

May, 1941

# **THE NEW INTERNATIONAL**

*A Monthly Organ of Revolutionary Marxism*

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By **LEON TROTSKY:**

## **THERMIDOR AND ANTI-SEMITISM**

*Stalinism and the War*

by **JOSEPH CARTER**

*Hook Purges Marxism*

by **PAUL TEMPLE**

Discussion Articles by Dwight Macdonald and Albert Gates

## **FASCISM IN GERMANY**

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**FRANK DEMBY:**

**AMERICAN IMPERIALISM**

**JOSEPH ARNOLD:**

**ON MEXICO**

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# Manager's Column

THIS IS THE SECOND thirty-two page issue of THE NEW INTERNATIONAL since the decision was made to double its size. We believe that our readers will agree that this and the last issue are vast improvements over the size and content of their predecessors. Needless to say, we are determined that the future will bring even greater improvement and that with the help of the branches of the Workers Party and all of our sympathizers we will maintain THE NEW INTERNATIONAL in its present format until—?

Nor can there be any complaint about the promptness with which the editorial board has labored to produce this issue on time. Here it is the early part of May and you actually have the May issue in your hands. This fact alone should enable branches to immediately increase their sales both on newsstands and otherwise. Furthermore, our plans call for the appearance of the N.I. every month with the same scheduled promptness.

As we have said in this column before, all of our plans depend in a great measure upon what the branches do in the way of bundle order increases and payments, subscriptions, etc., and what our readers do in publicizing and getting new subscribers for the N.I. With our 32-page magazine, finances become even more important than they were before. The life blood of any revolutionary publication is subscriptions.

Space does not allow for reporting the standing of various branches. We will report this next month when we feel certain that our 32-pager will have justified its production. Los Angeles still tops the branches with the largest bundle order outside of New York. Kansas City was the first branch to increase its bundle since the appearance of 32 pages—with the comment that it was a fine issue.

We are now certain that some of our literature is reaching the British Isles. A letter from Scotland states that several issues of the N.I. have been received and asks for back issues that failed to reach this particular reader. It is encouraging that the large expense involved in foreign mailing doesn't all go to the bottom of the sea—and we appeal again for contributions for this special fund which we set aside for this very important source of distribution.

We want more comments and suggestions on what you think of the N.I. Suggestions will be carefully considered and comments will be encouraging—and we want them even if they be unfavorable.

## Editorial Notes

The June issue of the N.I. will feature another article by C.D.E. on the War. J. R. Johnson is preparing an article on Africa and the Colonial Question as it relates to the war. Burnham's book, "The Managerial Revolution," will be reviewed by Albert Gates and in addition there will be discussion articles on the Russian question by Joseph Carter and David Coolidge. Book reviews and other feature articles and new selections for the Archive Section will complete the issue.

## THE NEW INTERNATIONAL

*A Monthly Organ of Revolutionary Marxism*

Volume VII May, 1941 No. 5 (Whole No. 53)

Published monthly by NEW INTERNATIONAL Publishing Company, 114 West 14th Street, New York, N. Y. Telephone CHelsea 2-9681. Subscription rates: \$1.50 per year; bundles, 10c for 5 copies and up. Canada and foreign: \$1.75 per year; bundles, 12c for 5 and up. Entered as second-class matter July 10, 1940, at the post office at New York, N.Y. under the act of March 3, 1879.

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# THE NEW INTERNATIONAL

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VOLUME VII

MAY, 1941

NUMBER 4

## The Editor's Comments

### May Day, 1941 --- The War and the Future

**M**AY DAY, 1941, at a time when World War II enters the latter half of its second year. What began as a war of defense limited to the areas of the Maginot Line, and to prosaic minds appeared to be a "phony war," has now become a far-flung and large-scale conflict of movement and position. Nation after nation has succumbed to the mechanized might and the force of overwhelming numbers that make up the Nazi war machine. For all practical purposes, the British Empire continues to fight on alone, aided by the increasing material support of the United States. Is the war reaching a bloody climax which will bring victory to Hitler's menacing legions or does humanity face a long war of attrition with its attendant misery for hundreds of millions of people the world over, with victory for neither of the imperialist camps?

Certainly an active revolutionary world proletariat, organized in an international body based upon a program of universal socialism, would by its very existence answer the foregoing question. But May Day, 1941, finds the working class movements in all the major countries either destroyed or so disoriented that to hope for socialism—i.e., for peace and plenty for all humanity—seems completely illusory. The international proletariat, the millions of disenfranchised members of the middle classes, the hundreds of millions of impoverished peasants and colonial peoples—it is necessary to speak frankly—have been sacrificed upon the altar of Stalinism and the reformism of the Second International. What then of the future? Is there nothing but despair? Or, must the great masses of the so-called democratic imperialist nations forever abandon their most cherished hopes in the future of the classless socialist society, to follow the lead of a new generation of apostates who have found a new heroism and a new future in the bitter struggle waged by British and American imperialisms to defend their ill-begotten riches from the murderous Hitlerian hordes?

For our part, we do not feel it necessary to give up a single one of our ideas anent the inevitability of the victorious socialist future. Quite characteristically enough, opponents of the main doctrines of Marxian socialism, those who find the doctrine of the inevitability of socialism "mystical" and "unscientific," are themselves wandering about helter-skelter, without purpose, goal or future, unless it be to attach themselves to the war machines of Anglo-American imperialism or to find solace in the so-called logical and "inevitable" triumph of totalitarian politics and autarchic economics.

