Koltchak, the greatest danger for the workers'". In other words, even in 1923, when Lenin was still expected to recover from his illness, when his influence and that of revolutionary Marxism still towered high over the growing bureaucrats, the Comintern was, according to Valtin, nothing but a huge Murder, Inc.

And so it goes all the way through the book. Strikes in Hamburg, Antwerp, or Paris, mutinies in the Far East or in British men-of-war, there is always in back the hand of the G.P.U. gangsters who secretly staged the show. What a wonderful plot for Mr. Dies; if we were to believe Valtin, if we were to see in the class struggle the result of G.P.U. machinations, and not in these machinations the actions of people, grown tired of fighting for ideas and having instead taken to short-cuts of bureaucratic improvisation in order to capture the fighting masses; if we were to believe Valtin, then all the hue and cry of the American reaction about the "Red Hand" in the Vultee strike, in the New York bus strike, etc., would be Gospel truth.

This huge frame-up of the revolutionary fight is what has made of Valtin's book more than a Personal Record, more than just the tale, real or fictional, of an obscure party functionary, disappointed and shocked by what his individual experience or his imagination made him think to be the revolutionary way of life. Through a singular mobilization of American publicity it has reached, in book form and in excerpts, a reading public of several million people. It has become, in the words of the publishers, a "message to humanity". It has been made into an official text-book on the "truth about the revolution".

Trotsky's autobiography, the most authentic and honest record of contemporary socialism, reached only a scanty few thousand readers. The historical novels on the revolutionary movement of so talented a writer as Victor Serge are taboo with American publishers. Why? Because they show what is so conspicuously absent in Valtin's book, broad historical vision, the contest of ideas, the drama of erring people and struggling masses groping their way to freedom. They inspire and they enlighten. They deepen the revolutionary's will to carry on. They represent a school of *thought*. Valtin represents a school of pitiful *rationalization*.

This precisely endears Valtin's book to bourgeois public opinion. It comes out of a dark night of confusion and—it remains in it. It throws the uninformed reader into hopeless scepticism. In a subtle way Valtin hints throughout the book at his regrets ever to have scorned "bourgeois respectability". To have held in contempt the bourgeois concept "of my land, my house, my country, my wife, . . .," to have seen in the

revolution "not one way out [but] . . . the only way out"—today this "whole past life [appears to him] as one gigantic and miserable mistake".

And so the Babbitts thank God for their daily drudgery and for Roosevelt. Discontented but disoriented youths shy away from revolutionary thought and action, fearing that, like Valtin, they may become the entire victims of a diabolic force they cannot control. And the radicals in retirement, chiming in with Valtin's inflated sentimental recollections, cherish their privacy and their peaceful occupations. Valtin's book reassures them that their retirement into philistine individualism makes everything right in world.

Whatever the motives for Valtin's Dostoyevskyan confessions—be they the result of an honest need of clearing his burdened conscience or the outgrowth of a Darwinian drive for self-preservation and the right to "bourgeois respectability"; be they a curious sort of expression of the writer's creative urge or a blending of all of it—Valtin, the long-time dupe of Stalinism, has again become the stooge of a powerful social force. His book has become an important weapon in the hysterical drive of the Dollar Democracy against the "Fifth Column". The man who has trained himself in the framing and denouncing of honest revolutionaries sticks to his old job in a new disguise.

HENRY FOSTER.

## Eton Brahmin

THE Autobiography of Pandit Jawaharlal Nehru, internationally known leader of India's nationalist movement, has appeared in a special American edition. Already well publicized in the liberal press, it would be surprising if this volume did not enjoy a wide circulation among middle class and petty bourgeois reading audiences. For next to the Mahatma himself, Nehru has been the most popular figure to emerge from the turbulent Indian scene. His aristocratic bearing; his sweeping literary and oratorical style, heavily tinged with "romantic idealism"; his lofty Brahmanical descent; his unquestionable personal sacrifices for Indian nationalism—all these characteristics have endeared him to the petty bourgeois radicals of the world.

It is false to describe Nehru as a leader of the radical petty bourgeoisie of India—akin, for example, to Haya de la Torre in Peru, or Wang Chin-wei in those bygone days when he played with the Comintern. Rather, he is a deliberate spokesman for and exponent of the feeble Indian merchant and trading *bourgeoisie*. In the backward, semi-feudal atmosphere of India all images tend to become distorted and shifted "leftward" on the political spectroscopy. A native bourgeois, relegated to a decidedly inferior position by

his rival British fellow-exploiters, speaks the language of a radical democrat; a genuine member of the petty bourgeoisie indulges in the most "revolutionary" phrasemongering. It is to the former category that Nehru belongs.

