

**The New** \_\_\_\_\_  
**INTERNATIONAL**

**March • 1942**

**NOTES OF THE MONTH**

**THE FUTURE OF THE WAR**

**An Economic Review of 1941**

*By Albert Gates*

**BRITISH CONQUEST OF INDIA**

*By Henry Judd:*

**PROGRAMS FOR A GERMAN DEFEAT**

*By J. W. Smith:*

**SOCIALISM AND NATIONAL LIBERALISM**

**The Social Roots of Opportunism**

*By Gregory Zinoviev*

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As you doubtless know, we skipped the regular January issue of *THE NEW INTERNATIONAL*. This was due to delays created by the new technical changes which we initiated with the new volume number. No subscriber will be penalized by this omission since the magazine issues are numbered consecutively. We believe, however, that the delay was justified by the improvements we have made on the magazine.

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## ON THE CULTURAL FRONT

James T. Farrell, in the January-February issue of *Partisan Review*, wrote:

"Many lines of cultural life are now coalescing. Just as the government is becoming the main customer for the products of heavy industry, it is also becoming, more and more, a major employer of intellectuals, artists and writers. (Parenthetically and apropos of the managerial revolution, it is clear that to date the only trust that the government had really been able to control is 'the brain trust.') Because of the economic plight of writers, government institutions, political movements, and commerce provide many of them with the sole means of making a living. Thus the New Deal, Hollywood, the Stalinist movement play such important rôles in the cultural life of America. The result of this tendency has been restrictions on artistic production and on thought. Now, with the world crisis becoming more increasingly severe, an ideology to justify this process is in a state of formation. Even the sordid purchase and misuse of talent will be justified, not as an unpleasant necessity, but as something good, progressive, a means of furthering culture."

# THE NEW INTERNATIONAL

A Monthly Organ of Revolutionary Marxism

VOLUME VIII

MARCH, 1942

NUMBER 2

## NOTES OF THE MONTH

### The Future of the War

It is only six months to the end of the third and the beginning of the fourth year of the Second World War. Yet there are no substantial indications warranting the conclusion that a victory of one camp over the other is close at hand. All the trends and indications that can be observed at present warrant a directly opposite conclusion, namely, that a victory of one side over the other, that is, such a victory as would put an end to the war at least for a period of time, is extremely unlikely. It is obvious, at the very outset, that although the war has already been fought for two and a half years, there is as yet nothing in either the advances or retreats on both sides during this whole period that adds up to a decisive knockout. Any number of battles have been lost or won in the war, but the issue still remains inconclusive.

More than this, however. It is only now, thirty months since the war began, that it can be said that *the real world war* has begun in earnest. It is only with the entry of the United States and Japan into the struggle that virtually all the possible participants in a world war have become formal, direct and active participants. Outside of the European continent, the First World War, practically speaking, amounted to nothing. The Second World War, however, is being actively fought in the Atlantic as well as the Pacific, in Asia, Oceania and Africa as well as in Europe; and actual warfare in the western hemisphere is more and more regarded as a certainty if the war is prolonged.

Neither side is capable of winning the war by destroying the enemy politically, that is, by conducting such a political campaign as would result in undermining the social foundations of the enemy's régime or in depriving it of social support to such an extent as to make further military struggle futile. There remains to both of them only physical struggle as the means by which the war can be won, that is, by continued economic pressure (blockade) and by direct military combat.

However, it is precisely because of this that, given the actual relationship of forces, the prospect of an early end of the war by the imperialists themselves is exceedingly remote. A knockout blow against small and weak countries can be delivered either by the mere threat of military attack or by swift and speedily conclusive attack. In the case of large and powerful countries, with great resources in man power, raw materials and advanced industrial strength, the course of the war has shown that, with the possible exception of France, the speed of the successes attained in such countries as Poland or Norway or Syria cannot be duplicated in such countries as England, Germany, Russia, the United States or Japan. Added to this is the fact that, generally speaking, the greater the distance between the contenders and therefore the longer

the lines of attack and communication, the more slender the prospect of speedy triumphs and the more likely the prospect of long-lasting wars of attrition.

### Geography and Food in the War

This prospect is further underscored by the geographical position of the principal belligerents. If victory requires, as it does, the physical invasion of the enemy, the occupation of decisive centers of his territory and the incapacitation of his armed forces, then there is little reason to visualize a victory for either side in the near future. Separating seas are no absolute barrier to victory, as has been demonstrated by Japan in the Pacific and by Germany in Norway and Crete, provided the victor has overwhelming or at any rate very considerable superiority over the vanquished. Where, however, the contenders are more or less evenly matched, or where one advantage (say, superiority in trained effectives on the one side) is counterbalanced by another (say, superiority in sea power on the other side), water barriers constitute a powerful factor working to prolong the war. If Germany has not yet invaded England, it has been not for lack of desire but because of the tremendous difficulties represented by the Channel. It is not reasonable to assume that the crossing the Channel which Germany has not yet undertaken after two and a half years of the war, will be undertaken, and with success, by the British moving in the opposite direction within the next immediate period. What holds for that small body of water holds with manifold force for the distances that must be covered between Europe and America, on one side of the globe, and between America and Asia on the other.

Finally, were it possible for one side to deprive the other of essential foodstuffs or war-making materials in the near future, this would have a decisive effect on bringing the war to a speedy end. But this does not seem to be a very realistic perspective. Neither of the two great alliances appears to be in a position to starve the other out of the war. No less important is the fact that neither alliance claims, or can claim, overwhelming military superiority over the other for a considerable period of time to come. All the boastful optimism of the American imperialists to the contrary notwithstanding, what they are actually engaged in at the present time is a desperate, frenzied race to acquire *parity* in man power, planes, tanks, arms and munitions with the Axis powers whose strength and resources they systematically underestimated. Military superiority, especially of such proportions as would make possible a decisive military defeat of the enemy, is a goal requiring years for its attainment.

### The Masses in the Two Camps

Given the continuation of imperialist rule in the warring countries, that is assuming that the forces of socialism do not triumph in the very midst of this war as they did in the last war, the war itself may go on, year after year, bringing in its train the most terrible sufferings and destruction yet imagined by man—the appalling national famine in Greece, which

threatens the physical extermination of two generations is an ominous harbinger—and dragging on to the point of mutual exhaustion of the nations of war and perhaps even of all classes in each nation. The rise of fascism and reactionary totalitarianism after the First World War gave enormous emphasis and acute meaning to the dilemma: Socialism or a new barbarism! The Second World War, the most futile and reactionary of all wars in modern history, gives far greater emphasis and meaning than ever before to the same dilemma amplifying it now to read: Socialism and peace and freedom to all the peoples of the earth, or the new barbarism of a world doomed to wars in permanence!

The acceptance of the possibility of a war of long duration—in fact, the great probability of a long war if imperialism remains in power—does not, as might first appear to be the case, rule out the revolutionary perspective. In fact, it is the growing awareness of the toiling peoples that the war, and all the misery and sufferings it entails, may last indefinitely, that will become to an increasing extent a powerful factor contributing to the development of the social revolution, and by the same token, to the termination of the war itself.

This is true of the toiling peoples of the Axis countries. It is common knowledge that the masses entered—that is, were dragooned into—the war without displaying any genuine enthusiasm, much less a chauvinistic passion, for it. Many of the common people of countries like Germany, Italy and even Japan, that is, many of the workers, the peasants and the small middle class people, were undoubtedly duped into at least passive support of the war by the argument that the acquisition of “lebensraum” would improve their economic position and in any case would relieve them of the hardships imposed by the period of preparation for the war. But after two and a half years of war, not even the almost uninterrupted victories of Germany have proved to be great or conclusive enough to guarantee the position of the Nazi régime with the people. Providing the German masses with a higher standard of living than that of the people in the occupied countries—and at the cruellest expense of the latter—has thus far prevented a radical breakdown in the “morale” of the German people, which has been further sustained by the clever use made by Nazi leaders of the argument that Germany will suffer a super-Versailles if she is defeated. But to have done no more than sustain a morale that was not very high to begin with; to have done no more than that in face of victories which include the conquest of virtually all of Europe—is a very pitiful record for the Nazi régime.

There cannot be the slightest possibility of doubt that the German people are thinking, and in the period ahead will think even more seriously, along these lines: The fruits of conquest are probably a very fine thing; but to have the opportunity to enjoy these fruits would be much more to the point. The name of this opportunity is “peace” which is at present still associated with a decisive military victory. Tomorrow, however, when it becomes clearer that such a decisive victory is nowhere in sight, or that it is to be attained only after years of completely exhausting struggle, in the course of which the fruits of conquest will wither and die, the moods of the people will certainly change along these lines: With the régime we have in power now, we will never enjoy peace and security of any kind, even the most modest kind. The present mood of the people explains to a large extent why they are ready to fight with such determination and “fanaticism” for victory; it is probably more accurate to say, why

they are ready to fight with such determination against being defeated. Tomorrow's mood of the people will be the decisive condition for precipitating that collapse of the régime and the popular revolution that occurred in Russia in 1917 and in Austria and Germany a year and a half later.

### **What of the United Nations?**

Among the peoples of the United Nations a similar, though not identical, situation obtains. Here too there was from the very beginning no popular enthusiasm for the war and all subsequent efforts of liberals and social-patriots to give the imperialist struggle an attractive coating of a “people's war” or a “people's crusade” have not resulted in making the masses any more enthusiastic. The toilers looked upon the war of 1939 as a continuation of the imperialist bandit struggle of 1914-1915, one of the most important after-effects of which was an almost universal disillusionment. But once the war was on and it became plainer that it was not a “phoney war,” the masses developed not a greater enthusiasm but a much greater interest and concern. The imperialist ruling class has ably exploited for its own purposes the hatred the masses feel toward fascism and the fear they have of the latter's triumph. In countries like England and Russia particularly, the masses are prepared to fight not so much in order that their rulers emerge from the war as the victors but in order that the enemy, in the person of German fascism, shall not establish his rule over them, with the complete suppression of the working class that this immediately signifies.

At the same time, the masses, especially in England and the United States, have resisted to the best of their abilities, given the sickening treachery of their official leaders, every effort to deprive them of their own democratic rights and to lower their standards of living at a time when the economic and political position of the capitalist class is being consolidated and protected by the ruling régime. It is noticeable, again especially in these two countries, that where at first the main factor in the support, even if tacit, that the masses gave the war was their hatred and fear of fascism, a new factor is now entering into this support. It may be said to represent the fear of the masses of workers that unless they “see it through to the end” and quickly, the war will drag on indefinitely; this is accompanied by the feeling that the longer the war lasts, the more completely will the new democratic capitalist countries be transformed into totalitarian war dictatorships. In England this phenomenon takes the form of labor's dissatisfaction with the obvious inability of the ruling class and the Churchill government to make any progress toward defeating the enemy, that is, toward bringing the war in an end.

In the United States, this phenomenon is increasingly observable among soldiers and civilians. Among soldiers, the “improvement in morale” noticeable since the United States entered the war is due to the feeling that “it's serious now” and unless there is better training and equipment, the ranks will be unable to protect themselves in combat, much less bring the war to an early end. Among civilians, and particularly among the workers, it takes contradictory and still confused forms; yet it is sufficiently clear in such plans, no matter how bureaucratically conceived and imbued with class collaboration and imperialist ideology, as the Reuther plan, the Murray plan, etc. Through the distorting mirror of the trade union officialdom, labor is expressing its still incoherent but unmistakable distrust of the capitalist class in the “conduct of the war” and war production, its desire for a voice and vote

in directing the operations of the means of production, its fear that the imperialists are "not competent" to conduct the imperialist war to an early conclusion, and at the present time above all perhaps, its fears that the capitalists are concerned in this war with only two things, namely, the immediate business of making huge profits, now and quickly, and—along with that—the utilization of the "emergency" for the purpose of hammering down the political and economic position of the workers.

At present, to be sure, this sentiment is canalized into support, however unenthusiastic, for imperialism, thanks to the services rendered the ruling class by its traditional labor lieutenants and by the foreign branches of the Stalinist bureaucracy. But as the war continues, and the imperialists are less and less able to give serious indications of how or when it may be terminated, this sentiment will undoubtedly express itself in other channels, in other ways.

To the imperialist democrats, the solution to the problem of victory is: Give us the tools and we will do the job, i.e., turn out more planes, ships, tanks, guns and troops than the Axis and eventually we will overwhelm it. To catch up with the Axis in this field, much less to overwhelm it, requires, however, a conversion of virtually the whole economic and social life of the country to war production. *Under the rule of the bourgeoisie*, such a conversion can take place only at the expense of the democratic rights and economic position of the masses, that is, only by reactionary means and in a reactionary direction. In other words, it can be accomplished only by adopting the "secret" of Hitlerism—the systematic disfranchisement and enslavement of the toilers. But to the argument that this is what is necessary to win the war as speedily as possible, the American workers have thus far given every indication that they have a fundamentally contrary argument, namely, the war can be won sooner by drastic encroachments into the economic, and therefore the political, power of the bourgeoisie, and the corresponding protection and advancement of the interests of labor. This is the basic meaning of the support given by workers to such programs as the Murray and Reuther plans, the spirited continuation of struggles for higher wages which take the form of strikes

even now, the muted resistance in every factory to the demagogical and hypocritical pleas of the bourgeoisie that labor make the "sacrifices."

### **Socialism the Way Out**

The fear of a long-lasting war, the desire to bring the war to an early conclusion, is thus an important factor in the struggle for socialism; more accurately, it can be made an important factor in that struggle. Before the war began, we established the fact that the anti-fascist patriotism of the masses, as distinguished from the patriotism of the ruling class, was potentially progressive in the proletarian and socialist sense. In the same way, it is now possible and necessary to say that the fear of a long war felt by the working masses is potentially progressive.

We cannot today, any more than we could yesterday, take the slightest political responsibility for the imperialist war, or characterize it any differently now than we have in the past. It is of the utmost importance that this be borne in mind, for we reject completely all theories and policies based on the idea that our opposition to the war is confined merely to the "conduct of the war. We must not take political responsibility for the World War.

But it would be totally absurd to conclude from this that we are totally indifferent to what happens in the minds of the working class and above all what happens to the position and interests of the working class during the war. Such nihilism has nothing in common with Marxism. Quite the contrary. It is precisely we Marxists who concern ourselves with the position and interests of the working class during the war—that is, during the period when backsliders and traitors abandon the cause of the working class. Indeed, the transitional program of the Workers Party is calculated, among other things, to represent the interests of the workers during the very course of the war, to give the most coherent, the most consistent, the most conscious and the most progressive expression to the moods and desires of the people, the workers, the poor farmers and lower middle classes.

M. S.

# **An Economic Review of 1941**

## **Prospects for the Coming Year**

*"We live and work in an era completely dominated by war, and we look forward to a future that will be shaped, and conditioned and determined, by the outcomes of the wars that are now under way, and perhaps by those of still other wars that may grow out of them."—The Cleveland Trust Company Business Bulletin.*

The significance of the above-quoted description of the present era is accentuated by its terseness. The United States has entered the arena of the war as a belligerent. In the two months since the attack on Pearl Harbor the government has moved quickly toward perfecting the machinery necessary for the prosecution of what appears to be a long war extending in multiple directions over the entire globe. An economic review of the nation in this period, therefore, can be written

only if one trains his vision on the panorama of the war and keeps it there constantly.

The outstanding feature of 1941, as of the entire period since September, 1939, is the conclusive development of America's war economy. The speculative stage has ended! The future of the United States is completely joined to that of every member of the United Nations. But for that very reason, its responsibilities have been manifestly increased, since the problem of supplying war materials to all the Allies has been complicated and made more difficult by the need of equipping its own mass military forces.

In my article, "Modern War and Economy" (*THE NEW INTERNATIONAL*, November, 1941), I endeavored to outline the principal features of the new type of total warfare and the economic requirements arising therefrom. A series of fundamental measures, essential to the modern war effort, was cited

to indicate the nature and extent of the required economic reorganization. Briefly stated, they are the following:

*Production:* Augmentation of the production of the heavy goods of war; reduction in output of consumer goods and the consequent reduction of national consumption, to be accomplished by conversion of the existing industrial plant; reduction in investments of new capital (private); depletion of existing capital, particularly in light and non-war industries. The net result is a further strengthening of heavy metallurgical industries at the expense of light-consumer industries.

*Consumption:* A sharp diminution of the standard of living of the masses, since it can be raised only at the expense of armament production; "it is impossible to have both more guns and more butter."

*State:* The government intervenes more actively in the production process to the point where it is the final arbiter, planner, and supplier of money capital. The government has become the greatest market in the domestic economy and foreign trade is primarily a matter of supplying the material of war to the Allies and obtaining raw materials for war purposes.

*Balance:* In the concrete manifestations of the war economy it is necessary to maintain class peace, especially in view of the inherent tendency of bourgeois war economy to increase the polarization of wealth expressed through the astronomical rise of war profits and the decline of the mass standard of living. The government seeks labor peace for the duration, a ceiling on wages for fear of inflation, control of prices, and control, not abolition, of the profit economy. The government, likewise, seeks to keep the public debt at the lowest possible point by a system of taxation destined to strike hardest at those least able to pay.

### The End of the New Deal

This is certainly a far cry from the New Deal, which was the product of the severe crisis of 1929. The New Deal sought a stabilization of American economy on a lower level in a peaceful period. As an earnest of the difficulties faced by American capitalism ten years ago, it must be remembered that even then, the direction was not toward expanded production and a constantly rising index of industrial activity, or a rise in the living standards, but toward ever diminishing living standards and artificially stimulated production on depressed levels.

The New Deal experienced its own ebbs and flows; it was primarily a series of stop-gap measures designed to bring about a halt in the precipitate decline of the economic curve. New Dealism represented the belated arrival of American reformism with state power in its hands. It was the era in which social legislation flourished and the labor movement grew by many millions. Achievements were necessarily temporary, because the New Deal endeavored to reach economic stabilization by restricting industrial and agricultural production, while seeking to enlarge the specific weight of America's foreign trade in a contracted world market.

On a world scale, a genuine improvement of the bourgeois economic order was precluded. The economic prosperity of one nation, or group of nations, depended upon the veritable destruction of competing economies and a thorough subjugation of the colonial areas of the world. International competition was fraught with the danger of war, and it came once Hitler had consolidated national power. The outbreak of war over the domination of the continent, between the two principal European powers, Great Britain and Germany, was

only the preliminary stage leading to the world conflict for a redivision of the earth. Thus, the New Deal was doomed at the outbreak of the war.

The war, while it expresses the deep-going stagnation and decline of bourgeois society, propels forward one-sided production because of the enormous requirements of materials of every kind and description. Economic developments in the United States since 1939, and especially during 1941, show rising indices. In this respect, the country is merely repeating the experiences of the other major powers engaged in war, and while some of these powers appear to have reached a maximum expansion and production and tend toward a stationary situation, or slow decline, American economy is first beginning its new production. No ceiling has yet been indicated in this experimental period since information relating to the limits of the native war economy is incomplete. ,

### The Growth of Production

After the 1937 economic rise, American capitalism, still seeking a high level of revival through the New Deal, experienced a new decline. This situation, according to the *Survey of Current Business* of the U.S. Department of Commerce, continued up to the outbreak of the European war. Taking the figure of 100 for the period 1935-39, the report disclosed:

Year	Industrial Production	Factory Employment	Factory Payrolls	Cost of Living
1937	113	111.6	118.4	102.7
1939	108	98.0	106.5	99.4

Since 1939, a rapid rise occurred in all economic fields. Between the period of September of the foregoing year and actual belligerency, American economy passed through the preliminary stages of war conversion. The transformation occurred slowly and by fits and starts. No little cause for this lay in the confusion of the Administration, inter-Administration conflict and the adamant refusal of big business to make the slightest concessions to Administration demands without prior guarantees of large profits and post-war relief of business by the government. Now, however, conversion takes place with giant strides.