The international situation, however, gives the lie to these apostates. For all their attempts to paint this war as the antithesis of World War I, that is to say, as a war for truly democratic and, some say, socialist aims, a more fundamental

analysis of the causes of the current conflict reveals it to be nothing more nor less than a new struggle for the redivision of the earth, the impelling motives of which were long ago analyzed by Marxist theoreticians and propagandists. The placement of the fascist powers in one camp arises out of their particular relation to the control of the world markets, but this fact has only served to becloud the true nature of the war which is imperialist through and through.

Is it preferable to have Hitler win? This does not at all follow from a condemnation of the present war as imperialist. But certainly, the victory against Hitler cannot be achieved merely upon military grounds. A true and lasting victory against Hitler, which means a true and lasting victory against capitalism, the profit system, the social order of class exploitation, is possible only by the overthrow of capitalist society and the establishment of socialism, which would banish forever hunger, unemployment, poverty and wars—and above all, make impossible the existence of Hitlers, Mussolinis, fascism in general, or the incipient fascists personified by the English aristocratic ruling class or America's hard-fisted and ruthless financial and industrial overlords.

Supposing the working classes do not succeed in destroying the capitalist social order of misery and war, what then? A recent editorial of the *New York Daily News*, we believe, supplies somewhat of a picture of the future of capitalist society. We quote:

"In this world, WHOSE NORMAL STATE IS WAR WITH ABNORMAL INTERLUDES OF PEACE, we must have a large standing army, among other weapons, and a big reserve of trained men." (Our emphasis.)

For our part, this kind of a future, i.e., permanent unemployment, exploitation and permanent war is precisely what we seek to abolish. We cannot believe that the hundreds of millions in Europe, Asia and Africa will long suffer existent conditions. We are certain that before long the world will witness heroic uprisings of the great masses in all countries seeking to break once and for all the chains of exploitation and establish the true free society of socialism. In these future struggles for liberty the peoples of the Americas will not be found wanting. This future is far more realistic than the idea that humanity will gain most in a victory of Anglo-American imperialism. We omit, of course, mention of the Axis, because we do not feel it necessary to add what we have been saying for so long, that the victory of Hitler would be, indeed, a dreadful calamity. But a practical demonstration of socialism would do more to destroy that apostle of darkness than a million airplanes.

# Stalinism and the War

THE COMMUNIST PARTY of the United States leads the largest movement in this country against American participation in the Second World War. Yet, paradoxically enough, it is the greatest obstacle in the labor movement for the development of working class and socialist opposition to Roosevelt's war course.

The paradox flows from the very nature of the Communist Party. Whatever the episodic policy (be it "class against class" or "People's Front," "Democratic Front" or "a people's peace to end imperialist war") the program of the Communist Party remains unaltered, *viz.*, to defend Stalinist totalitarian Russia by any and every possible means. All else is either a specific way of executing this program or sheer demagogy and rationalization.

However, the main source of the strength of the Communist Party, through all its dizzy turns, is not the tremendous material resources at its disposal, but rather the ability of its leaders to convince large masses that Stalinist Russia is the "socialist fatherland" whose interests and policies are identical with those of the working class of the capitalist countries. This success is facilitated by the bankruptcy of the capitalist world, the treachery of social democracy, and the inability of the revolutionary socialists to build parties with mass influence among the workers and capable of reaching the Stalinist workers with the truth about Russia and the Comintern.

## I.

In his *Criticism of the Draft Program of the Communist International* (1928), Leon Trotsky wrote that the Stalinist doctrine of national socialism would lead to the degeneration of the Comintern.

"The task of the parties in the Comintern assumes, therefore, an auxiliary character; their mission is to protect the U.S.S.R. from intervention and not to fight for the conquest of power. It is, of course, not a question of the subjective intentions but of the objective logic of political thought" (page 61).

The events of the last thirteen years have proved to the hilt the validity of this prediction.

However, in the same study, Trotsky saw another consequence of the theory:

"If it is at all possible to realize socialism in one country then one can believe that theory not only *after* but also before the conquest of power. If socialism can be realized within the national boundaries of backward Russia, then there is all the more reason to believe that it can be realized in advanced Germany. Tomorrow the leaders of the Communist Party of Germany will undertake to propound this theory. The draft program empowers them to do so. The day after tomorrow the French party will have its turn. It will be the beginning of the disintegration of the Comintern along the lines of social-patriotism. The Communist Party of the capitalist country which will have become imbued with the idea that its particular country possesses the 'necessary and sufficient' prerequisites for the independent construction of a 'complete socialist society,' will not differ in any substantial manner from the revolutionary social democracy which also did not begin with a Noske but which tumbled decisively on August 4, 1914, over this question" (page 72).

In other words, Trotsky foresaw two possible roads which the Comintern would travel on the basis of the program of national socialism. It is clear now that these roads are alter-

native ones. A genuine social patriotic development of the national parties was in conflict with their rôle as mere agents of the Kremlin. During the People's Front period it *appeared* as though both functions had been fused and many predicted that in case the need for a choice between the Russian masters and the national bourgeois ruling class arose, the Communist parties would choose the latter. The contrary took place. With a few isolated exceptions following the Stalin-Hitler pact and the outbreak of the war, the leaders and members of the Communist Party followed their Kremlin leader in his break with the democratic imperialists.