My first (and last) meeting with Nehru took place at the home of one of his sisters, shortly before his arrest. At that time the Congress had been pushed to the wall by the iron stand of British imperialism. The issue was clear: To yield or launch a nation-wide mass struggle. A special session of the All-India Congress Committee was to be held at Poona with the objective of making definitive decisions. In visiting Nehru, I wished to learn from him—a member of the Congress—Working (Political) Committee—what could be expected at the Poona session.

His *grande entrée* into the room from a nearby balcony, along with his obvious patronizing air (in sharp contrast to the more welcome and sincere humble mannerisms of Ghandi) made a most unpleasant impression. In the course of a four-hour discussion his personal characteristics became more marked. Nehru is both pompous and pretentious; arrogant and self-conscious when one touches his own weaknesses and constant vacillations. That "sensitiveness of character," so often eulogized in the works of modern Indian poets and writers whose ideal he is, merely reflects his self-embarrassment before his own incompetence, inability to rise to the capacity of revolutionary leadership, ineffectiveness in grasping the complexities of modern politics. The constantly reiterated theme of his talks and speeches is, "I do not know what will happen. The sands of time are running out. All is chaos." The Brahmin of Eton has been well dubbed "India's High Priest of Confusion."

It is impossible in this review to give a detailed description of his lengthy political life. Those desiring that can easily obtain it from either the English or American editions of his Autobiography, which is sufficiently self-revealing. Instead we shall list the essential characteristics that have highlighted his career—characteristics that have determined till now his political career. There is no reason to foresee any change.

1) Above all, Nehru has been the "youth adjutant" of Mahatma Gandhi, both as practical organizer and exponent of his philosophy. At times of severe crises in Gandhi's movement (for example, 1933) Nehru has wandered slightly afield, but invariably returns to the oracle of *ahimsa* and *satyagraha*. Attempts to adapt trade union and peasant union policy to Gandhism are special assignments laid at the door of Nehru.

2) "Nehru symbolizes India. He is above Congress factions." This is the typical petty bourgeois appreciation of the man. It does accurately describe the particular historic part he has *attempted* to



fulfill. As is always the case, his "non-factional" attitude toward internal struggles of the Congress has meant support to Gandhi and the die-hard ideologists of the Indian colonial bourgeoisie. Not a single illustration can be cited wherein Nehru has opposed Gandhi and his "High Command" on an important issue and sided with left-wing Congress elements. At the Tripuri Congress sessions during the Popular Front period, the Stalinists proclaimed the slogan of a "united march to Gandhi's little hut." Nehru has always been the doormat of welcome that lies at the entrance to the Mahatma's *dak* bungalow.

3) As a popular journalist and lecturer, Nehru is distinguished for his superficial judgments and shall analyses. His *World History*, autobiography and popular pamphlets and lectures belong to the H. G. Wells school of writing. With the exception of some writings on Indian language problems, not a single serious work can be accredited to him. The same frothy sentimentalizing and woolly thinking that characterize his political life are shown in his writings.

4) During the days of the Popular Front, Nehru donned the armor of the Hindu St. George and became the champion of the "anti-imperialist united front of all classes." Thus, his closest approach to "revolutionary Marxism" found him pulled in tow by the Stalinists. Probably this period marked the height of his public career. Already idealized by the colonial bourgeoisie and its wing of professional intelligentsia, Jawaharlal Nehru was paraded before the proletariat and peasant masses of India by the Communist and Congress Socialist Parties. His preceding history enabled him to fit the part perfectly.\*

5) In India's bourgeois nationalist politics, all roads lead to Gandhi. Today, Nehru is the prisoner of the Congress Working Committee (High Command) which has, in turn, delegated all its powers to the Mahatma for the duration of the current "Limited Civil Disobedience Campaign." In the swift maneuvers and sudden shifts that have occurred in Congress policy and inner organization since the end of the Popular Front period—all aimed at destroying the authority of the general left-wing forces within the Congress—Nehru has been a reluctant, embarrassed but acquiescent participant. In the purging of Stalinist elements, in the smashing of Subhas Bose's "Forward Bloc," in the drive against Congress labor and peasant leaders, in the treacherous Gandhi-Viceroy negotiations, in the deliberate Gandhi policy of preventing a mass struggle under war conditions—in all these sus-

\*The shameless American Stalinists continue to play up Nehru as a national revolutionary leader and a sympathizer of Stalinist policy. Considering the denunciations—violent to the point of red-baiting—which Nehru has unleashed against their Indian comrades, one might expect Stalinist recognition that *this* honeymoon—like so many others—has gone over Niagara.

tained actions of the Indian bourgeoisie the High Priest of U.P. has tendered his support to his fellow members of the Working Committee. His war record is as black and cowardly as that of every other aged, doddering and religious devotee of the High Command.