The figures cited below indicate the sharp rise in economic activity as compared to the foregoing table. They include, for purposes of comparison, those of 1929 and 1932, at which time the economic crisis had reached its lowest point. The figures are taken from the *Survey of Current Business*. The period 1935-1939 = 100.

Year	Industrial Production	Factory Employment	Factory Payrolls	Cost of Living
1929	110	108.6	127.6	122.5
1932	58	68.1	53.9	97.6
1940	123	110.6	121.8	100.2
1941 (Oct.)	163	136.2	192.5	109.4

The *Monthly Review* of the Federal Reserve Bank of New York, for January, 1942, records that industrial production rose to 167 for November, and its issue of February, 1942, shows a figure of 168 for December, with the gauge pointed upward. *Business Week* for February 7 indicates that in the first month of the new year, the business index rose to 169.9. The production aims of the government are such that the business index may well reach 200 at the end of 1942.

### The Influence of the War Budget

The new war budget adopted by Congress will have a revolutionizing effect upon all of industry. Whatever was accom-

plished, in 1941, however, was already due to the national budget and the stimulation induced by governmental orders. As of October 15, 1941, the authorized budget of the war program was more than \$57,000,000,000, of which \$37,000,000,000 was awarded in contracts as of September 30th, and \$10,650,000,000 already disbursed. The latter figure explains the rise of business activity for the last year.

Money spent by the government for arms production rose from \$157 million a month in June, 1940, to \$1,347 million in September, 1941. The total expenditure for the year 1941 reached almost \$15 billion. While this marked a tremendous rise in the war budget actually expended, it was only about 15 per cent of the national income.

Total war appropriations jumped from \$5 billion in June of 1940 to \$63 billion in September of 1941. The actual manufacture of war goods rose from \$2 billion a year in June, 1940, to an approximate \$16 billion a year in September, 1941. From the beginning of the fiscal year, July, 1941, to December, 1941, almost 72 per cent of all moneys spent by the federal government went for war purposes. It is in these figures that one must seek the explanation for the rise in the industrial index.

### Change in the Character of Production

The process of conversion, though incomplete, registered sufficient changes in 1941 to indicate the degree and intensity of war production and what impends in 1942 and 1943. There was a rapid rise in the production of heavy durable goods (war) and the setting in of a decline in the production of non-durable goods (primarily consumers' material).

The board of governors of the Federal Reserve Bank, in its report dated December 19, 1941, points out the following developments (1935-39 = 100):

Industrial Production:	
Total	167
Manufactures	173
Durable	212
Non-durable	142

The figures represent increases but the output of non-durable goods rose only 21 points in a year, while the output of durable goods rose by more than 51 points. This is only a partial story, for beginning in 1942 the production of non-durable goods began to decline while the production of durable goods has already passed the figure previously mentioned.

Breaking these figures down, we find this distinctive point of interest: iron and steel production, according to the Federal Reserve System reports, rose to 191, machinery to 234, ship-building to 659 and aircraft to 1,397. The implication of these figures are plain. Many plants engaged in the production of non-durable and overall consumers goods will be closed down as a result of priorities on raw materials. Washington has estimated that at least 20,000 business may very likely be destroyed as a result of the arms program.

This trend is accentuated by the death-like grip which monopoly capitalism maintains upon the war program by its control of the governmental agencies in charge of contracts. The concentration of contracts in the hands of an already highly monopolized industry only hastens the destruction of small business. Despite the avalanche of protest by the "little man" and the setting up of a special department to insure "a fair allocation of contracts," the situation remains unchanged. Toward the end of the year, only 6,657 of the 12,000 plans chosen by the Army and Navy for utilization in war production, were employed. It is the little more than

six thousand plants out of 184,000 manufacturing concerns which held prime defense contracts of \$50,000 or more.

### The Growth of Profits

The war program has boldly accentuated the class character of American economy and this is nowhere so sharply illustrated as in the tremendous rise in profits of monopoly capitalism contrasted with the decline in the living standards of the overwhelming majority of the people. In face of mounting taxes, the profits of industry grew continuously. According to the *Economic Outlook* for January, 1942, an organ of the CIO, preliminary reports "on industrial profits of 71 principal corporations for the year 1941 show an increase of 77 per cent over the year 1939. This is after all deductions for corporate and excess profits taxes, depreciation, depletion, contingency reserves, etc." (Emphasis mine—A. G.)

The report further points out that for detailed figures up to the first nine months of 1941, the profits of 401 leading corporations increased 26.1 per cent over the corresponding period of 1940, and 78.6 per cent over the same period of 1939.

"The greatest increase in profits," says *Economic Outlook*, "occurred in the durable goods and defense industries. For example, profits of five aircraft manufacturing companies increased 38.2 per cent in the first nine months of 1941 over the same period of 1940 and 171 per cent over the first nine months of 1939... for the automobile industry, profits increased for 13 representative companies 29.7 per cent in the first nine months of 1941 over 1940. The increase over 1939 was 51.7 per cent.

"Profits for four copper and brass fabricators, mainly producers of shells and other ordnance equipment for the Army and Navy, showed profit increases of 71.5 per cent in 1941 over 1940 and 1270 per cent over 1939. The increase in profits for 28 industrial machinery and accessory corporations, mainly producers of machine tools for defense industries, was 153 per cent in 1941 over 1939. Some five copper mining companies showed an increase of 100 per cent in 1941 over 1939." (Emphasis mine—A. G.)

It is also pointed out that of a representative group of thirty-two iron and steel corporations, profits increased 36.1 per cent in 1941 over 1940 and 338 per cent over 1939.

### Reports from Other Sources

This is the prevailing tendency in profits. Anticipating objections to the foregoing figures of the CIO, I cite the résumé on industrial profits made by the *New York Times*. In a report by Kenneth L. Austin, "Industrial Profits in 1941 Near 1929," the writer states:

"Industrial profits in 1941 were second only to those of 1929 and, for some groups, exceeded the records of that boom year by a comfortable margin, a survey of the first seventy-one principal corporations to report last year's results shows. Twenty-one of these companies earned more in 1941 than in 1929 or any other year in the last fourteen years. Five others bested the 1929 results but earned slightly less than in one or two intervening years.

"Combined net profits of the seventy-one companies for 1941 were \$426,114,500, in comparison with \$364,906,900 in 1940 and \$526,302,400, the only better year, in 1929. This decline of \$100,000,000 decline from the 1929 peak, however, consists mainly of a \$90,000,000 shrinkage in the combined profits of five steel companies... Thus profits came within 7.7 per cent of the record results." (Emphasis mine—A. G.)

This is only part of the picture. As Austin points out: "There is no doubt that 1941 earnings would have exceeded those of any prior year substantially had the same rates and principles of taxation applied." There are additional reasons for this, among which are lower income tax rates and the absence of excess profits taxes in 1929, absence of social security taxes, a current higher total employment, lower income from investments and far greater current appropriations for contin-

agency, inventory, self-insurance and other reserves in preparation for an "eventual return to peacetime operations."

A subsequent report made for the *New York Times* by the same Mr. Austin, analyzing 337 industrial corporations, merely substantiates the trends he enumerated in his analysis of the 71 corporations. He adds that for the 337 corporations, "the cumulative earnings over twelve-month periods have not shown a single decline since 1938."

Elsewhere he states that "it is clearly shown that the earnings have made an unbroken rise, although they were slowed up somewhat in the third and final quarters of 1940 by the first of the heavy tax measures, known as the Second Revenue Act of 1940."

Moreover, the profits of manufacturing industries rose high enough to offset the even "harsher" tax program in the Revenue Act of 1941. This is illustrated by Mr. Austin in the following words:

Whereas in 1940 taxation required 30 to 40 per cent of earnings, the United States Treasury absorbed 50 to 65 per cent of earnings in 1941. Nonetheless, the twelve-month cumulative profits resumed a definitely upward trend last year.

The figures given are the following for 337 companies:

	Profits
1938 .....	\$ 538,128,000
1939 .....	1,075,000,000
1940 .....	1,374,869,000
1941 (October) .....	1,611,725,000

For 454 manufacturing corporations, the following combined net profits are recorded during the first two years of the war.

12 months ending June 30, 1940 .....	\$1,463,960,000
12 months ending June 30, 1941 .....	1,731,597,000

The increase is 18.28 per cent for 1941 over 1940.

From another source, *Business Week* (January 24, 1942), we learn that "corporation profits are rising—from about \$4,000,000,000 in 1939, to \$4,500,000,000 in 1940, to \$6,250,000,000 in 1941, though they are still below 1929's \$8,100,000,000."

The important point to be remembered, however, is that while these high profits were achieved in 1941 even with the setting aside of huge and varied reserves and higher taxes, profits will continue to increase to higher levels in 1942-43 as the war program operates more efficiently and production mounts.

### Big Business Shows Indignation

Big business, with its accumulated knowledge of what had transpired during the last war, is out to get the limits of profits out of this one. The war of 1914-18 is as nothing as compared with the expenditures that will be made in the present carnage. A ruthless determination characterizes the mood of monopoly capitalism.

Whatever the many purposes of the Truman and Vinson reports, they disclosed incontestable facts which have remained uncontroverted by the most reactionary elements of a labor-hating Congress, that the profits of the large corporations are "unconscionable" in the most important instances. When these reports became public property, the business world retorted with the cry of "persecution." And when big business was charged with hampering the war effort by delaying conversion in favor of large profits through normal production, they went veritably berserk.

The Automobile Manufacturers Association, in full-page ads, cried: "We stand under an attack and a challenge. This

attack impugns our integrity, our ability, our loyalty to our country." (Emphasis mine—A. G.)

The big business press denounced the congressional reports as extremely one-sided, since their condemnations might be interpreted as directed at the profit system rather than individual culprits. By this charge they merely indicated either a lack of astuteness, or political purpose, on the part of the congressmen. As a matter of fact, the disclosures of the congressional committees were merely scratching the surface of the true situation.

The injured congressmen declare that they have far more "interesting" facts yet to announce, and unless big business becomes more amenable to certain unimportant restrictions, they will be compelled to take more drastic action, especially if the labor movement continues its pressure for "equality of sacrifice."

Pearson and Allen, in their column of February 19, 1942, wrote: "Not nearly has the whole story been told on war profiteering. . . . There is information that certain big-money executives of war production firms with huge cost-plus orders killed their salaries sky-high. The government pays all the freight; so these self-given boosts come out of the taxpayers' pocket. . . . In one case the head of an aircraft company gave himself a raise of \$35,000 a year. Another increase doubled the boss' salary—from \$25,000 to \$50,000. . . . The Army and Navy resorted to cost-plus to expedite production. But the contracts were so loosely drawn by business-minded military bureaucrats and dollar-a-year 'experts' that the government has practically no protection against gouging." (Emphasis mine—A.G.)

### Labor and the War Economy

Be that as it may, the great monopolies go blithely on their way to grab everything, conscionable or unconscionable, legally or illegally. They are prepared to travel the legal highways and to fight any efforts to reduce their take in the war effort. They have little to fear of post-war litigation by the government since they know by experience that such legal entanglements stretch out over so many years that by the time decisions are reached, they can "prove" such enormous contributions and mitigating circumstances as to warrant anything they "earned." (See the case of U.S. vs. Bethlehem Steel Co.) Or else they may file counter-charges against the government for additional bonuses for "extraordinary services," certain that somewhere along the route, one or another of the courts will find for them. In the worst case, they can settle any dispute by compromise and still come out ahead of the game. After all, it is their game.

The position of the working class in the war economy is sharply contrasted to the bourgeoisie enjoying enormous profits made possible by monopoly capitalism. Undoubtedly a large section of the working class has increased its wage earnings, but these increases are already offset by the measures adopted in Washington to render them ineffective and the mounting cost of living.

The exact figures on wage increases are difficult to obtain because the numerous research bodies engaged in assessing the economic situation in the country do not always agree as to figures, but more important, their various approaches to the question often conflict. But in general, it is possible to state that the following situation exists:

Up to October, 1941, hourly earnings in all manufacturing industries rose by 14.7 per cent. In the one year from October, 1940, to October, 1941, average weekly earnings in all

manufacturing industries increased by 20.6 per cent. A variety of figures have been published to show how wages have risen not only in the last year, but from previous periods. For example, Labor Department researchers announced that factory wages increased 33.9 per cent from August, 1939, to mid-November, 1941. In order to make the pay rises appear more startling, figures were released to show that weekly earnings in all manufacturing groups rose "from \$17.86 at the end of 1932 to \$32.81 at the close of November 1941..." Note well, that this comparison is made between the year in which the economic crisis reached its lowest point and the year in which war production began to rise, the whole period covering an entire decade!

On the basis of the figures which disclose that the working class, more particularly the organized working class, has received wage increases, a national conspiracy is being organized to saddle labor with far heavier war burdens than it now suffers. It is necessary, however, to contrast real wages with wage increases in order to determine the actual position of the working class.

### Real Earnings of the Workers

In the midst of the present war boom the state of unemployment has been completely overlooked. This is not unnatural since the tendency, in a period of war production, is toward an ever-greater employment of the labor supply. Whatever the tendency, the fact remains that as of November, 1941, there were 5,470,000 unemployed, an increase of 8.6 per cent over October. This growth in unemployment is partly due to the slow process of war conversion of industry, but this fact is balanced, too, by the fact that more than two million former and potential workers have entered the armed forces. Even before the problem of plant conversion arose in its acute form there were 4,871,000 unemployed workers (September, 1941). The overall effect of such a large number of unemployed upon the working class is to reduce partially some of the gain achieved by a section of the higher paid employed workers.

While there has been an absolute increase in factory earnings, a large part of this increase is not due to higher employment but to overtime payments, double time for Sunday work and the seven day week. No appreciable change has taken place in shift-work to employ more workers. Monopoly capitalism, up to this point, at any rate, has sought to meet the demands of increased production by intensifying the exploitation of its present labor force.

The intensified exploitation of labor is manifested by a rise in productivity. "From 1937 through November, 1941," writes *Economic Outlook*, "labor costs per unit of output, in spite of the 15 per cent rise in average hourly earnings for all manufacturing industries, is unchanged. *This occurred because output per man hour in all manufacturing industries increased 15 per cent in the same period.*" (Emphasis mine—A. G.)

In addition thereto the Office of Price Administration made public the fact that industry's overhead costs have decreased by 3.6 per cent (the figure of Isidore Lubin) since the outbreak of the war and that this also resulted in a further reduction in overall production costs.

Thus the rise in hourly and weekly earnings of manufacturing labor was of no cost to industry since increased productivity cancelled out the wage increases. Actually then, increased wages in no way affected the profits of American capitalism.

### Wages and the Cost of Living

Of infinitely more importance than the above mentioned factors is the relation of wages to the rising cost of living, because the latter automatically results in the destruction of the gains of at least that section of labor which won them by its organization and struggle. When the comparison is made of wage increases to the rising cost of living, it will be immediately noted that the real standard of living of the masses, following a short rise, has actually remained static for the past period.

The U.S. Bureau of Labor Statistics pointed out that between August, 1939, and December, 1941, the cost of living rose by 12.1 per cent. From January 15, 1941, the increase was 9.8 per cent!

Prices for staple commodities directly affecting the consumer, i.e., retail food, which makes up the most important part of the cost of living, increased in the corresponding period by 21.8 per cent. From January 15, 1941, the rise was 15.7 per cent. Wholesale food prices increased by 38.6 per cent from August, 1939, to January 10, 1942, while 29.1 per cent of this increase occurred since January 15, 1941. In the case of a limited number of food items reported in the Daily Basic Commodities Index of the Bureau of Labor Statistics an increase of 76.7 per cent is recorded, with 49.7 per cent of this rise taking place during the past year.

Prices will continue to rise in the coming year and they will be hastened in their upward march by the constantly declining production of consumer goods and the increased national demand for the dwindling total of available consumer commodities. As of October, 1941, the cost of living had soared to the point where, according to *Economic Outlook*, the net increase of wage earnings was only 10.5 per cent. The most important aspect of this relationship lies in the fact that since then wages have remained virtually static. Prices, however, continued to rise.

### Labor's Living Standards and Taxes

The economic position of the working class is further depressed by the taxation program passed for the year 1941 and will be greatly aggravated by impending legislation. By the simple expedient of reducing the taxable income of the head of a family to \$1,500 a year and of a single person to \$750 yearly, the Administration has created an estimated new group of taxpayers of many millions among the lowest income earners. This is only one aspect of the question.

The steadily mounting war budget has the financial experts of Washington busily engaged in figuring new ways and means of raising additional funds. In the President's budget message, he indicated that the Administration would soon propose measures which would increase the Treasury income another seven billion dollars and thus reduce the simultaneously mounting national debt. Although the precise aims of the Administration are not yet known, sufficient feelers have been put out by the President and his aides in Congress to permit of some forecasts.

There is no doubt that there will be an increase on corporation profits (the enormous earnings of the corporations from governmental war contracts makes certain that the Administration will seek some return of these funds in this manner). Increased corporation taxes will be accompanied by a still further lowering of exemptions on incomes, those on heads of families to \$1,000 and on single persons to \$500. The tax laws now in the making will carry provisions for "selec-

tive" excise and sales taxes. With the decline in the production of consumer goods, Congress will seek to drain off considerable sums from consumer purchasing power. In each instance, whatever the final determinations of the Administration and Congress, the working class will suffer the burden of new forms of taxation.

Consider for a moment the fact that, without a single new increase in taxation, workers' families with incomes ranging between \$1,000 and \$3,000 yearly, pay approximately 17 per cent of their incomes in variety of federal, state and local taxes.

It is no wonder then, why E. A. Evans, writing in the *New York World-Telegram* for February 19, stated:

The money income of Americans is going up. In 1942, it will reach a record-smashing total of at least \$95,000,000,000 (only one-third of this income will go to the working class).

*But their average standard of living is going down to depression depths.* In 1942 they can buy civilian goods and services worth only, at present prices, \$65,000,000,000 or less. There can't be any more, because more than half of the country's industrial capacity must be devoted to war. (Parenthetical comment and emphasis mine—A. G.)

### The Income of the Proletariat

Thus the rising cost of living, the decline in consumer goods, the continued existence of a large number of unemployed and the creation of a series of new taxing measures, will have the cumulative effect of sharply smashing the standard of living of the masses, which had not yet completely emerged from the devastating effects of the ten years' economic crisis.

This condition is brought out in bold relief by the investigation of all committees devoted to estimating minimum requirements for a minimum standard of living. The Department of Labor once estimated \$2,100 a year as the minimum amount required for a reasonable standard of living for a family of five. The Heller Committee of the University of California, narrowing its investigation to the City of San Francisco, raised this figure to \$2,211 yearly, which the CIO corrected, in the light of the increased cost of living, to \$2,400 yearly.

The Economic Division of the CIO, in a study of incomes among the *higher* paid workers, revealed that the average yearly wage per family was \$2,000, at least \$400 below the minimum requirements stated in the Heller Committee report. *But there are only 7,747,000 workers in this category. More than 24,516,000 workers early less than \$30 a week, or \$1,500 yearly. Of this number, more than half, or 13,769,000 workers, earn less than \$20 a week (\$1,000 a year). This figure may be broken down once more to reveal that of this number, 4,9750,00 people earn between \$10 and \$15 a week (\$500 to \$750 yearly), and 3,324,000 people earn below \$10 a week.* There is the real picture of American society as revealed by the income earning groups. (The figures are taken from a report by Secretary of the Treasury Morgenthau.)