## The Character of the C. P.'s

Trotsky's error on the social-patriotic evolution of the Comintern—which means the mistake of our movement—arose from the fact that he analyzed the Communist parties, in this respect, too much in terms of the development of revolutionary social democracy into reactionary social democracy. However, the social democratic parties were *national working class parties, decisively influenced by their particular bourgeois-national as well as working class pressures*. The Communist parties, on the other hand, particularly following the complete liquidation of factions in early 1929, were and are merely national detachments of the Stalin régime operating within the labor movement of the various countries. Though subject to national influences, bourgeois and working class, these influences have had, and have, no significant independent weight in determining the policies of the national sections. They have importance only in so far as they affect Russian foreign policy, and thereby the orders given by Moscow for a particular country.

It is the peculiar bureaucratic and totalitarian character of Russia and the Comintern which closed the genuine social patriotic road of development of the national sections. The Communist parties are alien to the indigenous class struggle *within the capitalist countries*. This unfortunately does not mean that they have no effect on it. Serving a foreign reactionary power they seek to utilize the working class and through it the middle classes and the bourgeoisie, in the interest of this power. The working class, confused, misled and deceived by Stalinist demagogy, is the chief victim in all cases while, the bourgeoisie is the chief beneficiary.

The specific differences between reactionary social democracy and reactionary Stalinism are of the utmost importance for understanding the policies and evolution of each. On the eve of the present war (in July, 1939) Trotsky wrote:

"Just as the international social democracy constitutes the left flank of democratic imperialism, led by Great Britain and under the supreme control of the United States; just so the Comintern—the direct instrument of the Soviet bureaucracy—is, in the last analysis, subject to the control of the very same imperialism. Following in the footsteps of the Second International, the Comintern has today publicly condemned the colonial struggle for emancipation. Atlee and Pollitt, Blum and Thorez work in the same harness. *In case of war the last remaining distinctions between them will vanish*. All of them together with the bourgeois society as a whole will be crushed under the wheel of society." ("Progressive Paralysis: The Second International on the Eve of the War," *Fourth International*, May, 1940 (pages 15-16. Emphasis mine.—J. C.)

## Two Kinds of Independence

Though written at a time when it was expected that Russia would be an ally of British and American imperialism against Germany, the analysis is wrong even on the basis of this assumption.

In the first place, the nature of the "control" of international social democracy and the Comintern by democratic imperialism is essentially different. Trotsky, of course, understood this fact, but only partially, not in its full meaning. He was convinced that in a new World War the distinction between the two "will vanish." But even if Russia were a war ally of Britain against Germany, the rôle of Atlee and Pollitt would not be identical precisely because Atlee's direct masters would be the British ruling class while Pollitt's would remain the Stalinist bureaucracy in whose interests he would support British imperialism. Atlee and Pollitt would be *allies*, the difference between them would not "vanish," but rather would be expressed in every conflict between British imperialism and the Stalinist régime in the further course of the war. Such, for example, was the relation between Blum and Thorez during the People's Front period.

In the second place, it is precisely because of the distinction between social democracy and Stalinism that the latter unlike the former could become an ally of German fascism. Since the Stalin-Hitler pact Russia has been under the "control" of German imperialism, and the Communist parties changed their policies correspondingly. Such "independence" or flexibility is excluded for international social democracy by the very character of the movement. (Within Nazi-occupied territory, however, the Communist parties are illegal. Even though the Norwegian Communists did not attack the German invasion of Norway—they confined their attacks to British imperialism and the Norwegian social democrats!—they remained legal only for the briefest period, and then their usefulness to Hitler was over; and so, they were forced underground. Fascist totalitarianism, like Stalinist totalitarianism, permits only a single legal party in countries under its rule—its own party.)

So that of the two possible roads that Trotsky predicted the Comintern would travel—which we can call the Russian bureaucratic (or Stalino-patriotic) and the bourgeois (social patriotic)—the second was blocked and destroyed by the first. Predictions which were made on the course of the Comintern on the basis of Trotsky's prognosis that the Communist parties would be reduced to organizations whose sole mission is to protect the U.S.S.R. from "intervention" have been strikingly confirmed by life.

To cite one example (others, no doubt, can be found). During the Stalinist period of "collective security" and "democratic front," in May, 1938, Max Schachtman wrote:

"The important and often decisive point is nevertheless this: the bourgeoisie understands perfectly well that the Stalinists are ready to defend its 'democratic' rule only as a function of their subservience to the Moscow bureaucracy; that, for example, if it served Stalin's policy to make the alliance with Hitler which he tried to achieve in 1933, the communist parties everywhere would once more discover that the Versailles peace treaty and the *status quo* are viciously reactionary and bourgeois democracy a hoax and a snare." (*New International*, July, 1938, pages 202-203.)

## II.

In a speech delivered on September 11, 1940, Earl Browder explained that for several years the New Dealers welcomed Communist Party support. He continued:

"Now, realizing its mistakes, the Roosevelt Administration is as viciously hostile to the Communist Party as formerly it was friendly and helpful to us when it needed and received our help. *But we are the same party; it is not we who have changed, but rather the Roosevelt Administration.*" (*The Most Peculiar Election—The Campaign Speeches of Earl Browder*. Workers Library Publishers, page 13. Emphasis in original.)

We can readily agree with Browder that the Communist Party is the same organization it was when it supported Roosevelt. However it must be said in all fairness to the President that his administration is pursuing today the same general interventionist course as in the period when the Stalinists were his allies—only more openly and more aggressively. The break between Browder and Roosevelt is the direct outcome of the switch in Russian foreign policy from one of alliance with the democratic imperialists against German fascism and Japan to that of an alliance with Hitler (and more recently, friendship with Japan).