The Second World War aroused violent indignation among India's masses. This opposition forced a hasty retreat on the part of British imperialism. The authorities attempted to cajole and bargain with the Congress, on the basis of vague, post-war promises. Despite Gandhi's willingness to reach an agreement it proved impossible because tens of millions had learned the lesson of 1914-1918.

Where has Nehru been during these critical days—days that will obviously determine the fate of the Congress movement. "But sometimes there is an escape for a while at least from this world. Last month I went back to Kashmir after an absence of twenty-three years . . . I wandered about the valley and the mountains, and climbed a glacier . . ." In the field of politics, this "escapism" and unwillingness to measure up to his responsibilities is expressed in the following way: ". . . for we could not wholly forget the old lesson which Gandhi had taught us, *that our objective should not be to embarrass the opponent in his hour of need.*" (Our emphasis.)

And therein is expressed in its totality the abysmal capitulation of Nehru before British imperialism! Understanding that only a nation-wide mass struggle can seriously disturb the British, the Etonian Brahman hides his political treachery under the Marquis of Queensbury rules, as though one could reduce the struggle of India against Britain to the level of a prize fight. Since the war began Nehru has dragged himself along behind Gandhi, barked sharply at all left-wing Congress elements and breathed the enfeebling air of compromise.

We have already mentioned the historic Poona session of the Congress Executive Committee. Nothing could be more revealing with respect to the bourgeois, reactionary character of Nehru than the part he played at this meeting.

The Congress Working Committee, striving in despair to negotiate a last-minute bargain with the imperialists, had offered—in the so-called Delhi resolution—to form a united partnership with the British and support the war cooperatively. They were prepared to drop the traditional Congress doctrine of "non-violence." (Of course, nothing ever came of this shameful proposition.) Nehru, an uncomfortable member of the Working Committee, was supposed to lead the fight against the Delhi resolution when it came up for approval by the Congress Executive at Poona.

After the Congress left-wing forces (Congress Socialists and Stalinists, primarily) had denounced the resolution as an abandonment of the anti-war struggle, Nehru

rose to speak. In the turgid, confused language peculiar to the man he proceeded to state his "position." 1) "As a member of the Working Committee I assume full responsibility for this resolution." (Applause from the majority right-wing section.) 2) "As you know, I do not feel very sure with respect to this proposal." (Applause from the left-wing minority.) And then, in the voting, to prove himself a man of steadfast principle Nehru proceeded to abstain! In a word, this three-dimensional politician was "for," "against" and "neutral" on the self-same measure!

Yet more revealing was his personal defense against the charge launched by the Stalinists that he had completely lost contact with the peasant and working masses. After making an undignified and demagogic red-baiting attack upon the Left, Nehru proclaimed, "I represent the dignity of India in the world of international affairs. *I do not speak the language of the market place!*"

True indeed. It is in the village market place that the *kisans* gather and find themselves victimized and exploited by landlord, money-lender and imperialist official. The economic struggles of the peasantry are centered about the crass, materialist "market place" that Nehru despises. And in the cities it is the same. The market place or *bazaar* is the gathering spot for the textile, jute and steelmill workers. It is the organizing ground for the trade unions. *Nehru never did nor ever will speak this language.* His is the language of bourgeois diplomacy and self-deceit which—against the background of downtrodden, colonial India—can only be a language of compromise and capitulation.

When Nehru was recently arrested for violating the Defense of India Act he refused to defend himself in the imperialist courtroom. "From your point of view," he said, "you are perfectly right in sentencing me." Disappointed in the stubborn and adamant attitude of the British who refuse to bargain with such men as himself, the Pandit is sunk in despair, resignation and self-abnegation. In this he is typical of the Indian bourgeoisie.

The lesson of Nehru's career is clear. The Indian native capitalist class—infinitely more than its Russian counterpart of the Kerensky period—is incapable of advancing even on the first stages of the bourgeois-democratic revolution, except under the most violent mass pressure. If the colonial bourgeois leadership was a reactionary brake in Lenin's time, in 1941 its progressive capacities are close to exhaustion and extinction. The leadership of India's revolutionary nationalism is and remains in the hands of the workers. While a politically and spiritually bankrupt Nehru rots in an imperialist cell the newly-created section of the Fourth International conducts its work among the peasant and proletarian masses of India.

SHERMAN STANLEY.