### Some Future Prospects

Let us try to simplify several of the problems posed before America's class society. As visualized by the Administration leaders in charge of war production and by big business, the national income, variously estimated at \$92,200,000,000 (*New York Sun*, January 21) for the year 1941 and anywhere from ninety-five to a hundred billion dollars for 1942, will undergo a sharp change in composition.

During 1941, the production of war materials of every type consumed only 15 per cent of the total national income

(fifteen billion dollars). Stated in another way by the Department of Commerce, production for military purposes aggregated only 21 per cent of total production in 1941. *The initial estimates produced by the Administration for the impending year is that 53 per cent of the total industrial output will be devoted to military production, with expenditures reaching more than 50 per cent of the total national income.*

The following are some of the projected production increases planned for 1942:

In the durable goods field, an estimated "80 per cent of the total output will be for war purposes, compared with 35 per cent in 1941."

Total industrial production is expected to climb to 15 per cent over 1941, which when added to the 25 per cent increase between 1940 and 1941, will show a total industrial production increase of 42 per cent since 1939. The lower estimated rate of increase for 1942 is primarily due to the curtailment of the production of consumer goods.

One-third of the estimated 1942 increase will occur in the aircraft industry. Machine industry will contribute almost another third of the increase. Shipbuilding will be the third highest contributor to this growth.

A drop of 31 per cent in the "civilian portion" of production "will be more than offset by a gain of 188 per cent in the war portion."

### Wages, Taxes and Profits

We have already indicated that profits continue to rise, while wages have reached a static stage with "real wages" tending downward. Taxes continue to rise with a heavier share placed on the masses.

An increasing class tension is visible as monopoly capitalism is determined that the major burden for the war be taken by the working class. Since profit is the quintessential aim of big business, it fiercely resists any measures that will interfere with this pursuit, and thus far, with Congress in its vest pocket, has experienced no little success. Currently, all decisive measures to control war profits have been defeated and the latest attempt to tax excess war profits has been shelved by the Administration.

The National Association of Manufacturers, the kept press and a servile Congress have launched a successful drive against all wage increases on the theory that wage increases on the basis of a diminution of consumer goods must result in inflation. The Administration has come around to the point of view of big business, because in its calculations, based on a profit economy, war production is paramount, consumer goods must decline sharply and wages must remain static for the duration. Not only that, but bond sales and taxes must be so devised as to drain off large sums of the workers' static wages. This will halt inflation, say the bourgeois minded "experts." Other measures to halt inflation by invading the province of profit economy are hastily rejected.

The organized labor movement resists and in its resistance reflects the deep pressure of the workers who are completely aware of the profits of big business and the general enrichment of the ruling class through war production.

### Wage Ceilings—A National Wage Cut

The approach of the industrialists and financiers has been so crass that it led *Business Week*, January 31, to say:

Labor's action is understandable (demanding an increase in wage levels and heavier taxes on profits). So far, in the United States, a lot of us have treated defense as a national grab-bag. (!)

Elsewhere it points out that:

Congressional tax leaders are bucking the Administration.... They favor going easy on corporations, heavy on individuals. (Parenthecated matter mine—A. G.)

The present increase in labor militancy, precisely at a time when Washington exhorts all workers to sacrifice everything to raise war production, is indicative of the tension between the classes. The workers acutely feel their living standards declining while that of the ruling class increases and remains unaffected by the countless measures produced in Congress. They realize that all the forces of reaction are allied in the conflict over who is to pay for the war. They instinctively feel that, as *Economic Outlook* wrote:

... the amount of national income available for consumption *may be* reduced to as low as forty billion dollars during the coming year. (This is in conflict with the estimate of E. A. Evans, but is more nearly correct—A. G.) This would be at the lowest level of the depression year 1932. *If such a reduced income for consumption were to be distributed at the same ratio as present shares, workers would be forced to levels of poverty and starvation.* (Emphasis mine—A. G.)

Faced with such a prospect, the labor movement demands an increased share of the national income and a reduction of the share of the ruling classes. In reply to the charge that increased wages would result in inflation, the labor organizations have stated that governmental price controls, taxation and rationing would balance the tendency and, therefore, urge a reduction of the profits of big business.

Since Congress has already precluded any sharp measures against monopoly capitalism and thrown some crumbs in the direction of the upper stratum of the farming population (the small farmers will receive no benefits by the congressional action hiking farm prices, and the large group of farm laborers remain one of the lowest income-earning groups in the

country), it is their determination to compel the working class to pay for the war effort.

*A ceiling on wages, a reduction in consumer goods and consequent reductions of the means of existence for the proletariat and lower middle class, is only another form of a national wage cut for the overwhelming majority of the population.* Given a small and weak labor movement, the course of big business and the Administration would have been a *direct* national wage cut. But in face of a powerful trade union organization, this national wage cut is being accomplished by devious ways, and only for that reason difficulties and apparent confusion exist.

A veritable crusade has been organized against the labor movement, with a large part of the leadership of the labor movement already succumbing to the conspiracy of big business, Congress and a section of the Roosevelt Administration. The absence of labor unity, the deep inner conflict of the trade union leadership and the strike-breaking, reactionary rôle of the Stalinists in the labor organizations, have greatly weakened the struggle of labor for its existence. These subjective factors hinder the American proletariat and prepare it for some crushing economic blows.

\* \* \*

In résumé, it will be observed that the tendencies of a war economy described in the early part of this review and contained in previous articles, have become the standards of measurement for American economy today. Obviously, we have not exhausted the subject since we treated only with several of its main features. But we shall often have occasion to return to these matters to examine their variegated manifestations.

ALBERT GATES.

February 21, 1942.

## Programs for a German Defeat

As the Second World War approaches new heights of fury and destruction, the ruling powers of all the embattled nations strive with renewed vigor to arouse the national passions of all peoples. Ranging from the more primitive and vile techniques ("the yellow peril," "the white devils," etc.) to the more refined and subtle arguments of the professional intellectuals, this campaign of world chauvinism takes on fresh life as each new stage in the military and tactical plans of the rival powers approaches.

Defense of internationalism, the *socialist* internationalism of the workers and colonial peoples in all lands, has become one of the paramount tasks of the socialist movement. This defense of internationalism, proclaiming the brotherhood of all oppressed masses, is not based upon the airy idealism of the Christian pacifist nor the "good-will internationalism" of the Rotarian business man. No, its base is far more substantial, far more vital and pressing.

Socialist internationalism, as distinguished from schemes of imperialism, or utopias of political federation, flows from the material demands and the material resources of world society. The Second World War, the most insane and futile catastrophe imaginable, has confirmed the theoretical and abstract principles of Marxist internationalism. Namely, that our society and our economic life is international in character; that our outmoded social order, denying the existence of a world economy, is responsible for these unparalleled convul-

sions; that the continuation of nationalist imperialism means the destruction of the earth's productive capacities; that human culture, in every phase and aspect, is literally faced with extinction. Every prophetic statement of the socialist teachers, warning all peoples against the continuation of capitalism, has come true—or threatens to come true—with an alarming force and acuity.

But it is the practical, the real, the current meaning of internationalism with which we are concerned in this article. How does it touch on the war of today? How can it bring a halt to the futile slaughter? Out of the distorted energies and the mobilizations for mass murder, can revolutionary socialism bring the necessary transformation?

### How the "Democrats" Fight Hitler

The entire problem can be seen most clearly in the *problem of Germany*. When the imperialist bourgeoisie of the United Nations touches the German question (How can Hitler and Germany be defeated? What is to be done with Germany after the victory?) then its inner bankruptcy becomes apparent. When the intellectual and political satellites of the United Nations approach the German question they too display how, in every field, bourgeois thought and science is a mockery to human progress.

A dozen and one solutions, all of them predicated on the ultimate defeat of Nazi imperialism, have been proposed.

Germany is to be the guinea pig for experimentation in the working out of the "democratic" new world order. Most of these proposals deal with Germany *post victoria*—after the defeat; others, possessing the virtue of realism, claim to solve the *two* questions: winning the victory and imposing the peace.

What are these solutions to the German question? In brief, they may be divided into three major classifications: (a) Those proposed by the democratic imperialist leaders (Churchill, Roosevelt, etc.); (b) Those proposed by the professional intellectuals and *litterati* (Thomas Mann, P.E.N. Association, Dorothy Thompson, etc.) and (c) Those proposed by the Soviet Union and the Stalinist parties.

Let us consider each plan individually—bearing in mind that the proposed objective of each is to overwhelm the heart and core of Axis imperialism, institute a stable European order and assure peace in perpetuity.

(a) *Churchill-Roosevelt*: The "democratic" spokesmen have been notoriously silent on the entire question. Generally, they reply with the fatuous remark that "we must win the war." As though one had accused them of trying to lose the war!

Some of these gentlemen (for example, Lord Woolsey) have proposed the physical extermination of the German people; some have proposed their gradual extinction by sterilization and the erection of a gigantic *cordon sanitaire* about the German state; some have proposed the mass arrest and forced enslavement of the population. These are the more vulgar, the more outrightly criminal "proposals" of Anglo-American imperialism, the cynical outpourings of diseased, Nazified minds.

The more authoritative statesmen of the bourgeoisie—Roosevelt and Churchill—have made it clear that they propose to inflict a decisive military defeat upon Germany and then . . . they shall see. On December 23, 1941, Churchill said in reply to a direct question: "Don't let us bank on that (an internal German revolution). We have got to bank on an external knockout." This, at any rate, is clear enough.

After a few early attempts the Allies abandoned all efforts to direct any serious propaganda, that is, *ideas with life to them!*, at the German people. The *New York Post* announces that "plans for a German translation of 'The Aldrich Family' to be used as a shortwave propaganda series to impress the Nazis with the contrast between family life here and in Germany have finally been abandoned." We may question the effect of Henry Aldrich upon the German people, but the abandonment of even such an effort symbolizes the "grand strategy" of Churchill-Roosevelt: defeat of Germany along purely military lines.

### Idea Men and the Stalinists

(b) *The intellectuals and journalists*: Beyond voicing criticisms in a distinctly minor key ("the people are not sacrificing enough; they do not realize the seriousness (!) of the war," etc.) the *litterati* have contributed nothing that oversteps the bounds laid down by imperialist warfare and strategy.

Walter Duranty, all too typical of the type, has advanced the most rounded solution to the German question yet proposed. According to Duranty, a super-Versailles is to be straight-jacketed on the German nation after the imposition of the "democratic" conquest. The former Austro-Hungarian Empire is to be re-established and Germany proper—returning to the pre-Bismarckian epoch—is to be carved up into seg-

mented states and provinces. With a paucity of democratic imagination but an excess of reactionary imperialist zeal, Mr. Duranty violates every democratic liberty, every nationalist desire and every "Atlantic Charter" pretense under which the war is being fought. The Hitlerian "new order" has many a counterpart in the contemplated democratic "new order" for Europe.

Or take the case of Thomas Mann, the great intellectual leader of the "democratic" camp; the man put forward to signify the cosmopolitan, the spiritual and ennobling virtues of the Allied cause as opposed to the barbaric neo-Paganism of the Axis. In an address broadcast directly to the German people in December of last year, Thomas Mann used the occasion for pinning the "war guilt" upon the German masses as a whole. Ignoring the entire course of Hitler's successful struggle for power, Mann accused the German people of being responsible for the crimes of their "leaders." (It is proper to recall at this point, however, that Thomas Mann was not distinguished by the struggle against Hitler before he attained power. Mann's break with the brown-shirted murderer came after he consolidated his rule.) The people and the régime are one. The Germans can be saved "to gain freedom and peace" only by breaking with their leaders and casting themselves at the feet of the "democracies." Crying out that "an ever-growing gigantic hatred engulfs you," Mann ends his declaration by informing the German people that they will thank him (*sic*) for his advice.

Thus Mann asks for the confidence of the German workers by accusing them and by threatening them with monstrous retribution! You are guilty of the war, you are responsible for Hitler, you must join us—or else! With bitter contempt the German people will turn aside from this "friend," this man who speaks to them in the name of Goethe and German philosophy!

And thus, two sample representatives of the democratic philosophers of the new democratic world federation!

(c) *Soviet Russia and the Stalinists*: The Soviet régime is at least as vitally concerned as any other power with undermining the strength of Hitlerism, gaining the victory and organizing the post-war Europe. This concern is proved by the fact that the Stalinist authorities and spokesmen have, probably more than any other ruling group, discussed the question, put forward propositions and attempted to propagandize them. With what success? But first let us see what they say, what they propose.

Stalinist propaganda aimed at Germany departs from the type we have described above. (1) Emanating from what is supposedly the "Workers' State," it must bear some social stamp. It must at least pose the problem of what shall a post-war Germany be. (2) Alone of all the powers, Soviet Russia has an organization of Germans, German workers and functionaries, within Germany itself. Regardless of its size and composition, it is a fact that the German Communist Party is the only "inside Germany" group of some size in the Allied war camp.

### Absence of Revolutionary Propaganda

What do they say? Despite the skepticism of its allies-in-arms, in ten months of warfare the Stalinists have not uttered a word with which the most die-hard Tory imperialist could disagree. Their propaganda has been strictly bound by the policies of "democratic" imperialism. Socialist, internationalist or revolutionary slogans, expressions or even implications of the same, cannot be discovered in speeches of leading

Russian figures, proclamations of the government, appeals to the German soldiers or manifestoes of the German Communist Party.

We must strive for "a truly democratic Constitution" reads an appeal of 158 captured German soldiers to their fellow-soldiers. (*World News and Views*, November 22, 1941.) We stand for "a truly popular Germany," "a nation governed by honest, diligent people" (1), "a people's Germany," etc.

How do the Stalinists attempt to sap German morale? By contrast. "You workers are fighting against a socialist workers régime." But too many Germans have seen the realities of Stalinist Russia. Or threats: "... woe to our people if it links up its destiny with Hitler and if we Germans do not ourselves establish order in Germany but leave it to other nations." (*Ibid.*, November 29, 1941.) And, most monstrous of all, by warnings of sinister retribution: "... defeat would mean Germany dismembered and payment for war losses caused to Europe and the USSR by Hitler." This is the propaganda of the most violent Allied imperialist war lords: the carving apart of Germany and the game of reparations all over again.

And the German soldiers? *Pravda* complains of their refusal to desert, their reluctance to surrender even when trapped. The leaflets addressed to them by the Red Army, ignoring the revolutionary Leninist appeal of fraternization and soldiers' solidarity, seeks only to humble and humiliate the German soldier. When you wish to surrender, says a typical leaflet, shout "long live Moscow, Down with Hitler." And *Pravda* complains of a lack of response!

So we see that Stalinist propaganda, despite its faintly "social" stamp, falls under the same general heading as does the rest of the imperialist proposals we have described. Nor, considering the integral and subordinate nature of Russia's position in the "democratic" war camp, is this unexpected. The deceptive coloration of Soviet proposals wears away the instant concrete problems are raised. Beneath the veneer appear the worst schemes of Allied imperialism: occupation of Germany at the bayonet point; disruption and breaking up of German economy and unification; the burden of reparations and war costs; the erection of an Allied-controlled German military dictatorship.

All that we have outlined has the following characteristics in common: (1) The German nation, its people and the leaders of its Nazi régime alike, are responsible for the war and all its phases. Correspondingly, the people and régimes of the Allied powers, including Russia, are "innocent." All alike ignore the class and imperialist roots of the war. (2) Victory of the Allies must come primarily, if not entirely, through decisive military blows. Political appeals are subordinate to military action. "Let the guns speak." (3) Germany as a whole is to bear the burden of war expenses. (4) The German state after the victory is to be a puppet state, imprisoned by the new *cordon sanitaire* that the new super-Versailles Treaty will establish.

### German Masses Are Alienated

The failure of this type of "appeal" has been all too evident. Naturally the extremist elements of the "Hate the Hun" school of thought have pointed to this abysmal failure as proof of their teachings about the inherent war lust of the German nation. These racialists (of the "democratic" camp) say, in effect: "You see. They will not listen to reason. They must be exterminated!"

Furthermore, nothing could be more skillfully calculated to bind together the German masses than the combined effect

of this propaganda. Hitler makes no effort to conceal it from the German people. The perverted Goebbels quotes it at length in his cynical articles. The net effect is: *The German masses tend to be bound together (workers and middle class in particular) behind the German state out of fear of reprisals; out of a revived national consciousness stimulated by the Allies; out of the ever-present fear of the new Versailles; out of the dread of an Allied military occupation.*

Shrewd Nazi propagandists and journalists play dark and gloomy variations on the theme "Germany cannot lose this war, or else...!" Obsessed by the consequences of Allied victory, their thoughts paralyzed by the melancholy remembrances of the previous occupation and its accompanying chaos, their vision distorted by the dismal forebodings of a new Allied "*revanche*" there is little cause to wonder at the passive acquiescence of the German masses to the brutal dictatorship. Such are the fruits of the nationalist and imperialist chauvinism preached by the Allies! Effective? Yes, in prolonging the war, in stiffening German resistance, in providing the Nazi régime with a backbone of fear and despair.

An insubstantial backbone, it may be said. Perhaps, but let us not neglect the example of Soviet Russia, whose people—despite their hatred of the Stalinist régime—offered an amazing and mighty resistance to the invader out of fear of the consequences of his success. It is not unlikely that the actual assault of the Allies upon Germany proper would meet a similar opposition, with similar results.

To summarize, then, the net results of nationalism: (1) It indefinitely prolongs the war—in terms of duration and cost (both human and productive costs); (2) It arouses and exaggerates the most primitive racial and nationalist conceptions, thus adding to the total destructive horrors of the war; (3) It blocks the formulation of a workable (that is, a revolutionary) peace program that will appeal to the tired masses; (4) It deliberately obscures the character of the war (its origins and objectives) and prevents any appeal to the people based on social and political rights or desires.

### Internationalism Alone Can Win

It is precisely here that socialist internationalism comes in, unequivocally and diametrically opposed to every concept we have described above. Its fundamental premise is too well known to need repetition: *the workers, the people of all lands and nations have nothing in common with the class interests of their respective ruling classes, but have everything in common with one another.* The proof, the vindication of this statement? Look about, there it exists in overabundant form.

True internationalism proceeds not with the objective of military victory or military defeat; true internationalism serves not one aim of any ruling class. Socialist internationalism seeks to thrust aside the mists of chauvinism and racialism and find its way into the minds of workers, of soldiers and of the colonial slaves. To the program of "blood, sweat and tears" offered by the world bourgeoisie it counterposes the socialist program of "world solidarity, peace and socialist reconstruction."

Contrast its appeal to the people of Germany with the appeal of the Churchills, Manns and Piecks. Internationalism, striding over the barriers of trenches, jungles, seas and poisoned nationalist propaganda, would strike deep to reach the innermost desires of the German masses. Basing itself on the people's hatred for Hitler and his fellow dictators, arming itself with their widespread hatred of the war it would guar-

antee to the German workers their rightful place in the socialist Europe of tomorrow; a place unrestricted by military occupation of foreign troops and unhampered by an unbearable reparations burden. It would urge the masses of Germany to rise in revolt against Hitler, in conjunction with the revolt

of all peoples against their oppressors. Its message, though varying from country to country in details, is essentially the same everywhere. Socialist internationalism can prevent the catastrophic conclusion that the imperialists of the world have in store for us.

HENRY JUDD.