The attitude of the American Communist Party towards the Roosevelt Administration can be divided into three periods: 1933 to late 1935; late 1935 to late 1939; late 1939 to the present date. At each stage Stalin's foreign policy and Roosevelt's attitude towards it determined the policy of the Communist Party.

During the first period when Roosevelt sought to solve the social crisis primarily on the national arena and pursued the policy of "neutrality" and "isolationism," the Communist Party was against the President. When Stalin shouted for "collective security" against Germany and Japan, Roosevelt was deaf to the plea. So the Communist Party stated that "American capitalism is more and more fascinating its rule. This is particularly being performed by the Roosevelt Administration under the cover of the 'New Deal.'" (Resolution of the Eighth National Convention, April, 1934. *Communist*, May, 1934.)

## The 7th Congress of the C. I.

In August, 1935, the Seventh Congress of the Communist International, which inaugurated on a world scale the policy of the "People's Front," called a halt to the anti-Roosevelt course of the American Stalinists. As Roosevelt's foreign policy became more and more interventionist (reaching a high point in his famous October, 1937, speech in which he called for a "quarantine of the aggressors") the Communists became his ardent champions. They presented the President as the great leader against fascism at home and abroad. In their election platform of 1938 they declared:

"We propose an American peace policy in line with President Roosevelt's October, 1937, speech to quarantine the war makers, to promote concerted action with France, Great Britain, the Soviet Union and the other democratic peoples and governments of the world in order to halt and isolate the fascist war makers, to assist their victims and to guarantee world peace. We oppose the expenditure of billions on armaments and war preparations as a substitute for concerted action for peace."

In accordance with this line the Stalinists were ready to support the United States government in a war against Japan and Germany. For example, in early 1938, when the Japanese sank the United States ship Panay—carrying Standard Oil supplies—Browder was asked:

"Q. Assuming that war between Japan and the United States arises out of the situation in China, as illustrated by the Panay incident, would the communists support the Roosevelt Administration in such a war?"

His answer, though embellished with all the characteristic Stalinist verbiage, was clear enough:

"A. All of our proposals are directed toward creating such a relation of forces as to prevent war and to rectify wrongs without resort to war. If in spite of all our efforts to this end, war between Japan and the United States arises out of the present world situation, it is our firm conviction that the cause of progress and democracy everywhere would demand the defeat of Japan. We would support the American government in such a war to the extent that its policies and methods contributed toward the national independence of China and the protection of democracy and progressive policies at home and abroad." (*Questions and Answers, New Masses*, March 22 and 29, 1938. See *Fighting for Peace*, by Earl Browder, pages 77-78).

A just war, a war for "democracy and national independence" in the Stalinist vocabulary is always a war which serves the interests of the Russian Stalin bureaucracy. That is why the Communists were ready to support American imperialism against Japanese imperialism. That is why the American Communist Party denounced the Trotskyites in Latin America for telling the masses that Yankee imperialism is their main enemy. In this connection, William Z. Foster wrote:

"In raising the slogan of Yankee imperialism as the main danger they (*the Trotskyites*—J. C.) are insidiously spreading a smokescreen for fascist domination of Latin America. And in so doing, they demonstrate themselves to be real agents of fascism." (See *The Communist*, July, 1938, page 607.)

### What the Line Really Was

But perhaps the American C.P. considered "German-Japanese-Italian fascism" as the central danger in Latin America because of Roosevelt's "Good Neighbor" policy? This fraud is easily exploded by the fact that the British Stalinists followed the same course for the British Empire! The main enemy of the Indian masses, they proclaimed, was not British imperialism but German fascism! Throughout the world they gave up the struggle for national independence of the colonial peoples in order to cement the alliance between the democratic imperialists and Russia against Germany.

They became the champions of American imperialist interests in Latin America and the Far East. At that time Browder wrote:

"Let us put the question in the simplest possible terms, such as even a business man can understand. The United States must either come to terms with the Berlin-Rome-Tokyo war alliance, which means abandoning the Pacific and most of Latin America to those powers, not to speak of fascist domination within the United States itself, or it must organize resistance to the war makers." (April 25, 1939. See *The Second Imperialist War*, by Earl Browder, abridged edition, page 18.)

What to do? "Cooperative arrangements" with Russia "will cost less than half as much as it would without the Soviet Union." (*Ibid.*, page 18.) Appealing to the "business man," that is, to those with investments in the affected countries, he urged that a Soviet-American alliance "would provide the most effective conceivable protection of American national [!] interests in the Far East and in Latin America." July 5, 1939 (*Ibid.*, page 30.)

These speeches were made only a few months before the Stalin-Hitler pact, the outbreak of the Second World War and the change of policy of the Communist Party towards Roosevelt and his war schemes. Then, as now, Browder denied that the C.P. was an agency of Russian foreign policy.

"They cry out against us, the Communists, that we are agents of a foreign power trying to get America to sacrifice its own interests in favor of the Soviet Union. But such hysterical jingoism reveals its true face . . .

"Defense against the aggression of the Rome-Berlin-Tokyo war alliance has now become a life and death issue for all the rest of the world, including the United States. And defense today involves armaments, al-

though armaments is not the sole answer, as some seem to think, nor even half the answer. But an unarmed people in the world of Hitler aggression is the predestined victim of fascist conquest. The United States, with the rest of the world, must choose between uniting the anti-fascist and democratic forces for common defense—a defense by arms in the last analysis—or submitting to fascist world conquest." (January 20, 1939. *Fighting for Peace*, pages 227-228.)