# The British Conquest of India

The following article is the first section of a thesis by the Indian Trotskyist organization which we received prior to the outbreak of the war in that part of the world. In view of the international situation we believe it of extreme timeliness to begin publication of the whole thesis with this particular introductory section. Other sections will follow in forthcoming issues of *THE NEW INTERNATIONAL*. They deal with the development of the classes in India, the movements of national independence, the rôle of the successive British governments in their treatment of the question of Indian Freedom, and the presentation of a program to realize the genuine liberation from imperialism of the Indian proletariat and peasantry and the whole of Asia. A brilliantly written document, we are certain that our readers will find it highly instructive and of the utmost social importance.—Ed.

India, the largest, the longest dominated and exploited of British conquests, the richest field of investment, the source of incalculable plunder and profit, the base of Asiatic expansion, the inexhaustible reservoir of material and human resources for British wars, the focus of all British strategic aims, the pivot of the Empire, and the bulwark of British world domination, offers, after 200 years of subjection, the most complete demonstration of the workings and results of the colonial system of modern imperialism.

Every European colonizing power directed its first efforts toward India, and the bitterest struggles for the glittering prize were fought on the battlefields of Europe and India alike. The success of Britain in defeating her continental rivals, as well as the native rulers of India, and the consolidation of her domination in India paved the way for her subsequent world supremacy. The conquest and exploitation of India was one of the main bases of capitalist development in Britain, giving direct support to her whole social and political structure. The plunder of India was a main source of the primitive accumulation of capital which made possible the English industrial revolution. The exploitation of the Indian market and of Indian raw materials provided the basis of British industrial expansion in the 19th century. Today India provides a field of investment for a quarter of British overseas capital holdings, and sends to Britain roughly 150 million pounds sterling annually, as tribute, in various forms.

After 200 years of imperialist rule, India presents a picture of poverty and misery of the masses, which is without equal in the world—the more striking because up to the 18th century the economic condition of India was relatively advanced and Indian methods of production and of industrial and commercial organization could compare with those of any part of the world; and because of the vast natural wealth and resources of the country, which cannot be utilized and developed under the imperialist system.

European capitalist penetration of India began with the Portuguese establishment of their factory in Calicut. The

British (1600), Dutch (1602) and the French (1664) formed their trading companies in the course of the 17th century. British direct rule dates from the middle of the 18th century.

The British conquest of India, carried out piecemeal, and in the most ruthless, vindictive and deceitful manner, differed from every previous conquest of India in that, while earlier foreign conquerors left untouched the traditional economy, British imperialism "broke down the whole framework of Indian society."

## The Process of Destruction

The first steps of this destruction were carried out by (a) the East India Company's colossal direct plunder, (b) by the British neglect of irrigation and public works, (c) by the wrecking of the Indian land system and its replacement by a system of landlordism and individual land holding, (d) by the direct prohibition and heavy duties on the export of Indian manufactures to Europe, and to England.

But it was the operations of 19th century British industrial capitalism and the governmental policies initiated by it in India that decisively broke up the Indian economic structure. The industrial capitalists of Britain had a clear cut aim in India—to reduce it to an agricultural colony of British capitalism, supplying raw materials and absorbing its manufactured goods.

Britain captured and developed the Indian market for her industrial goods on the basis of the technical superiority of English machine industry (for which the Indian plunder had provided the accumulated capital), while utilizing at the same time the state power to block the export of Indian goods to Europe and permit the free entry of British goods to India. The destruction and collapse of Indian manufactures in the unequal struggle against British competition was the inevitable result. The ruin of millions of artisans and craftsmen was not accompanied by any growth of newer forms of industry, and the old urban centers of Indian manufactures (Dacca, Murshidabad, Surat) were depopulated and laid waste.

The work of destruction was not confined to the towns. "The handloom and the spinning wheel were the pivots of the structure of Indian society" which was based on the "domestic union of agricultural and manufacturing pursuits."

"British steam and science uprooted over the whole surface of Hindustan the union between agricultural and manufacturing industry." "The British intruder, who broke up the Indian handloom and destroyed the spinning wheel" struck at the roots of the Indian society, in destroying the balance of the village economy. Thereby Britain produced "the greatest, and to speak the truth, the only *social* revolution ever heard of in Asia," "actuated in this matter only by the vilest interests, and stupid in her manner of enforcing them."

To consolidate the conquest of India, and to develop the Indian market and Indian resources for exploitation by the

British capitalist class as a whole, the East India Company was replaced in 1858 by direct governmental administration. After a century of neglect of the most elementary functions of government, the British inaugurated a process of the active development of the country by (a) building a network of railroads, (b) by the development of roads, (c) the introduction of the electric telegraph and of a uniform postal system, (d) by giving the benefits of Western education to a limited class of Indians, and (e) by the introduction of the European banking system into India. While opening up India for commercial penetration, and supplying a market for British iron, steel and engineering industries, this process of development—especially the construction of railways—laid the foundations of a new stage—the development of British capital investments in India.

### **Finance Capital and Plunder**

The last decades of the 19th century and the first of the 20th were marked by the imperialist export of finance capital from the countries of Western Europe and North America to every corner of the globe and by the conquest and exploitation of all the backward countries through the colonial system. Between 1880 and 1914 the major European powers and the U.S.A. had carved up the whole world into colonies and spheres of exploitation.

This period of modern imperialist expansion was marked in India by an intensification of British exploitation, and a corresponding change in its character, wherein the finance-capitalist exploitation of India came to dominate all other methods. Nevertheless the new basis of exploitation did not replace the already established forms of plunder and industrial and trading exploitation, but was auxiliary and parallel to these processes.

British capitalist investment in India developed at a rapid pace in the second half of the 19th century, with expansion of railway construction, and also with the establishment of tea, coffee and rubber plantations and other minor enterprises.

The holdings of British capital in India developed not on the basis of the export of British capital, but rather through the plunder of the Indian people, which was reinvested in India, as a rich source of interest. The sterling debt of the Indian government, which includes more than one-third of the total holdings of British capital, has been manipulated to include the cost of every imperial undertaking (including wars for the subjugation of India, and other colonial wars) which could conceivably be charged to India. The colossal amount of this debt bears no relation to the costs of the public works schemes carried out, and of railway construction (themselves multiplied by wasteful spending). At the same time, the almost continuous excess of the value of Indian exports to Britain over that of imports, has left no room for a real export of capital to India. Nevertheless, the volume of British holdings in India today exceeds one billion pounds sterling.

With the post-war weakening of Britain's share of the Indian market (Britain's share of Indian imports dropped from 63 per cent to 29 per cent between 1913 and 1937), in the face of foreign competition and the rise of Indian—especially cotton—industry, British imperialism has consolidated its financial stranglehold on the Indian economy as its chief source of profit in India. The proportion of Britain's total overseas investment which has been placed in India has risen

from 11 per cent in 1911 to 25 per cent in 1937. Despite this, there has been since 1927 (with the collapse of the post-war boom and the general crisis) a sharp drop in the actual volume of British capital newly invested in India, which reflects the general stagnation of the economic development of India.

The capital investments of Britain in India have never led to the industrialization of India on a scale proportionate to their volume. The colossal waste involved in the railway construction of the last century, and the unproductive expenditure which swelled India's public debt, first created the glaring disproportion between the size of British investments and the slow economic development of the country. Up to 1914 97 per cent of British capital invested in India was devoted to purposes of government (i.e., wars, the heavy costs of bureaucratic administration, levies for costly durbars, etc.), transport plantations, and finance. These investments served as auxiliaries to the commercial penetration of India and its exploitation as a source of raw materials and a market for British goods, and did not lead to the development of modern industry in India on any commensurable scale.

### **Industrial Growth Hindered by Britain**

The industrial development of India which has taken place in recent times bears no relation to Indian needs. The vast resources of India have never been tapped. The rate of industrial advance, far lower than that of other large non-European countries, has not, even in modern times, kept pace with the decline of Indian handicrafts—with the result that from 1911 to 1931 there has been a reduction in the proportion of the population dependent on industry (including domestic industry).

The growth of Indian industry has been greatly impeded by British imperialism, for fear of competition with home industries, by administrative neglect, by a hostile tariff policy and by unfavorable currency manipulations. Until 1914 this policy of opposition to industrial development in India was openly followed, particularly by the removal of import duties on competing British goods. The brief and half-hearted reversal of policy after 1914 and during the period when British capital flowed in to share in the profits of the post-war boom, was nullified by the later raising of the exchange rates, which disastrously hit Indian exports.

Under these conditions, the development of modern industry in India has taken place at a very slow rate, and in lop-sided fashion, chiefly in light industry. The basis necessary for real industrial development—heavy industry—has never been laid. Until 1914, large organized production in India was represented chiefly by the cotton, jute and coal mining industries, and by the tea, rubber and coffee plantations. The post-war period, when foreign competition was reduced, was marked by a short and feverish boom, which led to the development of other industries, including steel and iron, cement, manganese and other minor types. This period was utilized by British capital, which during the years 1921 to 1923 flowed in at an average annual rate of over thirty million pounds sterling. But the brief post-war boom was followed by a period of stagnation and decline, prolonged by the currency policy of the government, and finally intensified by the world crisis of 1929-1931 which signified the entry of world capitalism itself into a period of decline.

Indian industry today shows no indication of recovery. The scope of the industrialization undertaken for defense purposes during the present imperialist war is not meant to

include an all-sided development of Indian industry, but will be restricted to the strategic needs of British imperialism. Such an all-sided development of industry is excluded by the conditions of imperialist exploitation itself, by the direct hostility of the government to Indian industrial development, by the determination of Britain to maintain its share of the Indian market and, above all, by the insoluble problems of the home market caused by the extreme impoverishment of the agricultural population under imperialism. The industrialization of India, on which her future depends, cannot be carried out without the overthrow of imperialism and a sweeping transformation of agrarian relations.

Despite the hostility of imperialism to the industrialization of India, it is British and not Indian capital that has always held the dominant place in Indian industry, not only through the decisively greater volume of its investments in industry, but also through its financial stranglehold on the whole Indian economy. The Indian capitalist class, whose growth was mainly connected with the development of the cotton industry, has never been able to shake off the controlling power of British finance capital. The paid-up capital of joint stock companies registered in India was in 1914 only Rs 80 crores, which is a measure of the belatedness and weakness of Indian capital. Today the figure has risen to over Rs 300 crores. The permeation of British capital into companies registered in India reduces the importance of this figure, which in any case cannot compare with the total paid-up capital of foreign (mainly British) companies operating in India, which exceeds 700 million pounds sterling.

### **British Capital Dominates**

Despite the advance of Indian capital, British capital remains in effectively monopolist domination in banking, commerce, exchange and insurance, in shipping, in the tea, coffee, and rubber plantations and in the jute industry. In iron and steel, Indian capital has been forced to come to terms with British capital, and even in the cotton industry, the home of Indian capital, the control of British capital, through the managing agency system, is very great. Already in 1928 (before the economic crisis), English managing agents controlled the actual majority of the capital of cotton companies (50.3 per cent). The economic depression which affected Indian industry after 1924 and especially after 1929), and the bankruptcy liquidations and difficulties of many Indian firms which had arisen in the post-war period, were utilized by British capital to strengthen its hold on Indian industry.

Most decisive for the controlling power of British finance capital is the rôle of the foreign banking system, working in conjunction with the government's financial and exchange policies. Financial power remains monopolized in British hands, through the Reserve Bank of India, the Imperial Bank and the big exchange banks. The Indian joint-stock banks hold less than one-third of the bank deposits in India and are themselves being invaded by British capital.

The Indian capitalist class, therefore, despite its growth in recent times, remains essentially dependent upon and an agency of British finance capital, performing a subsidiary rôle in the exploitation of India. Despite its dreams of industrialization and of a broadened base of exploitation for itself, the Indian bourgeoisie, shackled as it is to imperialism, cannot play the historic rôle of the West European bourgeoisie in liberating and developing the productive forces. The industrial advance of India demands absolutely the overthrow of

imperialism, with which Indian bourgeois interests are indissolubly bound, and the overthrow of which they will be bound to resist.

Nevertheless, the rising productive forces in India are straining against the fetters of imperialism and of the obsolete economic structure which it maintains and protects. This conflict finds its expression, not only in the industrial stagnation, but in a much sharper way in the agrarian crisis, which is the index of the bankruptcy of imperialist economy, and the main driving force toward revolution.

### **Agriculture and the Land System**

Britain relegated to India the rôle of an agricultural appendage to imperialism. The ravages of Indian industries carried out in the 19th century at once drove the population of the ruined industrial centers back to the land, and ruined the livelihood of millions of artisans in the villages. The overcrowding of agriculture which resulted has reached a stage today when three-fourths of the entire Indian population is solely dependent on the land, and where the proportion of land available for cultivation has fallen to less than  $1\frac{1}{4}$  acres per head of the agrarian population. The effect of this exaggerated disequilibrium in the country is further aggravated by the stagnation and deterioration of agriculture itself, for which as well the British are directly responsible through their disruption of the village economy, their iniquitous exactions of land revenue, their expropriation of the peasantry, their creation of parasitic forces in semi-feudal landlordism, and their notorious neglect of public works on the land, which have been from time immemorial the function of the government and without which, in India, the cultivation of the soil cannot be carried on. The criminal indifference of the government and the suffocating parasitism of the landlords are responsible for the incredibly low productivity and exhaustion of the soil, for the primitive agricultural technique, for the waste of labor in fragmented holdings, for the neglect of cultivable soil (of which 35 per cent is left waste in India and Burma), and the recent actual shrinkage in the area under cultivation, while the population is on the increase. These conditions, which have depressed the vast majority of the rural population to a level of unspeakable poverty, and chronic semi-starvation, and led to a state of permanent agricultural crisis, are inevitably paving the way for a sweeping revolution, as their only outcome and solution.

The characteristic process of imperialism, the expropriation of the colonial population from the land, was carried out by the British under cover of legal forms, which in effect transformed the "eternal" land system of the Indian village commune into an inextricable amalgam of feudal and semi-feudal rights and tenures. The British introduced into India "the great desideratum of Asiatic society—private property in the land," making in this connection a series of "unsuccessful and really absurd (and in effect really infamous) experiments in economics." In Bengal they created a caricature of English landed property on a large scale; in Southeastern India a caricature of small allotment property; in the Northwest they transformed to the utmost of their ability the Indian commune with common ownership of the land, into a caricature of itself."

The aims which guided the British transformation of the Indian land system were twofold—firstly, to guarantee the effective collection of their extortionate land revenues, which rose steeply from the time of the conquest (from four million

pounds sterling in 1800 to fifteen million in 1857, to twenty-three million in 1936-37); and in the second place to create a social basis within India for imperialism, by the creation of Indian landed interests "deeply interested in the continuance of British dominion." It is above all the still unbroken alliance between British imperialism and Indian landlordism that links up the overthrow of imperialism with the agrarian revolution in India.

Landlordism was created and fostered by the British, not only in the provinces of temporary and permanent Zemin-dari, Bengal, U.P., Bihar, Punjab, but also in the Ryotwari areas (including Bombay, Madras, etc.), where the processes of mortgage and subletting have caused analogous developments. In many parts of India, sub-infeudation and sub-letting have been carried to fantastic lengths, so that the cultivator of the soil is despoiled by an increasing army of functionless intermediaries, in addition to the big parasites and the government itself. A great proportion of the real cultivators of the soil are without rights of any kind and remain unaffected even by the temporary legislation by which the government has sought to stave off the impending crisis. Even in the Ryotwari areas, where settlement was originally made with the cultivators themselves, the latter have been dispossessed to a great extent by money-lenders and others.

From the beginning, landlordism under British rule has been parasitic in character, since landlords neither supply agricultural capital, nor control farming operations. Today landlordism, taken in conjunction with its superstructure of sub-infeudation and sub-letting, is the most effective barrier to the development of modern large-scale agriculture.

### **Imperialism, a Reactionary Fetter**

The penetration of finance capital in the agrarian field, which characterizes the recent period, far from freeing the productive forces from the incubus of feudalism, or introducing modern productive technique, has taken place for the most part within the framework of feudal and semi-feudal relations, and become enmeshed with feudal forms of exploitation. The net result has been to add to the burdens of the peasantry by decisively accelerating their expropriation from the land, and by crushing them under a load of debt which amounted in 1937 to 1,350,000,000 pounds. The money-lenders' exactions and confiscations, together with the payments demanded by the government and the landlords' extortions, form for the peasantry a triple scourge which has

reduced the greater proportion of cultivators in India to the status of unprotected tenants, sharecroppers and landless wage laborers. Capitalist inroads have sharply accelerated the differentiation of classes within rural society, increasing the numbers of parasite rent-receivers on the one hand and of propertyless elements on the other, as a comparison of the 1921 with the 1931 census figures illustrates:

Non-cultivating proprietors taking rent—1921, 3.7 millions; 1931, 4 millions.

Agricultural laborers (i.e., landless elements, sub-tenants and wage laborers)—1921, 21.7 millions; 1931, 33 millions.

The particularly rapid growth of parasitic landlordism in recent times, as well as the sharp rise in rural debt (from 400,000,000 pounds in 1921 to 1,350,000,000 in 1937), is really the reflection of the invasion of moneyed interests, big and small, in the agrarian field, having failed to find effective outlets for investment in productive industry. Thus the direct plunder of the peasantry of the early British period has given place to a network of forms of exploitation of modern finance capital, with its host of subsidiary parasites in the Indian economy. The Indian capitalist class, no less than the British government and the semi-feudal landlords, are tied to the existing order of rural society, and interested in its perpetuation.

Nevertheless the abolition of landlordism in all its forms, in defiance of all these vested interests, the abolition of rural debt, and the unencumbered transfer of the land to the cultivators themselves, is the basic social task of the Indian revolution, and the absolute prerequisite of agricultural advance in India.

British imperialism, in the epoch of declining world capitalism, has become the most powerful reactionary force in India, buttressing in turn all other forms of reaction. Its failure to develop the productive forces in India through industrialization, and the chronic stagnation and decay of agriculture under its rule, make its continued existence incompatible with the advancement of India, and render its overthrow an historical inevitability. To maintain its rule in India, in the face of the rising tide of mass revolt, British imperialism uses all the weapons of bureaucratic and military repression with increasing viciousness. Nevertheless the day of reckoning cannot be long postponed. The solution of the terrible problems of the toiling millions of India demand the overthrow and elimination of British imperialism, which is the foremost task of the coming Indian revolution.

# **Socialism and National Liberation**

## **A Discussion Article**

The fundamental facts of the present-day situation are the following:

1. A small number of great imperialist powers oppress and exploit the entire world.
2. These world powers are at present engaged in a life-and-death struggle for world domination.
3. This struggle—whether one imperialist coalition or another triumphs in this stage, whether one regrouping of imperialist forces or another occurs—can only lead to a new enslavement of humanity, to a new series of catastrophes, so

long as the "third camp" of the exploited and oppressed fails to come forward independently and triumph over the exploiters.

4. The social antagonisms growing at a furious pace, and the continuous enfeeblement of all the imperialist participants in the war, are creating ever more favorable objective premises for the victorious intervention of the third camp.

5. But the international labor movement whose mission it would be to stand at the head of the third camp, does not exist at present. On the European continent, it is beaten and

destroyed; in the colonies, so far as it exists at all, it is extremely weak; in the United States, it is still in its swaddling clothes and displays a very low level of political consciousness.

6. For the time being, then, the only force of the third camp that is already fighting is the movement of the oppressed peoples, their struggle for national liberation. This struggle grips both small and large nations (France!), both in Europe and in the colonies. In many countries, this struggle represents a broad, elementary people's movement which uses the most variegated methods of struggle, from passive resistance to illegal agitation, strikes, sabotage, occasional demonstrations, terroristic attempts and guerrilla warfare; and in one country (Serbia) has already culminated in organized civil war.

Anyone who would refuse, under these conditions, to concern himself with the struggle for liberation of the oppressed nations as one of the most important factors of current history, could only be advised to look for some occupation other than revolutionary politics.

Indeed, we would find very few who directly denied the significance of the struggle for national liberation of the oppressed peoples. Everybody would more or less "recognize" that this struggle is "also important" nowadays. But many who consider themselves Marxists treat this struggle with disdainful contempt. According to them, the demands of the struggle for national liberation are not "our" demands, but the demands of the bourgeoisie or petty bourgeoisie. Since—unfortunately!—the masses, as a result of their "low consciousness," enter into struggle for precisely these demands, we, proletarian revolutionists, must condescend and, even if reluctantly and with great reserve, also "support" this struggle. However, the less we are obliged to concern ourselves with it the better. We do it only out of bitter necessity, for otherwise nobody in the occupied countries would pay the slightest attention to us. However, the aims of the national movement are "actually" petty bourgeois, utopian and reactionary, they seek to turn back the wheel of history; the era of national states is past, the whole struggle is an "illusion" . . . Even if we do try to "utilize" it, this struggle is really not "our affair" . . .

In my opinion, this attitude is not only tactically erroneous and harmful, because it condemns the revolutionary groups to passivity or tail-end politics in the greatest struggles of the day; it is unsocialistic and un-Marxian in principle as well. It approximates dangerously the position of a Stalinist bureaucrat who really doesn't give a damn about the national liberation of the oppressed peoples or the realization of democratic demands, but who "utilizes" the national and democratic moods in various "popular fronts" in order to dupe the masses and his "allies" and to promote his own aims which are the opposite of any democracy.

### National Liberation, a Democratic Demand

The demand for national liberation, for the right of self-determination of the people, is a demand of radical, consistent democracy. It is one of those democratic demands that once formed part of the program of the bourgeois revolution but which can be generally and consistently realized nowadays only by means of the victory of socialism. Hence it will probably be useful to cite what a man, who could hardly be charged with uncritical sympathy for bourgeois-democratic ideas, thought about such demands and their connection with

the struggle for the socialist revolution. In 1915, in a situation resembling the present in many respects, Lenin wrote:

The proletariat cannot become victor save through democracy, i.e., through introducing complete democracy and through combining with every step of its movement democratic demands formulated most vigorously, most decisively. It is senseless to *contrast* the socialist revolution and the revolutionary struggle against capitalism to *one* of the questions of democracy, in this case the national question. On the contrary, we must combine the revolutionary struggle against capitalism with a revolutionary program and revolutionary tactics relative to *all* democratic demands: a republic, a militia, officials elected by the people, equal rights for women, self-determination of nations, etc. While capitalism exists, all these demands are realizable only as an exception, and in an incomplete, distorted form. Basing ourselves on democracy as it already exists, exposing its incompleteness under capitalism, we advocate the overthrow of capitalism, expropriation of the bourgeoisie as a necessary basis for the abolition of the poverty of the masses and for a complete and manifold realization of all democratic reforms. Some of those reforms will be started prior to the overthrow of the bourgeoisie, others in the process of the overthrow, still others after it has been accomplished. The socialist revolution is by no means a single battle; on the contrary, it is an epoch of a whole series of battles around *all* problems of economic and democratic reforms, which can be completed only by the expropriation of the bourgeoisie. It is for the sake of this final aim that we must formulate in a consistently revolutionary manner every one of our democratic demands. It is quite conceivable that the workers of a certain country may overthrow the bourgeoisie *before* even one fundamental democratic reform has been realized in full. It is entirely inconceivable, however, that the proletariat as an historical class will be able to defeat the bourgeoisie if it is not prepared for this task by being educated in the spirit of the most consistent and determined revolutionary democracy. ("The Revolutionary Proletariat and the Right of Nations to Self-Determination, Nov., 1915, *Collected Works*, Vol. XVIII, p. 368.)

In my opinion, the relationship of the struggle for democratic demands to the struggle for socialism is rightly presented here. The realization of "complete" democracy" is today *not* the task of the *bourgeoisie* but of the *proletariat*. The aim of the proletariat is not only to eliminate material poverty but also to free man in every respect. The socialists do not only want man to eat his fill but also to make it possible for him to develop freely in every sense. Consequently, it is not only the "abolition of the poverty of the masses," but also "a complete and manifold realization of all democratic reforms" that is *our* goal. Neither of these can be achieved, however, without the abolition of all class rule. The bourgeoisie can realize democratic demands only "as an exception, in an incomplete, distorted manner," because a complete democracy is incompatible with class rule. It is thus the task of the proletariat to defend all democratic demands consistently and regardless (i.e., without regard for the class interests of the exploiter, or the "preservation of order"), to fight for them *before* the revolution, *during* the revolution, *after* the revolution.

The difference between the revolutionary proletariat and the petty bourgeois reformer is not that the former would fight *only* for the socialist economic overturn and the latter only for political democracy. The proletarian revolutionist differs from the petty bourgeois reformer

1. In that he defends *consistently* democracy for *all*, while the latter can permit democracy only to a certain extent, so long as it does not exceed the limits of the bourgeois order;
2. In that he knows that "complete democracy" can be realized only through the socialist revolution, through the abolition of all class rule, and therefore judges every democratic demand *sub specie* this final goal.

We cannot, of course, be content with the quotation from Lenin as proof of this thesis. Since the time when Lenin wrote, much has changed in the world. The question is whe-

ther we have today more or less reason to apply the policy outlined by him.

Lenin wrote during the First Imperialist World War. This war ended with an imperialist peace. The peace brought national "freedom" to a number of formerly oppressed peoples—but at the price of suppression of other nations or parts of them. It led to the introduction of bourgeois democracy in a number of countries, of that "incomplete, distorted democracy" which is consistent only with bourgeois class rule. But in the epoch of imperialism and of the profound historical crisis of the capitalist system, even this distorted democracy is not durably compatible with the maintenance of class society could no longer develop within the framework of capitalist anarchy of production; the world had to proceed to the socialist organization of economy, to socialist democracy, which was possible only through the proletarian revolution or, should this revolution fail, or else suffer the attempt at "the organizing of economy" with the retention of class exploitation, paid for with the loss even of the relative democratic rights, with the totalitarian bureaucratic dictatorship. The only victorious proletarian revolution remained isolated in backward Russia and degenerated into the totalitarian rule of the parasitic class of bureaucrats. In Germany and Italy, the proletariat was unable to carry through the proletarian revolution; bourgeois democracy was replaced by fascist dictatorship; and with it the organized labor movement was destroyed. Now we find ourselves in a new war of the ruling class of the imperialist countries for world domination. And in this war there has passed away the national freedom not only of the "new" peoples "liberated" in the first war, but also of the "old" nations united in the course of bourgeois evolution.

Do we have more reasons or less, today, for placing the democratic demands, including the right of national self-determination, in the foreground of our struggle?

### **Democracy Incompatible with Class Society**

In the first place, bitter experience has corroborated how right Lenin was in the phrase that "the proletariat cannot become victor save through democracy, i.e., through introducing complete democracy." The introduction of planned economy alone does not suffice for the victory of socialism; planned economy and the statification of the means of production, without "complete democracy," can, as modern Russia shows, also become a means to the new enslavement of the toilers. Whether we regard the Russian bureaucracy only as a "parasitic caste" or as a new exploiting class, whether we think that a "political revolution" suffices for the introduction of socialism in Russia or we see that this revolution, in its essence, is a social revolution under present conditions, we will surely all agree that the essence of this revolution must be the introduction of proletarian democracy in the state and in the economy—*without proletarian democracy there is no socialism*. The revolution against fascist rule in the totalitarian states, too, cannot lead to the final victory unless it leads in the long run to the replacement of the totalitarian dictatorship by socialist democracy—provided we are not content with substituting the Stalinist executioner for the Nazi executioner. And in the remaining "democratic" countries which, should class rule continue to exist, will introduce totalitarian "planned-economy" methods more and more, there too the socialist struggle can be conducted successfully only under the slogans of socialist democracy. The revolution against

the bourgeois and bureaucratic exploiters can triumph only as a socialist-democratic revolution.

### **The Progressive National Struggles**

What applies generally to democratic slogans and demands applies also to the special case of the democratic demand for the right of self-determination of nations. Here too we have more reasons than ever before to put this democratic demand energetically in the forefront. In the quoted article of 1915, Lenin still had to concede to his opponents that in Western Europe, in France, Germany, Italy (and we can add Holland, Scandinavia, etc.) the movement for national liberation was a thing of the past. He only showed that in Central and Eastern Europe, in Asia and Africa, it was a thing of the present and that future and that the great majority of humanity lives in these territories. However, history often develops backward. The struggle for national liberation is today again on the order of the day in Scandinavia, Holland, Belgium, and France, and in many respects even in Italy. In all Europe—except for a few remaining neutrals, whose "independence" can be destroyed at any time within a week—there are now only three nationally independent nations: the English, the Germans, and the Great Russians. And even their national independence is at stake in the present contest. Imperialist ruling nations today, they may be turned into oppressed peoples tomorrow, as the example of the French shows.

The peculiarity of the present situation is this, however, that the struggle of the imperialistic great powers (a reactionary war on all sides) criss-crosses and interpenetrates the essentially progressive struggle of the oppressed peoples for their national liberation. Every imperialist power naturally endeavors to exploit the national struggle in the camp of its opponent for its own imperialist aims. That's nothing new. Back in the First Imperialist World War, the German imperialists "supported" and "promoted" the Irish uprising, the disturbances in India, the aspirations for independence of the Ukrainians, while Entente imperialism adopted among its demands the union of the South Slavs, the liberation of the Czechs, Rumanians, Italians, etc., in Austria and even the union of the Arabs. Among the Poles, whose country was divided among the imperialists of both groups, Foreign Legions fought "for the liberation of Poland" on both sides of the front simultaneously.

This circumstance misled many revolutionists to a negation of the possibility of a progressive, anti-imperialist national struggle in the present epoch. Because any national struggle can be exploited by the rival imperialists, they concluded, a progressive national struggle in the epoch of imperialism is altogether impossible, and anyone who supports a national struggle gives aid in the long run to one imperialist group. They overlooked the fact that along with the antagonisms between the imperialist groups, the basic fact of the present epoch is the comprehensive antagonism between the imperialist and the oppressed countries, and that while the struggle of an oppressed people can be exploited for imperialist purposes, it may also be embraced within the general struggle of the oppressed against all oppressors. The question is, who gains hegemony in the national struggle—the national bourgeoisie, which for reasons to which we will return is always ready to sell itself to an imperialist camp, or the proletariat, whose fundamental interest lies in the destruction of *all* imperialism?

## Oppression and Imperialism Synonymous

The movements of the oppressed peoples—especially of the culturally advanced—usually have a broad, universal, elementary character. They broadly embrace all the strata of the population. And they are filled with a social content. For national oppression has not only a political, linguistic and cultural, but primarily an economic character. The peoples are politically oppressed by the imperialists in order that they may be economically exploited. The liberation of India means that the billions now received by the English bourgeoisie will remain at home. The struggle for Irish Home Rule was the struggle of the Irish tenants against exploitation by the English aristocracy. The East Galician or White Russian peasant was opposed to the Polish state because he wanted to be rid of the Polish landlord, usurer, banks and tax collectors. For the Chinese coolie, national oppression is incarnated in the Japanese or English manufacturer who employed him fourteen hours a day in the Shanghai factories.

That is how the toilers of the oppressed nations identified—consciously or unconsciously—the national foe with the social exploiter, the struggle for national liberation with the struggle for social justice, national independence with a better social order. They fill the national struggle with the social content that corresponds to their class interests, even if often unclearly and vaguely.

The national bourgeoisie, on the other hand, in so far as it takes part in the struggle for national liberation, fights for its "place in the sun," for the "rightful" opportunity to exploit "its" people "independently." However, it cannot be quite consistent in the national struggle. The goal of the struggle can be achieved only by the mobilization and the revolutionary fight of the broadest masses. But once the masses start moving, who knows where they will halt? . . . Will they, once they have overthrown the foreign exploiter by bloody struggle, allow themselves peacefully to be exploited by their own bourgeoisie? Will they turn over to their own bourgeoisie, "according to regulations," the factories and lands they took by force from the foreign capitalists and landlords? May it not occur to them that if mass violence is fitting and proper against foreign exploiters it can also be employed against their own parasites? And rather than evoke the spirits of revolutionary mass struggle, is it not better to make a compromise with the imperialist oppressors and be peacefully content with a modest, but for that a sure portion of their loot?

Thus two souls continue to contend in the breast of the national bourgeoisie. It threatens the oppressors with the people, but is afraid to unleash the forces of the people. It oscillates between uprising against the foreign exploiters and a compromise with them. It wouldn't mind becoming radical and showing the foreign thieves, if only it didn't have its own masses to fear. It would fight pretty radically, if it could rely on a big, solid power that promised it help against the oppressor of today as well as against its own insurrectionary masses tomorrow. It finds this power, however, in a foreign imperialism which is in rivalry with its own oppressors. Thus the bourgeoisie becomes radical and reckless in the struggle against the foreign yoke in only one case: when it is serving a foreign imperialism and when the victory of this foreign imperialism against its own overlord is in the offing. It ceases to sell the interests of its own nation to the overlord for petty concessions only when it is in a position to barter them to imperialist competition under more promising conditions.

The working people know no such considerations. They bear all the burdens, risks and sacrifices in the national liberation struggle in the hope that national freedom will bring them a better social fate. They are cheated out of the fruits of their sufferings and struggles at the last moment if they find no leadership that knows how to give conscious expression to the instinctive linking of the democratic with the social demands and how to switch the struggle for national liberation on to the rails of the socialist revolution.

These views on the rôle of the various classes in the national struggle are not at all the fruit of abstract speculation. They rest upon countless experiences. I should like to adduce at least one of these experiences, the experience of the struggle of the oppressed peoples in the Austro-Hungarian monarchy during the World War of 1914-1918.

## Bourgeois Nationalism Is No Savior

Austria-Hungary was a semi-feudal, semi-capitalist prison of the peoples. The ruling nations—the Germans and the Hungarians—were only a minority of the population. A part of the oppressed peoples was already developed capitalistically and had its own bourgeoisie. Yet the workers and peasants of the oppressed peoples continued to confront the German or Hungarian capitalist and landlord at every inch of the way. A large part of the surplus value from the territories of the oppressed peoples went to Vienna or Budapest, where the big corporations had their headquarters, the aristocrats their palaces, and the central authorities their seat. That's how, as the phase went in those days, "palaces on the Danube were built of our sweat." The national bourgeoisie of the oppressed peoples was of course unsatisfied with this situation, and it filled the last decades of existence of the monarchy with the sound of its protests, oppositions and obstructions. This struggle went so far as to make impossible for decades any regulated work by the Parliament. But it did *not* go so far that the bourgeoisie of the oppressed peoples should set itself the goal of smashing Austria. Many times the most developed of these bourgeoisies, the Czech, threatened, in the words of its ideologist, Palacky: "We existed before Austria, we shall exist even after Austria," but it went no further than threats; essentially it remained true to the line of the same Palacky: "If there were no Austria, we would have to create one." For even the bourgeoisie of the oppressed people was interested in the vast market, embracing fifty million people and defended by a protective tariff, that the monarchy offered. Its aspirations went no further than the reconstruction of Austria on a federative basis and the obtaining of a larger share of the profits and the favors of the state apparatus.

The idea of complete national independence occurred seriously to the bourgeoisie of the peoples oppressed in Austria only during the World War, when, firstly, the masses of the oppressed peoples had for a long time been combatting Austrian imperialism by means of desertions, sabotage and passive resistance, and obviously could no longer be restrained from revolutionary struggle; and when, secondly, the foreign "liberator" appeared on the horizon who not only promised to finish off Austria and Germany but also seemed to guarantee the maintenance of "order" against revolting masses. Even then the action of the bourgeoisie abroad was confined to rounds of gaiety and bootlicking among the mighty of the Entente, and the recruiting of legions which, being put at the disposal of the Entente, were often employed for entirely different tasks than the struggle for the liberation

of their countries. (Thus the attempt to misuse the Czechoslovakian legions for the suppression of the Russian proletarian revolution.)

At home, the revolutionary activity of the bourgeoisie was limited, in the first stage of the war, to waiting for the triumphal entry of the Czarist army and to preparing for the regal feast that would follow. But when the Czarist "liberators" did not show up and the repression began, the bourgeoisie lost courage, made countless declarations of fealty, solemnly repudiated the activities abroad, had its parliamentary representatives send telegrams of congratulations to the Austrian generals on their victories and sought to snatch its share of the war profits.

Only toward the end of the war, when the victory of the Entente was already assured, when the Austro-Hungarian monarchy, shaken by military defeats, the effects of the Russian Revolution and the revolutionary actions of the toiling masses, was obviously approaching collapse, did the national bourgeoisie suddenly put itself at the head of the movements for national liberation in order to garner their fruits.

### The Incapacities of Social Democracy

How was it possible for it to succeed in this? While the proletariat represented the bravest cadre of the national movement, it had no policy of its own in the national question. Had the Austrian social democracy, with its numerous and fairly strong national sections, been a revolutionary party, it would have advocated the slogan of the destruction of Austria, the right of self-determination of all nations and their voluntary union into a socialist Central European Federation. Thereby it could undoubtedly have become the leader of the broad masses, of the masses who, even *without* its participation, demonstrated as early as October, 1918, for independent socialist republics of the various oppressed peoples.

But the learned Austro-Marxists came to the conclusion that the era of small states is past; that it is reactionary to divide large economic units into small national states; and that national independence in the epoch of imperialism is altogether a reactionary illusion. Hence, it concluded, Austria must remain, and we must take a position *against* the struggles for national liberation.

That is why the social democracy, at the moment of the national revolutions, remained without any influence upon the events until the time when it once more took its stand "on the basis of facts." These new facts, however, were small national states, every one of which oppressed other nationalities. In place of the large Austro-Hungarian prison of the peoples, a number of smaller prisons of the peoples arose which were to serve western imperialism, on the one hand, as a wall against the resurgence of German imperialism, and on the other, as a barrier against the Russian revolution. After twenty years, it was confirmed that the *premises* of the Austro-Marxian ideas were right: no small people can maintain its freedom for a long time in the imperialist world. But not less demonstrated was the fact that the *conclusion* was false. For if a revolutionary party had not left the struggle for national liberation during the First World War to the bourgeoisie, but had placed itself at the head of it and then switched it on to the tracks of the socialist revolution, a league of socialist republics would have arisen in Central Europe and all history would have taken a different turn.

From all that has been said it follows that the struggle for national liberation can lead to one of two results: to new imperialist oppression, if the bourgeoisie wins hegemony in the

struggle; or to the breaching of the imperialist system, if the proletariat conquers the leadership.

### Totalitarianism and the National Struggle

What changes have taken place today in the national struggle and what influence can they have upon the deciding of this question?

It can indeed be said that the *objective* premises for proletarian hegemony have become *more favorable*.