What a different tune is sung now by Browder! No, it isn't Roosevelt who has changed! Nor has the Communist Party changed its *real* program—it has only changed its demagogic verbiage to suit the interests of Moscow. Or more exactly, their Russian masters unexpectedly ordered a change in tune.

A few months before Stalin joined hands with Hitler and occupied Poland in violation of his non-aggression pact with that country, Browder declared in a challenging tone of voice:

" . . . there is the argument that the Soviet Union cannot be depended upon, that it may at any moment go over to Hitler and doublecross the rest of the world. But when has the Soviet Union ever in its history failed to keep an obligation?" (April 25, 1939. *The Second Imperialist War*, by Earl Browder. Abridged edition, page 17.)

Browder is now serving four years at Atlanta as a result of Stalin's "doublecross" of the democratic imperialists! For if Russia were today a war ally of British and American imperialism against German fascism, Browder would not be in jail today; he would be shouting with the most extreme jingoists for convoys and outright U. S. entrance into the war. Of course, under these conditions he would find that American imperialism was fighting for "democracy against fascism."

The spokesmen of the Communist Party openly acknowledge that this would be the case. In *The War Crisis, Questions and Answers*, by William Z. Foster (January, 1940) we find:

"Q. How can you call this war imperialist when the Soviet Union might well have been in it had Great Britain adopted the mutual assistance pact proposed by the U.S.S.R. in August

"A. . . . As A.B. says in the October issue of *The Communist*:

" . . . if despite everything, England, France and the Soviet Union would have had recourse to the force of arms, this would have resulted from an anti-imperialist fight for the liberty of small nations. . . . Such a war would have been a just war, a democratic war, a liberating war. In such a war the working class, its allies, and all democratic forces would have had to fight in the front ranks" (page 54).

Could anything be clearer? If Russia were on the side of England and France (and the United States) in the present war it would be . . . "an anti-imperialist fight!"; the Communist parties would be in the "front ranks" of the jingoists! Churchill, Daladier (and Roosevelt) would then be anti-imperialist fighters!

*This means that if tomorrow Stalin is compelled to jump back to the camp of the democratic imperialists the Communist Party, faithful to its real program, would once again be in the advance guard of the warmongers—and the chief finger-men against the militant opponents of the war.*

### III.

The post-Stalin-Hitler pact line of the Communist parties, proclaimed after a few weeks of bewilderment during which time the French and British parties supported their respective governments in the war, and the American C.P. continued its pro-Roosevelt policy, was stated by Georgi Dimitroff, general secretary of the Communist International, in October, 1939:

"The character of a war, as Lenin taught, 'depends not on who attacked and on whose side the "enemy" is, but on which class is waging the war, what policy is being continued by the given war.'

"Now, as in 1914, the war is being waged by the imperialist bourgeoisie. This war is the direct continuation of the struggle between the imperialist powers for a new repartition of the earth, for *world domination*." (*War and the Working Class*, page 5. Emphasis in original.)

How well the devil quotes scripture! If what Dimitroff wrote is true—and it is—then the whole previous course of the Comintern stands condemned. This course, according to the Stalinists, was based on the principle that the democratic imperialist powers (and Russia) should unite against the "aggressors" and defend the "attacked." Compare Dimitroff's quotation from Lenin with the above-cited statements of Browder and Foster!

But why does Dimitroff now discover and quote the well-known views of Lenin? Simply because Stalin is an ally of the "aggressors" and himself has attacked the small states whose defense was a major item in the Communist propaganda yesterday (Poland, Latvia, Esthonia, Lithuania, Finland, Rumania).

Dimitroff therefore finds that while all the belligerent ruling classes share "responsibility" for the war, ". . . the imperialists of Britain and France have passed over to the offensive, have hurled their peoples into war against Germany, endeavoring in every way to win a number of other states to their side. What is more, it is the British and French imperialists who now come forward as the most zealous supporters of the continuation and further incitement of war." (*Ibid.*, page 7.)

### The Stalinists Turn Again

The American Stalinists repeated this line in a statement on October 15, 1939. All the belligerents "are equally guilty" for the war, it stated, but did not have a single word of direct criticism of German fascism.

In November, 1939, Stalin himself placed the responsibility for the war even more squarely solely on the shoulders of the democratic imperialists and whitewashed the rôle of German fascism:

"(a) it was not Germany that attacked France and England, but France and England that attacked Germany, thereby assuming responsibility for the present war;

"(b) After hostilities had broken out, Germany made overtures of peace to France and England, and the Soviet Union openly supported Germany's peace overtures, for it considered, and continues to consider, that the earliest possible termination of the war would radically improve the position of all the countries and nationals;

"(c) The ruling circles of England and France rudely rejected both Germany's peace overtures and the attempt of the Soviet Union to secure the earliest possible termination of the war.

"Such are the facts . . ." (See *History of Soviet Foreign Policy*, by M. Ross, Workers Library Publishers, December, 1940.)

Hitler's ally dares not mention Germany's conquest of Poland, for his pact gave the signal for this action and was followed by Russia's annexation of eastern Poland. As to Hitler's peace gesture: it was a clever, demagogic appeal in order to place the exclusive responsibility for the war on the British and French governments and thus strengthen his own prestige among the German people. Stalin and the Communist parties conspired with Hitler to put across this trick!

And so long as the war was confined to western Europe and the Scandinavian countries, the Communist parties dropped their propaganda against German fascism and concentrated their attack—in all countries, including Germany!