Totalitarian oppression under fascist rule has not been without influence upon the social structure of the oppressed peoples. The peoples have been proletarianized, pauperized and plundered in an unprecedented way. Their national bourgeoisie has to a large extent been expropriated by the fascist oppressors. An excellent instrument for accomplishing this was the so-called Aryanization. By no means was this aimed at Jews alone. If it is borne in mind that according to the Aryanization laws any enterprise is considered "Jewish" in which even only *one* "Jew" is present as a member of the board of directors or as a managing officer, it can easily be imagined how comprehensive this expropriation has been. Germans have been put at the head of all enterprises in the occupied territories; the native bourgeoisie, so far as it still exists, is economically entirely dependent upon the new rulers. It still retains representation abroad in the form of the various governments-in-exile, but at home its social power constantly shrinks. At the same time, broad sections of the middle classes are proletarianized and mobilized for war production as slaves of the totalitarian rulers of the land.

In the various occupied countries, this process has developed differently. It is of course furthest advanced among the Poles and Serbs who have been transformed into veritable slave nations under German rule. But in other oppressed countries the development is in the same direction. Socially, the weight of the bourgeoisie in all the oppressed nations of Europe has indubitably declined; the social weight of the toilers, especially of the workers, has increased. The objective premises for the hegemony of the proletariat in the struggle for national liberation have become more favorable.

Things are not so simple with regard to the *subjective* conditions. Without a doubt, events have contributed to undermining the naive national illusions that played so great a rôle in 1918. In 1918, the majority of the "liberated" nations imagined that the newly-conquered national independence was guaranteed forever. Since then experience has shown that so long as the exploiting system remains, no people can consider its national freedom secure. The Poles can now see that their country must again and again become—so long as the imperialist world exists—the European war arena with all the dreadful devastation that follows. The same holds true of Belgium and Holland. The Czechs have been taught by history that in the imperialist world they have only the choice between the foreign yoke and the bloody struggle for national freedom every twenty years. Even such nations which have lived until now at the periphery of Europe and felt themselves secure in their neutrality, like the Norwegians and the Danes, see themselves being drawn irresistibly into the vortex of the imperialist struggles. And even the great French nation, which could no longer imagine a threat to its national independence, now feel on its body the dangers of the imperialist system to its very existence. Everyone can now see that without the organization of Europe and of the whole world, no people is assured against the constant danger of the loss of its national freedom. Even the governments-in-exile must

take into account the fact that nobody believes any longer in the guaranteed existence of independent nations in the present world: the Polish and the Czech, the Yugoslav and the Greek foreign governments already have concluded pacts on federative union of their countries. That these "regional federations" do not solve the problem and that, given the imperialist system, they only represent alliances for future wars, will, however, be pretty clear in spite of all Atlantic Charters. Thus the idea becomes more accessible to the peoples that only an all-embracing socialist federation of equal peoples, in other words, that only socialism can guarantee their national freedom.

On the other hand, to be sure, the terrible oppression of the peoples by the Nazis, in the absence of a German proletarian movement, has conjured up a terrific national hatred directed indiscriminately against all Germans. To overcome it will be one of the hardest tasks of the coming socialist movement.

### **Socialism Alone Can Bring Freedom**

The greatest obstacle to the transference of the struggle for national liberation to the rails of the general socialist struggle is certainly the lack of an organized labor movement.

However, nothing is gained by lamentations about it. The task of creating such a movement in the course of the struggle for national liberation is certainly difficult, complicated, dangerous. But there is no other road. The proletarian movement cannot grow up somewhere on the sidelines in silence. It can take shape only in the midst of the struggle that moves the masses. At the present time, that is the struggle for democratic demands and for national liberation. Finally, history teaches that every proletarian mass movement up to now

arose in the struggle for democratic demands: the first labor movement with a mass character in Europe, the movement of the English Chartists, in the struggle for the democratic reform of Parliament; the parties of the Second International in the struggle for general, equal and secret suffrage; the Russian social democracy, the Bolshevik party included, in the struggle for the overthrow of Czarism and for the democratic revolution. These experiences, also, lead constantly to underscoring the importance of the struggle for democratic demands.

In summary: the present struggle of the oppressed nations for their national liberation is essentially a just, progressive struggle for democratic demands. It can be exploited by the imperialists and put at their service. It can also, however, contribute to the regeneration of the labor movement, and should the latter acquire hegemony in this struggle, become the powerful lever for the liberation of the world from all imperialism and all class exploitation.

The oppressed nations today constitute four-fifths of humanity. If the proletariat of the ruling imperialist countries allies itself with them and this force attacks the imperialists who are now cutting each other to pieces in a life-and-death struggle, humanity certainly has a good chance of freeing itself of exploitation and oppression. It is the task of the socialists to show the masses this possibility, this perspective, to explain to them the connection of the struggle for socialism with the struggle for all-sided democracy and for the liberation of all peoples. Especially is this needed in the United States, where the struggle for political democracy has played no decisive rôle in the development of the working class, where the national struggle in the European sense is unknown, and where, consequently, the understanding of these questions among the broad masses has hitherto been slight.

J. W. SMITH.

**ARCHIVES OF THE REVOLUTION** Documents Relating to the History and  
Doctrine of Revolutionary Marxism

# The Social Roots of Opportunism

At the outbreak of the war the opportunists in the working class of all the most important countries became social chauvinists.

The evolution of the individual persons, of the individual representatives of the Second International cannot be exhaustively explained in the light of the struggle of the two tendencies. It is not correct to maintain that *all* the present social chauvinists were previously opportunists. It is true beyond a doubt, however, that all the former opportunists are today social chauvinists. Individual, isolated exceptions merely prove the rule, in this case as well. The most important elements of modern social chauvinism were always latent in the old theory of opportunism. The war came, and everything that was still unclear in the ferment of opportunism took on sharply defined forms. The entire bourgeois residue which was until then concealed by the mask of socialism came suddenly out into the limelight. All the potential (bourgeois) energy took on kinetic form—what was kept secret until then was now openly expressed.

But here the question arises: where does opportunism in the socialist movement come from? How, by which path, and through which channels does this bourgeois influence penetrate the workers' parties?

One of the causes of opportunism are the so-called camp-

followers, that is, those strata of the electorate which are mainly recruited from the petty bourgeoisie, which do not belong to the social-democratic party and are not convinced socialists, but nevertheless join with the social democracy occasionally under the influence of one accidental circumstance or another, contributing their voting strength in the elections.

This phenomenon has its deeper causes and is rooted, above all, in the entire development of the bourgeois parties and of bourgeois liberalism. In all countries in which—one way or another—a bourgeois revolution has taken place, the bourgeoisie has long been—in Germany, ever since 1848—counter-revolutionary and inimical to the people. The historic experiences accumulated by the bourgeoisie have had their effect. Even in a country which is going through the state of development that present-day Russia is, the bourgeoisie has become a thoroughly counter-revolutionary factor.

Bourgeois liberalism has lost its attractive powers and is continuing to lose it ever more, from year to year. In Germany, for instance, for some time now no genuine people's party has existed outside of the social democracy. There is no great bourgeois-democratic party to take into its ranks, not proletarians, but millions of the small people, those people who are dissatisfied with the existing order, who feel that they are at a disadvantage in modern society, who long for a

radical economic and political improvement of their situation. All the dissatisfied, all the distressed, all the disfranchised elements are forced to go to the social democracy. No matter how moderate in its demands, how opportunistic the German social democracy was even before the war, it was the only democratic people's party in Germany. It alone defended, for better or for worse, the interests of the small people and the middle classes. Thus it became converted into a refuge for all the non-proletarian elements who could not stomach the practices of counter-revolutionary and anti-democratic liberalism, already fast in the grip of the imperialist claws. Under the influence of one or another aggressive measure on the part of the bourgeoisie or of the Junkers, many hundreds of thousands of petty bourgeois camp-followers came over and gave their votes to the social democracy.

Therein lay the strength as well as the weakness of the German social democracy. Its strength consisted in the fact that the German social democracy had become the only people's party, that all the dissatisfied in the country sought its protection, that almost the entire democratic population flocked to its banner. Its weakness consisted in the fact that the petty bourgeois camp-followers brought with them into the workers' party the political lack of character, the indecision, the bourgeois mode of thinking and all those other characteristics inherent in the strata that stand between the classes. Socialism became infected with opportunism.

### Universal Suffrage—The Hunt for Votes

In a country that has universal suffrage a particularly intensive vote-chasing is inevitable. In the chase after electoral successes, the German social democracy adapted itself to its eventual allies, to its camp-followers recruited from the non-proletarian strata. A whole category of people arose who voted for the social democracy, but only reluctantly joined the social-democratic organization, who interested themselves exclusively in the general democratic and reformist work of the social democracy.

The world of the "camp-followers" also carried to the surface the corresponding leaders. Heine, Südekum, Landsberg, David—these are the typical representatives and leaders of such strata. One such stratum, for instance, the saloon-keepers, is strongly represented in the social-democratic fraction of the Reichstag. Among the social-democratic deputies to the Reichstag there were four saloonkeepers (out of 35 deputies) in 1892; six (out of 81) in 1905; 12 (out of 110) in 1912.\* Basing themselves upon the more backward layers of the working class, these ideological-political leaders of the camp-followers create a whole tendency inside the social democracy. Gradually a state within a state is formed. The petty bourgeois influences grow constantly stronger. The social democracy itself becomes a *camp-follower of the camp-followers*. It is not the camp-followers who adapt themselves to the social democracy, but the social democracy that adapts itself to them. In the critical moments of history it is the petty bourgeois and not the proletarian tendencies in the social democracy that win the upper hand. The petty bourgeoisie, due to its social situation, is doomed forever to vacillate between two camps. Thus it is not at all surprising that in the course of such a crisis as was created by the outbreak of the World War, the pendulum swung over to the bourgeois-imperialist side and remained stationary there. That is how the

bourgeoisie achieved a signal victory inside the German social democracy against the working class elements.

*How large is the figure for the electoral camp-followers of the social democracy?* It is not easy to give an exact answer to this question. First, it is necessary to become familiar with the manner in which the parliamentary successes of the German social democracy developed in general, with the way the entire number of active voters in Germany grew and with what percentage of it the social democracy captured.

The following table throws some light on the subject:

Year	Total Vote Cast	Increase or Decrease (Totals)	Vote Cast for S-D	Increase or Decrease (S-D Vote)	Number of S-D Deputies
1871	3,881,000		113,000		2
1874	5,190,300	+1,309,300	351,700	+243,300	10
1877	5,401,000	+ 210,700	493,000	+141,700	13
1878	5,760,000	+ 349,900	437,200	— 56,200	9
1881	5,097,800	— 663,100	312,000	—125,200	13
1884	5,663,000	+ 566,200	550,000	+238,000	24
1887	7,540,900	+1,877,900	763,100	+213,000	11
1890	7,228,500	— 312,500	1,427,300	+664,200	35
1893	7,674,000	+ 445,500	1,786,700	+359,400	44
1898	7,752,700	+ 74,700	2,107,000	+320,300	56
1903	9,495,600	+1,742,900	3,010,800	+994,000	81
1907	11,262,800	+1,767,200	3,259,000	+248,200	43

This is the general picture up to the year 1907. Finally, the German social democracy gained 990,000 new votes in the last Reichstag elections (1912), receiving 4,250,000 votes and 110 seats for its deputies

Let us look at these figures closely. In so far as the *absolute* increase in votes is concerned, the German social democracy has been marching from triumph to triumph. Only twice, at the inception of the anti-socialist laws, was there an absolute loss of votes cast. But the absolute increase in votes proceeds, not *gradually*, but in *leaps*. In view of this circumstance, the question arises: Isn't there some logical law even in this jerky process, isn't there some connection between this process, on the one hand, and the influx and decline of camp-followers, on the other hand?

K. Kautsky drew attention to this condition in 1912; he maintained that in the years in which the total number of voters grew, the social democracy did not *immediately* gain the new votes, but even registered a *relative* loss of votes. But three or four years later, in the successive elections, the social democracy usually won a big election victory and increased considerably the number of votes cast as well as the number of seats gained. Thus in 1887 the total number of votes rose by about two million, but the social democracy gained only about 213,000 votes and even lost thirteen seats. But in the succeeding elections in 1890, the social democracy gained 664,200 votes and 24 seats in Parliament. A similar phenomenon may be observed between 1907 and 1912. In 1907 the total vote again increased by almost two million, but the social democracy gained only 248,000 votes and lost 38 seats. It was only in the elections of 1912 that the social democracy gained 990,000 new votes and 67 new mandates.

Naturally, inter-party combinations and various sorts of election manoeuvres played their rôle in all this. But, generally speaking, it is clear that this irregular movement may be accounted for in this manner: When there is a sharp rise in the number of voters, that signifies that such layers of the population as had previously been indifferent to politics have now been awakened to political life. Quite often it is the bourgeois parties and even the governments who share in the creation of this phenomenon by allowing them to participate

\*R. Michels, *Zur Soziologie des Parteiwesens in der deutschen Demokratie*, Leipzig, 1911, p. 279 ff. We speak of saloonkeepers, restaurant owners, etc.

in political life. In their mad scramble for votes the Center party, the Conservatives, the Liberals, etc., are forced to draw ever new strata of the population into politics. At first the bourgeois parties succeed in deceiving these new layers of politically inexperienced voters—the peasants, the petty bourgeois parties win an electoral victory. But this victory is of short duration. The new strata of voters are soon disillusioned by the bourgeois parties, they become convinced that they are being betrayed and politically exploited. Gradually they begin to go over to the social democracy. This is why we witness a particularly sharp increase in the social-democratic vote at the election *several years after* the sharp rise in the total voting figures.

Applied to the question of the camp-followers which occupies our interest at present, this has the following significance for us: Between the official social democracy on the one hand, and the bourgeoisie, the Junkers and the clericals on the other, there arises a contest for the vacillating intermediate layers, among whom both camps enlist their auxiliary cadres of camp-followers. The bourgeoisie and the Junkers naturally have at their disposal far greater means and far more opportunities to arouse new strata of voters to action. But a large section of the latter, in so far as they are not directly included among the rich and the exploiters, must inevitably shift to the side of democratic principles, the only representative of which, in Germany, is the social democracy. Part of these camp-followers may, naturally, return once more to the bourgeois parties under the influence of various circumstances. They constitute a changeable quantity, an unreliable element, both from the point of view of the social democracy as well as from the point of view of the bourgeoisie.

### A Cross-Section of Social Democratic Votes

Let us turn now to the quantitative side of the question. Let us see if we cannot establish what part of the voting strength of the German social democracy the bourgeois camp-followers constitute.

Regarding the social composition of the social-democratic electorate in Germany, only scant data are available in the press; and that, despite the great importance of the question as to what strata the immense army of voters of the biggest political party in the world are recruited from. All the more valuable, therefore, is the attempt at a scientific investigation of this question that we find in Werner Sombart's *Archiv für Sozialwissenschaft und Sozialpolitik* for 1905. We refer to the essay published therein, entitled "The Social Composition of the Social-Democratic Electorate in Germany."

In a special post-script to this article, Prof. Max Weber, one of the editors of the journal, points out that in view of the nature of the material with which the author had to operate, the result of his research cannot lay claim to absolute scientific exactness. Our reader must also take this annotation into account. Nevertheless, the data which we cull from the aforementioned work are extraordinarily valuable for the question concerning us.

The investigation bases itself upon a combination of election statistics and social statistics. "By comparing the corresponding proportions in each of these two fields, valuable disclosures regarding the relationship in question become of themselves apparent, and the contents of the sealed ballot box automatically emerge from their mysterious obscurity." (*Op. cit.*, p. 509. Essay of Dr. Blank.)

This collation is constructed on the basis of the figures in the election campaign of 1903. But in the course of the two

succeeding election campaigns the number of social-democratic voters coming from the petty and middle bourgeoisie must have risen even more considerably.

The method of the author consists of the following: On the basis of the data furnished by *social statistics* he calculates the figure for *all* workers participating in the elections in a given city. Then he compares these figures with the data furnished by the *election statistics* and arrives at the figure for the total number of workers participating in the elections. For instance, if in the city of X, let us say, 10,000 workers participated in the elections, while at the same time, the social democracy received 15,000 votes, then it clearly follows that in this city at least 5,000 votes were cast for the social democracy by non-workers; for, even if we assume that *all* of the 10,000 workers without exception voted for the social democracy, then the remaining 5,000 votes must have been cast by non-proletarians. This conclusion cannot be challenged.

Applying this method, the author has drawn up a table which comprises the twenty-eight most important cities in Germany. (*Op. cit.*, Vol. 20, No. 3, j. 529.) Since it is of great importance, we are quoting it in full. The center of gravity of the German social democracy is being transferred ever more completely to the city, in line with the whole process of social development. The strength of the German social democracy is concentrated mainly in the cities. The elections of 1912 showed this in a particularly graphic manner.\*

And what do we see? In the elections of 1903 the German social democracy receives 40 per cent of its votes from non-proletarians in such a city as Bremen, 41 per cent in Hamburg, 41 per cent in Frankfurt-on-Main, 41 per cent in Munich, 39 per cent in Leipzig, 41 per cent in Dresden, etc. (See the table.)

Name of City	No. of Workers of Voting Age in Categories A, B, C**	No. Participating in the Elections in the Year 1903	No. of S-D Votes in the Elections of June 16, 1903	Surplus in S-D	Votes in Elections (1903), in Percentages
Königsberg	13,183	9,504	14,042	32	
Danzig	10,480	6,686	6,567	—	
Berlin	180,611	133,110	222,386	40	
Charlottenburg	11,081	7,147	16,119	56	
Stettin	14,043	10,968	20,807	48	
Breslau	36,764	26,801	33,024	19	
Magdeburg	21,970	18,257	20,807	13	
Halle	11,111	9,022	13,392	33	
Altona	15,193	12,033	22,032	45	
Hanover	22,601	16,702	19,239	13	
Dortmund	15,027	13,134	9,442	—	
Frankfort O. M.	23,722	13,498	22,809	41	
Düsseldorf	20,824	13,244	15,018	12	
Elberfeld	15,478	12,630	14,268	12	
Barmen	15,594	12,874	13,178	—	
Krefeld	10,108	7,490	5,884	—	
Cologne	35,338	23,782	22,403	—	
Aix (Aachen)	11,082	6,682	3,705	—	
Munich	43,703	28,494	46,917	39	
Nuremberg	18,750	14,906	27,924	47	
Dresden	38,007	31,242	52,943	41	
Leipzig	43,233	35,321	51,485	31	
Chemnitz	18,664	15,528	24,095	36	
Stuttgart	17,266	13,506	17,551	23	
Brunswick	12,710	9,901	13,435	26	
Bremen	15,690	14,717	21,209	31	
Hamburg	68,042	55,632	94,898	41	
Strassburg (Alsace)	12,221	9,740	12,110	20	

\*Even in Austria, where industry is markedly less developed than in Germany, the social democracy received, in the 1911 elections, 36.2 per cent of the total vote cast in the cities, and only 17 per cent of the total cast in the rural sections.

\*\*A—Agriculture, gardening, forestry, grazing, fishing; B—Mining, foundries, building and construction; C—Commerce, transport, hostelry, refreshments.

We do not wish to quote figures from the research study mentioned which may be challenged. But the figures are, as a whole, incontrovertible. And they give the expression to a fact of tremendous political importance. Even in Germany's biggest cities, in the chief fortresses of the social democracy, more than a third of its voters does not belong to the working class, but to the bourgeoisie. To the petty bourgeoisie, for the greatest part; to those strata which are on their way toward proletarianization and stand close to the working class population—but in any case, to the bourgeoisie.

### The Desire to Increase the Electorate

The author of the aforementioned treatise arrives on the basis of a series of computations at the conclusion that as early as 1903 the number of bourgeois votes cast for the German social democracy had already reached the 750,000 mark, *at the very least* (*Op. cit.*, p. 520). This just about equals the number of votes polled by the two liberal parties of the bourgeoisie in the same elections; the "National Liberals" and the "Liberal People's Party" (542,556). The bourgeois camp-followers of the social democracy are so numerous that they form a counter-balance to the number of voters following the two big German bourgeois-liberal parties. The author regards it as probable that in the elections of 1903, the bourgeois elements in most of the big cities in Germany contributed one-third of all the social-democratic votes—in many big cities, even as much as one-half (*Op. cit.*, p. 527).

The German social democracy has its camp-followers not only in the big cities, however, but also on the countryside. In the elections of 1903 the votes cast in the agricultural districts were divided as follows among the various parties:

Center .....	1,033,051
Social Democratic Party .....	735,093
Conservatives .....	666,678
National Liberal Party .....	546,216
Empire Party .....	206,248
Liberal People's Party .....	174,122

Thus the social democracy polled all of 735,093 votes in the elections of 1903, on the countryside alone. Undoubtedly the greatest part of these votes came from farm hands and day laborers. But even so, there can be no doubt that votes coming from the agrarian petty bourgeoisie are included in this total. The percentage of the latter is particularly low in the Catholic districts, but even in the Protestant districts it is not high.

By and large, the voters coming from bourgeois circles naturally only form a minority inside the German social-democratic electorate. The majority of the social-democratic voters consists of workers.\* By the force of their numbers, the working class element could impose their majority will upon the non-proletarian elements. But in reality this does not normally happen. The party *wants as many camp-followers as possible*. In practice, the party exerts all its energy to draw these bourgeois camp-followers to its side, not to do anything that might displease them very much. Consequently, a whole series of concessions to petty bourgeois psychology, moderation of the proletarian demands, the opening of the road to opportunist unclarity.

\*Among these, the better situated workers, the so-called "labor aristocracy," play a big rôle.

Immediately after the abolition of the anti-socialist laws, the German social democracy doubled its vote. The total number of participants in the election fell in 1890 by about 312,000 votes (1887, 7,540,900; 1890, 7,228,500). The number of social-democratic votes, on the other hand, rose by some 664,200 votes (1887, 763,100; 1890, 1,427,300). Whoever followed German public affairs attentively could have observed even at that time, that this growth in the size of the vote was not simply due to the influx of many thousands of petty bourgeois camp-followers. There was some talk, even then, about a certain kind of *coalition* between bourgeois democracy and the workers' party.

As an indirect confirmation of this sort of evaluation of the events the following simple but significant incident may serve. In 1891 the German social democracy considered it necessary to change its name. Previously the name was Social Democratic Workers' Party of Germany. Now it is simply Social Democratic Party of Germany. The word "Workers'" disappears from its name.

Obviously a social-democratic workers' party must not close its doors to people of another class origin. A social-democratic party gathers within its ranks all those elements of society which adopt the point of view of the working class. But in its basic structure, it must remain a *workers' party*. It can hardly be regarded as accidental that the German social democracy in the Nineties considered it necessary to change its name precisely in the direction indicated. It must be assumed, moreover, that this was a manifestation of a decidedly opportunist tendency. In the light of the events of 1914, we are naturally inclined to become distrustful. There is even the danger that we might consider accidental and unimportant events retrospectively, as symptomatic of a whole line of opportunism. To all appearances, the incident we have cited has not, however—we repeat—been one of an accidental character.

### Dr. Blank's Thesis and Bebel's Reply

But let us return to Dr. Blank's treatise. This work made its impression. None other than August Bebel devoted a long article to it in the *Neue Zeit*. Bebel disputed the conclusions drawn by Blank, who insisted that in view of the motley composition of its electorate, the German social democracy was not a class party. But the figures employed by the author are recognized by Bebel as substantially authentic. Bebel writes: "We are even inclined to regard his numerical results, as a whole, as quite close to the point; but it is an entirely different matter with the conclusions he draws from the results of his work." (A. Bebel, "*Die soziale Zusammensetzung der sozialdemokratischen Wählerschaft Deutschlands*," *Neue Zeit*, Vol. 23, 1904-1905, II, p. 332.)

Although Bebel recognizes the statistical data of the author as "quite close to the point," he is nevertheless of the opinion that the number of social-democratic voters coming from bourgeois circles in 1903 amounted to only 500,000, "so that there were approximately six working class voters to one bourgeois voter (*Loc. cit.*, p. 335). "These are artisans, small businessmen, small farmers, small government employees, teachers, artists, white collar workers in the various types of enterprises, etc." (*Loc. cit.*, p. 337). "There are, for instance, tens of thousands of industrial workers who receive better pay and better treatment and who are more independent than tens of thousands of business men and office workers. That also explains why, at the elections to the Court of Commercial Arbitration

in Berlin, on May 7, 1905, the social democracy received 21 per cent of the votes cast and came out as the second strongest party." (*Loc. cit.*, p. 335.)

Bebel disputes energetically the contention that the social democracy had become transformed from a socialist into just a democratic party. The change in the name of the party, made in 1891, did not have the significance attributed to it, he contended. "Since the present writer," Bebel said, "proposed the new name, he is in the best position to furnish information as to the motives behind this proposal. Under the régime of the anti-socialist law all sorts of 'socialisms' had made their appearance: in the bourgeois camp there was talk of Christian socialism, of government socialism—with special emphasis on the social insurance legislation—of conservative socialism, etc. It was necessary for us to distinguish ourselves clearly from all this. None dared to call themselves social democratic; therefore we chose the name social democracy, which, because of its brevity, had long before come into common usage." (*Loc. cit.*, p. 339.)

That does not explain, however—we must remark for our part—why it was necessary to delete the word "Workers" from the name. Since such a decision could not have been made without weighing its political significance, it must be assumed that a definite political tendency was, indeed, inherent in this decision. The only question that remains is, what tendency? There can be no two opinions with regard to this: if there was any at all, it could only be an *opportunist* tendency.

We repeat: in the fact that a large number of "camp-followers" are beginning to penetrate the ranks of the German social democracy, we may perceive in a certain sense, not only a weak side, but also a strong side. Bebel was naturally correct in pointing out in his article that not only workers but all the needy and the suffering in general had to look for shelter among the social democracy. That is quite right, but the party must remain a *workers' party*. And it must always underscore its proletarian character.

"The process of disintegration in bourgeois society," Bebel says, "and the constantly more precarious situation of the middle and petty bourgeois strata evoked by it, has also brought a change in the political structure of the bourgeoisie. New political parties have arisen which seek to represent the parliamentary interests of the socially threatened layers of the bourgeoisie. Such are the anti-Semitic and middle class parties, for instance, who have constituted themselves an anti-Semitic fraction and an economic reform fraction in the Reichstag. The political party life of the bourgeoisie has thus become differentiated in accordance with its economic development. In the first place, to the disadvantage of the liberal parties, who have thus suffered the greatest losses among their following. But not by any means to the direct advantage of the social democracy. The latter has also suffered some losses, even if these cannot be proved by means of bare figures." (*Loc. cit.*, p. 335.)

This is only one side of the process indicated by Bebel. Certain sections of the middle and petty bourgeoisie desert the party of the big bourgeoisie and form their own middle class parties. But these intermediate parties have a more or less ephemeral existence in comparison with the new political parties.

The "new liberalism" of which the Marxists of the "Center" had been dreaming ever since 1910, did not come into being. Democratic liberalism is impossible in a society which has reached such a maturity in its class relationships. The

last few years of social development have proved the correctness of the views of Rosa Luxemburg and the whole left wing of German Marxism, which had been carrying on a struggle against the alliance with the "new" liberalism.

"Capitalism does not become more democratic, but constantly more plutocratic, and liberalism does not become more democratic but more reactionary," Bebel goes on to say.

A section of the middle and the petty bourgeoisie aims at the creation of independent party combinations. But another—and very considerable—section joins the social democracy, strengthens it in the numbers of its votes and mandates, but weakens its socialist character.

Many of these camp-followers are not only poor socialists but also very inconsistent democrats. Many of them are shaky recruits, unreliable allies of the working class even in the purely parliamentary contests. Bourgeois demagogy—particularly that demagogy which rests upon a "patriotic" base—can always count upon a certain amount of success among these alleged adherents of social democracy. In this connection the official German social democracy was given a sound lesson by the elections of 1907.

These elections, which have gone down into political history as the "Hottentot Elections," took place under the sign of "patriotism." Under the slogan of "saving the country," of strengthening the "military power" of Germany, of fighting for the "rightful interests of the nation" in the field of colonial policy, Prince Bülow succeeded in uniting all the bourgeois parties against the social democracy. And by uniting their forces, these parties succeeded in administering an electoral defeat to the social democracy. The German social democracy lost 38 seats in Parliament at the elections of 1907. To be sure, the absolute number of votes cast for the social democracy had risen by some 248,000. (*Loc. cit.*, pp. 335-6.) But the total number of voters participating in the elections had risen by about 2,000,000. In other words, *relatively speaking*, the German social democracy even lost votes in these elections.

The petty bourgeois camp-followers of the social democracy had been taken in by the bait of "patriotism," and thus the opponents of the social democracy were assured of success. The workers received an imposing lesson. The dependence of the official German social democracy upon its camp-followers was distinctly proved.

### Yielding to the Petty Bourgeois Vote

Even on the eve of the elections, in January, 1907, Franz Mehring had pointed out that Bülow and Company were intent on prying the camp-followers loose from social democracy with the aid of patriotic slogans. "There is a certain amount of crafty calculation in their belief that the most appropriate weapons for the reserve army of the Philistines, with whom they hope once again to crush the hosts of the modern revolution, are the rusty carbines hailing from the days of the Old Fritz," writes Mehring. (*Neue Zeit*, Vol. 25, 1906-1907, I, p. 253.) But the "reserve army of the Philistines" actually exercised a decisive influence upon the outcome of the elections.

Not only Mehring, but other German Marxists as well, were clearly aware of the fact that this dependence upon its camp-followers constituted the Achilles' heel of the social democracy. Just as clear was the knowledge that the petty bourgeoisie could most easily be ensnared with the aid of "national" questions.

In the first article in which the results of the "Hottentot Elections" were summed up, Kautsky explained the defeat of

the German social democracy by the circumstance that the latter had underestimated the attractive power of the colonial idea in bourgeois circles. This defeat, he said, was administered to the social democracy by the middle strata which had deserted it this time. (K. Kautsky, "Der 25 Januar," *ibid.*, p. 589.) Kautsky speaks of the loss of many hundreds of thousands of camp-followers from the middle strata, but he expresses the hope that they would soon return to the social democracy. In 1903, according to Kautsky, many peasants had voted for the social democracy. There has been no lack of elements originating from the non-proletarian strata, Kautsky tells us further, and he explains that he has in mind such elements among them as small businessmen, artisans, the new middle class, the government officials and office workers, physicians, teachers, engineers, etc. In concluding, Kautsky arrives at the reassuring result that the camp-followers are being absorbed gradually by the social democracy and that the social democracy must be the party of all the oppressed. We have gone into this argument more thoroughly in the above passages. Here it is important to establish the fact that Kautsky also admits the existence of *many hundreds of thousands* of social-democratic voters originating from non-proletarian orbits of the population.

The outstanding parliamentarians and practical politicians of the German social democracy who at that time belonged to the Marxist camp also evaluated the outcome of the "Hottentot Elections" in more or less the same manner as the theoretician Kautsky. "The petty bourgeois camp-follower has played a trick on us"—that is the general sense of this explanation. At the same time they cite figures which prove that this type of camp-follower has long been a powerful factor inside the German social democracy.

### Everything Is Measured by the Vote

"The national" question, which we had considered as completely obsolete, exercised a surprisingly strong influence . . . The *furor teutonicus* . . . [explains] the rapid advances of our opponents. (In Bavaria) tens of thousands [just think: tens of thousands!—G. Z.] who voted for us in 1903 gave their votes on January 5, 1907, to the liberal candidates. *The decline in camp-followers is an indisputable fact for Bavaria.* But it would be self-deceiving to assume that the 236,871 votes cast for our candidates were therefore entirely reliable," writes Adolph Braun, very moderate in his politics even at that time. (Adolph Braun, "Die Wahlen in Bayern," *Neue Zeit*, Vol. 25, 1906-1907, I, pp. 678-80.)

"From the industrial workers alone we cannot expect to get that kind of a growth in votes and in mandates, which our party needs [?] for a victorious advance," writes Heinrich Busold in his article "Lehren aus dem Wahlkampf" (*loc. cit.*, p. 706).

"It was precisely in the kingdom of Saxony that many events occurred in the course of the last few years before the elections of 1903, that vexed the Philistines to such an extent as to make them our camp-followers. As long as we grew *gradually* and recruited in the main from the ranks of the industrial workers, we succeeded in effectively enlightening the newly-won camp-followers by means of our press as well as through meetings; to educate them as party comrades and to organize them politically, at least in part. After 1903 we did not, however, succeed in doing this any longer. To be sure, our organizations grew in a hitherto unexperienced manner, our newspapers reached circulation figures that we

had not even dreamed of a year or two before. But in relation to our increase in votes, neither our organizations nor our newspapers showed a corresponding growth. This is the explanation for the outcome of the elections of 1907 put forth by the well-known orator and Reichstag deputy, Adolph Hoffman. (*Loc. cit.*, p. 639. Adolph Hoffman, "Ursachen und Wirkungen.")

"Naturally, there have always been a good many camp-followers everywhere, and there still are today. But there was never such an abundance of them as in 1903, when they were pushed over to our side by the vexations of the Saxon petty bourgeoisie. . . ." writes one of the foremost social-democratic practical politicians, Hans Block, in his minute examination of the causes for the social democratic defeat in the elections of 1907. (*Ibid.*, p. 668, Hans Block, "Das Wahlergebnis in Sachsen.")

"Saxony displays . . . a powerful development of large industry, to be sure, but also a perseverance in backward industrial forms far greater in extent than in any other part of Germany . . . And thus we have a clue to the solution of the question as to how the vacillations of the petty bourgeoisie in a highly industrialized country can have such a strong influence on the course of its political history." (*Loc. cit.*, p. 672.)

Thus we see that the petty bourgeois camp-followers, in a certain sense, had the electoral fate of the German social democracy in their own hands. Despite the fact that the camp-followers turned their backs *en masse* on the social democracy in 1907, the latter nevertheless received three and a half million votes in the elections. In order to exert a decisive influence on the outcome of an election campaign of as numerically strong a party as that, there must have been camp-followers in large numbers. Blank has estimated, as we have seen, that the camp-followers of the German social democracy in 1903 amounted to 750,000 votes. Bebel was of the opinion that this figure was more or less correct, but rather somewhat smaller. In any case, it was a matter of very large figures . . .

In the elections of 1912 the camp-followers were once again on the side of the social democracy. On the one hand, they had become disillusioned with the policy of the bourgeoisie: the promises of mountains of gold had remained mere promises. The burdens of militarism were growing. Taxes were continually on the increase. The so-called financial reform brought about a deterioration in the condition of the middle class. On the other hand, the official leaders of the social-democratic party the chief lesson of the elections consisted in this: *that it was necessary to adapt themselves even more to the camp-followers.* If the mountain refuses to come to Mahomet, Mahomet must go to the mountain. . . . As a result, we see in 1912 a new and very strong fluctuation of petty bourgeois camp-followers toward the German social democracy.

How strong—as expressed in numbers—was this influx in 1912? Akademikus, who compiled the election campaign survey for *Neue Zeit* in the course of the elections, dismissed this question with a few words. "Definite statistical data regarding the position of the new middle class in the elections," he writes, "are for the present very difficult to obtain." ("*Statistische Nachklänge zu den Reichstagswahlen*," *Neue Zeit*, 1912, II, p. 882.) But the fact remains that in numerous districts with a predominantly *agrarian* population we have made gratifying progress." Akademikus lists forty-six rural districts in which there is a preponderantly *strong* village population

and in which the social democracy nevertheless achieved such "gratifying" results. "We have won over nearly a million new fighters: [Not fighters so much as voters—G. Z.] for the most part, let us hope, young people who burned with anxiety to join the active army of our voters; to a lesser extent 'camp-followers' whom general dissatisfaction with the policies of our rulers has driven over to our side." (*Loc. cit.*, p. 873.) This conclusion of Akademikus's is no doubt very "gratifying." Only, it is too bad that the author simply decrees it into existence, instead of basing it on facts.

About 75 per cent of the votes amassed by the German social democracy in 1912 came from the cities. This is proved by the following figures supplied by A. Kolb ("*Die Sozialdemokratie in Stadt und Land*," *Neue Zeit*, 1912, II, p. 61): In 1912 the German social democracy received 2,128,210 or 43.1 per cent of all the social-democratic votes, in sixty-eight metropolitan electoral districts. In these sixty-eight districts the number of social-democratic votes rose by 537,330 (33.8 per cent) over that of 1917. In 116 urban electoral districts the number of social-democratic votes in 1912 amounted to 1,321,833, i.e., 30.8 per cent of all the social-democratic votes. The increase over 1907 is 471,956 votes (55.6 per cent). In the mixed electoral districts, the number of social-democratic votes amounted to 675,066, i.e., 18.8 per cent of all the social-democratic votes. In seventy rural electoral districts the number of social-democratic votes in 1912 amounted to 125,220, i.e., 7.7 per cent of all the social-democratic votes. The increase in comparison to 1907 amounted to 24,355 votes (24.2 per cent).

Thus 74 per cent of all the social-democratic votes were cast in the cities—both the large and the small—while in the purely rural electoral districts only 7.7 per cent were cast and in the mixed districts, only 18.8 per cent. According to the composition of its voters, we repeat, the German social democracy is an urban party. But if we recall the table compiled by Blank, quoted above, and remember that Bebel confirmed its general correctness, then we must realize that this circumstance not only does not exclude a great degree of dependence upon its camp-followers on the part of the social democracy, but even presupposes it. If, as early as 1903, the number of camp-followers in such cities as Berlin, Hamburg, Frankfurt, Leipzig, etc., constituted 40 per cent (and even more) of all the social-democratic votes, then it is very likely that this percentage was not by any means lower in 1912 in the big and the middle urban electoral districts. That would, however, signify that, *not counting the camp-followers among the rural population*, the host of social-democratic camp-followers in the urban (and mixed) electoral districts alone amounted to more than one and a half million in 1912.

The social-liberal Professor Schmoller evaluates this situation as follows: "From among the 3 to 4.5 million votes amassed by the party in the last Reichstag elections not quite a million can be attributed to the party itself, about 1.5 million to the trade unions and the rest to the camp-followers. The latter consist of small and poor artisans, domestic workers, shopkeepers, unorganized workers, dissatisfied lesser employees of the state and of the great corporations."

From this evaluation one may conclude that the number of social-democratic camp-followers in 1912 amounted to about 2 million. This figure is probably exaggerated. But one may maintain, without risking the danger of a serious error, that in the last elections (1912) this figure actually did vary between a million and one and a half million.

(To be continued)

GREGORY ZINOVIEV.

## BOOKS IN REVIEW

### "Good Neighbors"

INSIDE LATIN AMERICA, by John Gunther. Harper & Brothers, New York. 498 pages. \$3.50.

John Gunther is still on the "inside" march. In response to the urgings (!) of the present world situation he went south of the Rio Grande to explore the nether regions of the Western Hemisphere. He discovered many things, and in his helter-skelter, disorganized manner, proceeded to put them to writing, a key objective being to relate America's interests and the Axis competitors' among our neighbors, in light of the war. In his own words, Gunther sums up the whole problem as follows:

"Latin America counts heavily these days. It is of such vital importance to North America for a variety of reasons. First, our mounting trade, which in 1939 was worth \$1,087,162,000. As a general rule United States imports from Latin America comprise roughly 22 per cent of our imports, a percentage not lightly to be disregarded. In 1939 our exports to Latin America were 17.9 per cent of our total trade. Figure for 1941 will be much higher."