—exclusively on Britain and France. When the German army occupied Norway, the Communist Party of that country (as its brother parties in Britain and the United States) directed its fire at Britain for provoking the Nazi attack, and at the social democratic leaders who went underground. For a short while the Norwegian Communist Party remained legal and continued publishing its official organ—under the martial law of Hitler.

The German Stalinists followed the same line—the main enemy for them was not Hitler, but rather British imperialism and the Thyssen (anti-Russian) group in Germany. As the German Communist leader Ulbricht wrote:

"If Hilferding and the other one-time Social Democratic leaders direct their war propaganda against the German-Soviet Pact, it is simply because the British plan has the less chance of success, the more deeply the friendship between the German and Soviet people is rooted in the working masses. Therefore not only the Communists but many Social Democratic and National Socialist workers regard it as their task *not in any circumstances to permit a breach of the pact*. Those who intrigue against the friendship of the German and Soviet people are enemies of the German people and are branded as accomplices of British imperialism. Among the German working class greater and greater efforts are being made to expose the followers of the Thyssen clique, who are the enemies of the German-Soviet pact. *There have been many demands that these enemies shall be removed from their army and government positions, and that their property shall be confiscated*. [Hitler has carried out these demands! J. C.]

"The fight of the German working people against the agents of British imperialism, against the Thyssen clique and their friends among the Social Democratic and Catholic leaders in Germany. . . ." (Quoted in the *British New Leader*, March 22, 1941. Emphasis in original.)

On October 9, 1939, the Russian official government organ, *Izvestia*, declared:

"One may respect or hate Hitlerism, just as any other system of political views. This is a matter of taste. But to undertake war 'for annihilation of Hitlerism' means to commit criminal folly in politics."

Opposition to fascism "is a matter of taste"! And Stalin's "taste" changed when he became an ally of Hitler.

### IV.

Describing Hitler's technique of conquest, R. Palme Dutt, British Stalinist theorist, once wrote that his "non-aggression" agreements are "not pacts for the maintenance of peace, but pacts to immobilize and paralyze collective defense against aggression and enable Nazi Germany to devour its victims one at a time." (*World Politics—1917-1936*, page 258.)

How well this depicts the Russo-German pact!

Yet one additional feature must be added. Article III of the pact calls for mutual consultation and exchange of information on matters affecting both parties. Stalin became an active partner in the devouring of the victimized peoples. The partners agreed on the conquest and partition of Poland. In September, 1939, their representatives met and demarked the exact frontiers of their spoils. (In the words of Stalin, the friendship between the two régimes was "cemented by blood," the blood of the Polish people.) In April, 1940, they reached an agreement on the Scandinavian countries; in June, 1940, in regard to the Baltics; the same month, on Rumania, etc. In each case Stalin sanctioned Hitler's moves and received "due payment" for his "non-belligerent" friendship. This is what the Communist Party calls Russian "neutrality".

However, the conflicting interests of these allies were not eliminated by their agreement. Stalin—as everyone else—did not expect the Nazi *blitzkrieg* victory over France, and feared

the growing might of his partner. Their differences cropped up in acute form, especially in the Balkans—the old powder-keg of Europe—in which Russia, Germany and Italy each has its own “interests.” Each power sought to subordinate the Balkan countries to itself. Hitler tried to mediate the differences among the three powers, “appease” each—at least for the time being. In June, 1940, he partitioned Rumania, giving Stalin his allotment. Mussolini, however, was not satisfied and on October 27, 1940, invaded Greece. From all available evidence, it appears that this action was undertaken without Hitler's consent. The Italo-Greek war opened up the Balkan front which both Hitler and Stalin sought to dominate without military hostilities. When Britain took advantage of this situation and the Italians suffered catastrophic defeats, Hitler was compelled from a military viewpoint to intervene.

### The Germans Propose

The German Fuehrer then proposed that Russia join the Berlin-Rome-Tokyo Axis in a pact of mutual assistance. This offer, made in November, 1940, was rejected by Stalin. He did not choose to be reduced to a mere puppet of Hitler, as in the case of Mussolini. At the same time he did not relish engaging in a war with the democratic imperialists in view of the increasing intervention of the United States—the one power in the world outside Germany for which the Russians have great respect. And given the present internal situation in Russia, Stalin's participation in any large scale war would be too risky for the present régime.

Hitler, it is to be assumed, made Stalin an “attractive” offer: the division of the booty among the four powers (Germany, Russia, Japan, Italy), with Russian participation in domination of the Balkans, joint control of the Dardanelles and the Near East. Though Stalin finally turned down this offer the mere fact of the proposal is of the utmost significance: German fascism asking Russia to join the original “anti-Comintern” bloc in a mutual assistance pact!

The first Russian announcement of this offer was made six months after the fact, in connection with the recent Russo-Japanese agreement.

*Pravda*, Russian Communist Party organ (April 20, 1941), reports:

“In November, 1940, a proposal was made to the Soviet government that it join the tripartite pact of mutual assistance and turn this pact into a four power pact. Since the Soviet government did not find it possible at the time to accept this proposal, the question of a pact between Japan and the U.S.S.R. came up again.” (*Daily Worker*, April 21, 1941.)

While Stalin “did not find it possible at the time to accept” an open military alliance with the Axis partners, Hitler was compelled by military necessity to enter the war in the Balkans. When the Nazis received “permission” to transport their troops across Bulgaria, the Russians informed the government of that country that such cooperation “doesn't lead to the consolidation of peace but to the extension of the sphere of war.” (*Daily Worker*, March 4, 1941.) This was the first time since the outbreak of the war that Russia placed the responsibility for its extension on Hitler.