"Second, direct American investments in Latin America—in such categories as mines, utilities, packing plants, petroleum and the like—amount roughly to \$2,840,000,000, which is about 40 per cent of all American investments abroad. Aside from direct investments, our loans are \$1,610,331,794. These are hangovers from the lush days of the 1920's, and 77.2 per cent of them are wholly or partially in default. But, in theory at least, our total stake in Latin America is almost four and a half billion dollars."

"Third, raw materials. Here the importance of the American Republics is profound. We cannot chew gum without Latin America—because Mexico and Guatemala provide the necessary chicle. We cannot play gramophone records without Latin America—because Brazil produces the necessary carnauba wax. If hemisphere trade were completely shut off, we would have no coffee for breakfast, very little cocoa, very few bananas. We might face serious shortages in bauxite, tungsten, manganese ore and tin."

"The United States totally lacks these fourteen substances but Latin materials' which are indispensable to the conduct of warfare and which we do not produce ourselves. We badly need—and will continue to need—stocks of these materials. They are: Antimony, chromium, coconut shell char, ferrograde manganese, manila fibre, mercury, mica, nickel, quartz crystal, quinine, rubber, silk, tin, tungsten."

"The United States totally lacks these fourteen substances but Latin America has surpluses of several and with proper development could produce them all, except silk. Our neighbors can furnish us with antimony (Mexico and Peru), manganese (Brazil and Cuba), mercury (Mexico), quartz crystal (Brazil), chromium (Cuba), mica (Peru and Chile), and tin and tungsten (Bolivia). Coconut shell char could certainly be produced in Latin America if we need it, and manila fiber is now being made experimentally in Costa Rica. Brazil was once the world's greatest producer of rubber, and an attempt is being made now to revive its rubber industry. Quinine can be grown in Ecuador."

"Should the war spread to the Far East (this book was published before December 7, 1941—J. W.) and cut off the United States from its normal sources of rubber, quinine, hemp and tin, we can only pray that Latin America will be a substitute. Nor should one forget that the Southern continent is today a very important producer of copper, petroleum, wool and foodstuffs, which are not included in our list of strategic shortages, but which might be highly useful in time of war. Or which might be very awkward in the hands of someone else."

"Finally, political considerations. Latin America is, as I have said, our exposed Southern frontier."

There, in a nutshell, is what the Good Neighbor policy is about, what America's imperialist stakes are in Latin America (South America, in popular jargon).

## EVERYTHING IS DIFFERENT NOW

For those reasons, frankly enumerated by Gunther, the lives of 120,000,000 people in South America are inexorably bound up with the lives of the 120,000,000 in the United States. Among the Latin Americans are 25,000,000 whites, 15,000,000 Negroes and 17,000,000 pure Indians. Over 63,000,000 people are mestizos (of mixed blood), adding to a problem which the United States hasn't begun to solve in its own South. And just as at home one finds the basic conflict of class interests between the owning few and the millions of workers, so does Latin America present, perhaps in sharper form, the struggle of classes, to which is added the foreign oppressor, not the least dreaded of whom is the Yanqui imperialist.

Since Gunther is an "enlightened imperialist," his interests lie in presenting a rather favorable canvas of Latin America and the rôle of American imperialism south of the Rio Grande. His sharp attacks are reserved, to be sure, for the Nazi and Italian agents, and people (nearly 10,000,000 of them) from these countries who compete with American agents for control of the various countries, either through outright military threat, economic strangulation or purchasing the favors of the ruling cliques and classes that sit on the powder keg of teeming millions.

Though Gunther uses the cleverest approach, "Yes, we committed sins, but the Good Neighbor policy is really not ruthless imperialism," and "yes, the countries are dictatorially ruled, but are tending toward democracy," the facts stand out, even in his book, and speak for themselves. For behind the façades of "democracy" and the "Good Neighbor" policy are the realities which cannot remain ignored. This is shown by reference to the highlights of Gunther's descriptions and comments on the Latin American countries.

## HOW THE BANANA COUNTRIES FARE

Take the "Banana Republics" as an example:

"The United Fruit Company plays an important rôle in Costa Rica, though it is not as preponderant as in Honduras, say.

"President Somoza is the absolute and undisputed boss of Nicaragua, but he enjoys informality! (How nice!)

"Honduras, with Paraguay possibly excepted, is the poorest and least advanced state in the Americas.

"Honduras is the banana republic *par excellence*, and it is little more nor less than a preserve of the United Fruit Company. About 30 per cent of all the company's banana lands—valued at about \$45,000,000—are in Honduras. The company controls ports, harbors, newspapers, plantations. There are no taxes in Honduras (poverty is the only possession of the masses—J.W.); revenue comes from customs and the United Fruit. The government budget, about about \$6,000,000, is usually out of balance and the company helps to make up the deficit. Recently, it advanced \$300,000 to meet the government payrolls. Honduras is perpetually in debt."

Colombia is one of Gunther's "democracies" in which the masses don't vote, can't have unions, and are cruelly exploited by foreign business interests. The United Fruit Company has a monopoly on the banana industry; the United States controls the oil industry. Gunther adds:

"What Colombians resent—with some reason—is what they call the 'hole-in-the-well' policy of the United States investors. We dig out gold, they say, we suck out oil, and leave nothing for Colombia. But this is not entirely just... the direct investment in Colombia is a fairly important sum, \$228,000,000. Most of it is in oil, utilities and mining." (If it were expropriated, United States investors might have left something for Colombia—J.W.)

Let's take two other important countries, also signers of the pact at Rio de Janeiro recently.

Bolivia, the land of "bitter poverty," is known for its tin and oil deposits. Here's a thumbnail sketch of what that

country is about, using Gunther's description. "It is a kind of 'company town' of the tin merchants, dominated by the army also... The most important character in Bolivia has not set foot in the country for nineteen years. He is Simon Patino, the greatest tin merchant in the world, and one of its wealthiest men (estimated wealth, \$500,000,000)... The political situation in Bolivia is that Patino and the army dominate it."

Chile, "only country in the world with a Popular Front government," has excellent nitrate deposits, long exploited by the Guggenheim interests, and a rich copper industry, owned 95 per cent by Anaconda and other American concerns. "The basic political struggle in Chile is much like that in Argentina, which we shall inspect presently. It is a struggle between Right and Left, between the landed oligarchs and the rising radical underpossessed," Gunther points out, carefully ignoring the fact that the main struggle is against the imperialist domination of the United States

## A LOOK AT ARGENTINA

Argentina, from a material point of view, is the richest, most powerful and the most progressive country in Latin America. It is gripped by a profound crisis, political, economic and social. Gunther explains the four master bonds it has with Europe—it has greater affinity to Europe than to the United States.

"First, historical, the country is essentially white; there is no Negro problem, and scarcely any mestizo problem. The Indians had no civilization in the La Plata region; they were nomads—they did not even weave blankets—and were killed off early. Second, economic. European and particularly British capital built up the country—British investments alone are still worth about \$2,000,000,000—and about 40 per cent of total exports customarily went to Britain. Third, cultural and intellectual. Practically all intellectual currents came from Europe, and every Argentine of the upper classes thought of Paris as his spiritual home. I have met Argentinians who never read a book in Spanish till they were 20. Everything had to be French. Fourth, religious. The all-powerful church represented a profound European influence, not merely for historical reasons, but because almost all priests in Argentina were Spanish or Italian."

Gunther hints at the grave agricultural, or more accurately, peasant problem of Argentina, by his very description of the families, the wealth of the estates they own, which make up the powerful landowning class and which competes with the industrial and mercantile bourgeoisie for state power in the country.

The Alzaga Unzue family owns 1,091,586 acres valued at \$26,624,814! The Anchorena, 945,194 acres, \$15,970,000; Luro, 573,869 acres, \$5,096,436; Pereyra, 472,308 acres, \$11,317,336. Eleven other families own estates (feudal baronies would be a more appropriate description) that range from 500,000 acres to 250,000. And twelve others own land from 250,000 acres to 100,000 acres.

Here is a typical example of them, and also a key to understanding Gunther's whole superficial approach to the problems of Latin America: "I spent one of the happiest weekends in my life as a guest on one of the greatest Argentine estancias. It covered 120,000 acres; it held 40,000 sheep, 30,000 cattle, and between 6,000 and 7,000 horses. It had its own railway station, its own telegraph; it had its own churches, hospitals, shops, a dairy, a police post. It was—and is—a kind of self-governing community rare and wonderful to behold!" What about the over-worked gauchos (ranch hands) and the peons! A brief reference—revealing in itself—that the gauchos on a prosperous and "progressive" estancia get \$17.50 a month and keep. The peons get about \$13.50 a month, a piece of

land to till and some beef on this same estancia. That is all! Yet the burning question to millions of Argentines is of little consequence to the journalist who had a good time!

### THE "MOST JEALOUS" OF NEIGHBORS

From these vast domains of the land-owning oligarchy comes the beef, the grain, the linseed, and the wool that comprise Argentina's chief and profitable exports. The fact that these clash directly with the products of Texas and other Western states is the chief obstacle to a bloc, or treaty, or full co-operation between Washington and the Argentine oligarchs. Sumner Welles or Cordell Hull can't make a deal with the rulers of Argentina, since the importation of beef and other products from down there creates a domestic crisis in the United States. The Western bloc in Congress is very powerful!

Gunther summarizes the relationships between the United States and Argentina under the rather amusing title, "Why Some Argentinians Dislike the U.S.A."

"First and foremost, the crucial question of beef just mentioned, as well as general commercial rivalry.

"Second, nationalist jealousy and latent fear of North American imperialism. Argentina considers itself the competitor of the United States for hemisphere leadership.

"Third, lack of knowledge, insularity. Few prominent Argentinians have ever visited New York or Washington.

"Fourth, the tactlessness of many American business men in Argentina. The revolting provincialism and vulgarity of many American movies. The inadequacy of American radio programs. The convictions of many Argentinians that most citizens of the United States are savages from the cultural point of view.

"Fifth, many of the British who had a profound influence in developing Argentina were colonial-minded Yankee-haters, and the Argentinians came to reflect this attitude.

"Sixth (it seems incredibly remote), the Spanish-American War. Many Argentinians remember this war vividly, or were told about it by their fathers, and most of them took the Spanish side.

"Seventh, psychological envy of United States power, wealth and influence."

Notwithstanding previous descriptions, Gunther proclaims Argentina, where only a small portion of the population votes, and where the government is completely dominated by the land-owning oligarchy, where the industrial and commercial capitalists compete for power, a democracy!

### AMERICA'S BRAZILIAN FRIEND

While one dislikes to skip Cuba, Mexico and other very important countries in this review, space limitations demand it. Yet Brazil must be included in this review, if only briefly.

Brazil, a country larger than the United States, has 43,000,000 people, which Getulio Vargas, erstwhile president, has run, to use Gunther's expression, as a "one man show." An army man from way back, Vargas assumed power in the 1930 military struggle in which he was victorious. He withstood the challenge of an opposition consisting mainly of industrial and landowning dissidents, as against his rich and powerful supporters, in the 1932 "revolution," which lasted three months. In 1934 he forced through a "constitution" which "legalized" his dictatorial rule. In 1935 he ruthlessly crushed a revolt under Stalinist leadership. In 1937, when his term of office, under his own constitution ended, Vargas put the country under martial law and accomplished a *coup d'état*.

This man, along with Colonel "Butcher" Batista of Cuba, and similar types, are the so-called friends of democracy! These are the type of political and military adventurers palmed off on the American people by the Roosevelt Admin-

istration as "allies in the struggle against fascism." Vargas, the man who killed and tortured hundreds of workers, including Stalinists, is now the white hope of the Stalinists in Brazil!

But a bargain can be made with the Brazilian dictator over coffee. And Cuba has sugar to export. The State Department many years ago learned this fact. So these countries have become "pillars of defense."

Let me say in passing that all the brutal facts which can be gleaned from Gunther's books are available in much clearer and rounded-out form in the book written and published by the Royal Institute of Public Affairs (of His Majesty's government). This book, appearing in 1939, also goes into the story of industrial development and the labor movement—a subject that Gunther ignores with all the disdain of a British colonial servant looking down on an Indian.

### OTHER FACTORS AND THE FUTURE

Gunther discreetly mentions the rôle of the powerful and rich Catholic Church, always to the right of everyone in politics and powerful because of its vast holdings. The British scholars, no doubt, influenced by their Protestant sympathies, do an excellent job of gathering the facts on the Church's reactionary rôle in Latin America. They tell the almost unbelievable story of the "Spanish Inquisition" in these colonies that wiped out millions of natives who didn't like accepting Jesus at the end of a sword, lash, or fiery cross.

Out of this broad panorama of Latin America certain basic conclusions present themselves. These countries, with either a semi-colonial or colonial status, have a triple fight on their hands: national independence, the combining of the democratic with a socialist revolution, and the agricultural revolution against the semi-feudal system that now oppresses millions. Since there are added to these major problems, the millions of savages living in the Amazon area, which is wilder, more primitive and inaccessible than darkest Africa, one can see how the law of combined development must operate on this continent.

The more one studies the complexities of the Latin American countries and the problems of the masses of people, workers, peons and the savages, the more one realizes that here is a continent and peoples that, above all, need the support and strength of the powerful American labor movement in their struggle for real freedom.

The sooner the American working class aids this struggle (such as the CIO helping to organize the Latin American oil, rubber, steel, copper and tin workers against the very same companies the CIO is fighting at home) the sooner will there be a solution to the miseries and tragedies of Latin America's millions.

These are things Gunther doesn't talk about. That is why his companion piece to *Inside Europe* and *Inside Asia* is a tenth-rate book, purely superficial in character and written primarily to do its part in aiding American imperialism to strengthen and keep its hold over Latin American countries it now dominates, and to capture others. Gunther's book serves to cover up for the conscience-stricken liberal, the fact that in this World War, American imperialism, even though belatedly, is seeking a world empire, far mightier than Britain ever dreamed, and Latin America, in this scheme of things, is to be an inevitable first victim.

And the Englishman who told the American: "You may take Canada from us, but never Argentina," back in 1937, is wrong. American imperialism will gobble up both, unless the working class calls a halt to imperialism.

JACK WILSON.

## WHAT MOTIVATES JAPAN?

Japan, belatedly rising to the stature of an imperialist power toward the end of the nineteenth century, was confronted by a world already substantially divided among its imperialist rivals. The Japanese imperialists, moreover, were obliged to proceed from an exceedingly weak economic base in their plans of empire. Lacking such vital raw materials as coal and iron, copper, oil and cotton, they were driven from the outset to seek these supplies beyond the natural frontiers of Japan. Acquisition of sources of these raw materials was a condition, not only of expansion, but even of survival in the competitive world of imperialist rivalry. The career of Japanese imperialism opened with the Sino-Japanese War of 1894-95, when Japan defeated China and seized Korea and Formosa. Then years later, Japan vanquished czarist Russia and took over the sphere of influence held by the latter in South Manchuria. During the World War of 1914-18, Japan seized the Chinese province of Shantung and presented China with the notorious "Twenty-One Demands," which were designed to bring all China under Japanese control.

\* \* \*

The growth of Japan's productive forces and the development of capitalist economic relations did not result, as in the capitalist countries of the West, in the emergence of a corresponding social and political superstructure. The transition from feudal to capitalist society was accomplished without revolution and the bourgeoisie was therefore not faced with the necessity of razing the old institutions of social rule and replacing them by new. Emerging from the ranks of the feudal nobility and the warrior caste of *Samurai*, the bourgeoisie adapted the old institutions, with some modifications, to the requirements of the new systems of capitalist exploitation. Thus ancient feudal institutions, including a "divine" monarchy, a semi-independent military caste, and semi-feudal types of exploitation exist side by side with a "democratic" Parliament and powerful industrial and financial trusts. From the presence of the "feudal survivals," powerful as they appear to be, it would, however, be false to deduce that the next stage in the social progress of Japan must be a "democratic" revolution.

\* \* \*

The strivings of the military caste to keep intact its privileges and powers tend to complicate the main problem of the Japanese ruling class as a whole, which is to maintain over both the proletariat and the peasantry the present crushing system of exploitation with all the oppression which accompanies it. Periodically, this case comes into conflict with industry and finance capital, which seek to stem the drain on economy caused by the parasitic needs of the military caste. Army revolts and the assassination of leading political representatives of the industrial and financial bourgeoisie are the sharpest expressions of this conflict. These revolts also express, insofar as they are led by the younger officers of lower rank, the rebellion of the peasantry against finance capital. But since all sections of the ruling class realize the perils of class disunity, conflicts are finally settled on the basis of mutual concessions, by loading additional burdens onto the backs

of the Japanese masses and by common agreement to embark on predatory military campaigns to enslave neighboring peoples, thereby cementing the cracks in the structure of ruling class domination as a whole.

—*The War in the Far East, thesis of the Founding Conference of the Fourth International, 1938.*

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## IN MEMORIAM

Four years ago, the news of the death of Leon Sedoff, eldest son of Leon Trotsky and Natalia Sedoff Trotsky, was announced. It was said then that young Leon, one of the outstanding figures of the Fourth Internationalist movement, died of a surgical operation. This fact alone came as a complete surprise to all who knew this indefatigable fighter in the cause of international socialism, for he was not known to have been previously ill. His death came suddenly and unexpectedly because he was reported to have been resting well from this minor surgery.

The mysterious nature of the death pointed in only one direction—to the Kremlin and the GPU. Stalin, the murderer of so many Old Bolsheviks, sought the extermination of Leon Trotsky and his family. Already the two daughters of Trotsky were dead. Sedoff's brother, Sergei, disappeared, with death a certainty. His doctor, a Russian surgeon, also died very suddenly, not long after the operation. But let the revolutionary father speak of his revolutionary son and of the circumstances of his death:

"Material difficulties and privations Leon bore lightly, jokingly, like a true proletarian; but of course they too left their mark. Infinitely more harrowing were the effects of subsequent moral tortures. The Moscow Trial of the Sixteen, the monstrous nature of the accusations, the night-marish testimony of the defendants, among them Smirnov and Mra-chovsky, whom Leon so intimately knew and loved; the unexpected internment of his father and mother in Norway, the period of four months without any news; the theft of the archives, the mysterious removal of my wife and myself to Mexico; the second Moscow Trial with its even more delirious accusations and confessions, the disappearance of his brother Sergei, accused of 'poisoning workers'; the shooting of countless people who had either been close friends or remained friends to the end; the persecutions and the attempts of the GPU in France, the murder of Reiss in Switzerland, the lies, the baseness, the perfidy, the frame-ups—no, 'Stalinism' was for Leon not an abstract political concept but an endless series of moral blows and spiritual wounds. Whether the Moscow masters resorted to chemistry, or whether everything they had previously done proved sufficient, the conclusion remains one and the same: *It was they who killed him.* The day of his death they marked on the Thermidorian calendar as a major celebration."

At a time when international capitalism is strained to the breaking point in the cause of mutual self-destruction in another imperialist war, when the terrible sufferings of humanity cry out the necessity for the immediate realization of world socialism, we pay our deepest respects to that young and devoted veteran of the proletarian movement, editor of the *Russian Bulletin*, leader of the Fourth International, Leon Sedoff, who died at the hands of perfidious Stalinism.

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