The following month, on April 5, after an overturn of the pro-Nazi régime, the new pro-British Yugoslavian government signed a “treaty of friendship and non-aggression” with Russia. The treaty provided that: “In the event of aggression against one of the contracting parties on the part of a third power, the other contracting party undertakes to observe a policy of friendly relations towards that party.” (*Daily Worker*, April 7, 1941.)

The next day the Nazis invaded Yugoslavia. Stalin—this time true to his promise!—ordered the Communist parties to support Yugoslavia (and Greece) against the Hitlerites. Though this order has had no practical effects on the war in the Balkans, it is Stalin's warning to his ally as to what course he will pursue if Hitler muscles in on Russia's “spheres of influence.” At the same time it was a friendly gesture to retain what little is left of Russian influence among the Balkan peoples.

According to a Moscow dispatch of April 20, 1941:

“The Communists of Germany, Austria, Czechoslovakia and Hungary are calling for the support of the just war of the peoples of Yugoslavia and Greece against the foreign invaders. . . .” (*Daily Worker*, April 21, 1941.)

### Another Turn

Another Moscow dispatch of the same day informs us that the May Day manifestoes of these parties emphasizes “that the resistance to national oppression is being more evident in the occupied countries and that people who have been attacked, as the Yugoslavs and the Greeks, are waging a just, defensive war.” (*Ibid.*)

These dispatches also report that both the German and British imperialists are attacked by the Communist parties.

Thus, with the outbreak of the war in the Balkans a new stage in Russo-German relations—and thereby in Communist Party policy!—has opened up. Not only have the European Stalinists been given the signal for an anti-Nazi policy; the American Communist Party has received similar instructions. For the first time since the outbreak of the war, it has held anti-fascist (“Free Thaelman”) mass meetings throughout the country.

Whereas until now the Stalinists have denounced the defense of the small nations in the present war, ostensibly because they were tools of Britain and the United States, now they have become defensists in these countries (including the Nazi occupied nations of western Europe and Scandinavia). How different they spoke when Poland, Denmark, Norway were occupied by the Nazis (not to mention Stalin's own annexations!) When it serves the interests of the Kremlin master his puppets denounce defensism; when these interests require opposition to the war, the puppets quickly oblige.

### V.

The half-turn of the Stalinists reflects the contradictory, hesitant position of Russia at the present stage of the war. Caught between the Anglo-American and the Axis blocs, Stalin fears that a decisive victory of Hitler in the Balkans will jeopardize his own power. On the other hand, if he joins England and the United States against Germany the latter would be in an excellent position to invade Russia and get Japan to attack in the East.

In order to prevent such an outcome, the Russo-Japanese “neutrality” pact was signed, giving Nippon the “green light” to attack British and Dutch colonies in the Far East (which would inevitably involve the United States) and thus diverting Japanese military forces from the Russian frontiers.

The pact at the same time serves Hitler's aims since he desires the diversion of British and American forces in a Far Eastern war and has little to gain from an invasion of Russia before he has settled scores with the British Empire and the United States. That is why, since his agreement with Stalin, Hitler has put pressure on both Russia and Japan for a “non-aggression” pact or a “mutual assistance” pact. Though Rus-

sia has thus far rejected these types of agreement with Japan, it has accepted a friendly relation of a lower order, involving less direct responsibility and immediate risks, and permitting greater flexibility for the future.

In commenting on the pact, *Pravda* (April 20, 1941) chided British and American writers who attacked it because their "masters fear for their interests in the Pacific, where they evidently have weak positions, and would want to divert Japan's attention from those vulnerable spots by stirring up conflicts between the U.S.S.R. and Japan." (*Daily Worker*, April 21, 1941.)

And so the Communist Party has for the time being dropped its slogan for an American-Russian alliance against Japan—the latter is now "friendly" to the "socialist fatherland."

What Stalin's next moves will be depends on the further development of the war, and particularly the results of the Battle of the Mediterranean and Hitler's actions in regard to

the Dardanelles and the Near East. He will seek to maintain his alliance with German fascism so long as the latter permits it.

While one cannot predict the exact future course of the Communist parties, it is clear that their policies are determined for them by the Stalin bureaucracy and will change only in accordance with the needs of the Russian reactionary rulers. The interests of the working class, in Russia, in the United States and elsewhere play no rôle whatsoever. If tomorrow Stalin would decide to line up with the democratic imperialists, the American Communists would join the pro-war chorus. The Communist Party is alien to the country in which it operates, alien to the working class and socialism.

The victorious struggle against Stalinism is an indispensable requisite for the struggle against capitalism, fascism and their imperialist war, and for socialist victory.

JOSEPH CARTER.

# Features of U. S. Imperialism

EVER SINCE THE UNITED STATES became a creditor nation in 1917, the specific weight of American imperialism in world affairs has steadily grown. The maturation of American capitalism during the decade of the 1920's brought about significant structural developments within its anatomy. These developments have greatly influenced the growth of American imperialism and its influence on the course of world history. Nowhere is this more strikingly illustrated than in the present situation, which clearly centers around the war. It is with the hope of throwing some light on this key problem that this examination of the internal structure of the American bourgeoisie and its foreign investments is undertaken.

The fact that the capitalist class in a particular country is far from homogeneous is certainly not a new discovery. It goes back at least as far as Marx and was clearly understood and amplified by Lenin in his study of modern finance capitalist imperialism. Nevertheless, there has been a tendency within the Marxian movement (and, it goes without saying, amongst the bourgeois economists and historians) to minimize and even to overlook the importance of the various groupings within the bourgeoisie (determined essentially by the form and location of their capital accumulations—such as finance, banking, industrial, commercial and agricultural) and to treat the various national bourgeoisies as more or less homogeneous wholes.

In this fashion, half-truths are paraded as the last word in realistic analysis. The democratic bourgeoisies are interested in preserving their empires. The fascist bourgeoisies are interested in acquiring these empires. Everything becomes very simple—indeed, too simple. For, in spite of all the nationalistic propaganda that they and their agents have spewed forth, the *modern* (twentieth century) bourgeoisie is the most *internationally-minded* class that history has yet produced.

It is necessary to begin first with a brief presentation of economic data concerning American foreign investments, for these exports of surplus capital are most important in establishing the framework within which American imperialism must operate during the coming period.

"Prior to the present century American investments abroad

were comparatively small. An estimate by Nathaniel T. Bacon placed American investments abroad in 1900 at \$500,000,000 . . . Charles F. Speare placed American investments abroad in 1909 at \$2,020,000,000 and John B. Osborne estimated them at \$1,902,500,000 for 1912." (*Moody's 1940 Manual of Investments*). Thus, even before World War I, American capitalism was casting about for a more profitable outlet for its surplus capital accumulations. The war of 1914-1918 greatly accelerated the process. In the decade from 1912-1922, American foreign investments increased 300 per cent. Moreover, in the course of this phenomenal increase, a profound change took place in the structure of American imperialism—a change which was a direct result of the war. From a debtor nation ever since its origin, the United States became in 1917 a creditor nation.

## Growth of American Investments

During the period of the First World War most of the financial interests of American imperialism, consisting of financial loans, trade and investments, were in Europe, and most of these were in England. But in the course of the subsequent two decades, many changes have taken place in the foreign investment position of American capital. While different sources give different estimates of the amounts invested abroad, the most official figures available are those of the Department of Commerce. These show a steady rise until 1931, as follows (these figures are based on conditions existing on January 1 of the given year):

Year	Amount
1922	\$8,020,000,000
1923	8,877,000,000
1924	9,135,000,000
1925	10,004,000,000
1926	10,876,000,000
1927	11,684,000,000
1928	12,656,000,000
1929	13,973,000,000
1930	14,764,000,000
1931	15,170,000,000

This decade, in other words, represents the heyday of American imperialism. Foreign investments increased almost 100 per cent and reached the huge absolute figure of more than 15 billion dollars (some estimates place it as high as 18 billions). Interest payments and dividends on these investments annually ran to more than a billion dollars, a substantial item in the international balance of payments. The American octopus had extended its tentacles over virtually the entire globe. In so doing, it had produced some important qualitative changes. Investments in Europe remained more or less the same. The big increase occurred in the Western Hemisphere.

A survey made by *Fortune* in July, 1931, gives the following figures for the year 1929-1930:

Location	Amount
Europe .....	\$5,000,000,000
Western Hemisphere .....	9,350,000,000
(Latin America—\$5,500,000,000)	
(Canada—\$3,850,000,000)	
Far East .....	1,300,000,000
(Asia)—\$900,000,000)	
(Australia—\$400,000,000)	
Africa .....	100,000,000
Total .....	\$15,750,000,000

Note well that investments in Latin America now exceeded those in Europe. Important as this change is, its full significance only becomes apparent during the decline of about \$4,000,000,000 that took place in American foreign investments during the decade of the 1930's. From the beginning of 1931, the decline is steady, most of it being recorded in the first six years of this decade. The Department of Commerce (July, 1940) records a total foreign investment of American capital at the end of 1939 of \$11,365,000,000.

If one compares the proportionate amounts invested in different geographical areas in 1929 and in 1939, then the changes are quite striking:

Area	Percentage of total investment		(Amount)
	1929	1939	
Europe .....	31	20	(\$2,278,000,000)
Western Hemisphere .....	59	70	(\$7,915,000,000)
Far East and Africa .....	10	10	(\$1,172,000,000)

The fact which emerges as predominant is that 70 per cent of America's foreign investments are in the Western Hemisphere, as World War II confronts American imperialism with even more decisive questions than did World War I. Moreover, the decline in the absolute amount of capital invested in Europe (which is more than 50 per cent during the last decade) has undoubtedly been accelerated during the past year as the Nazis have attempted to put their *grossraumwirtschaft* into operation in Europe.

### Banking Capital Asserts Itself

In the case of World War I, American investments were largely in Europe. In the case of World War II, American investments are overwhelmingly in the Western Hemisphere. World War I saw America emerge as the dominant imperialist power of the world; almost, but not quite, "master of the world," as Mr. Thomas W. Lamont of the House of Morgan had hoped. During the decade of the 1920's, American imperialism put Europe on rations and extended its sway throughout the world, especially in the Western Hemisphere. The decade of the 1930's saw American imperialism enter into the period of decline that has characterized world capitalism as a

whole since 1914, and many readjustments were forced upon it both internally and externally. Not the least of these was the necessity of relinquishing the attempt to reduce Europe to the status of a colonial dependency of the United States. The Western Hemisphere was found to be a more profitable and safer field for exploitation than Europe. Here, in reality, lies the origin of Roosevelt's "Good Neighbor" policy and the imperative necessity for the Act of Havana. The position of American imperialism *vis-à-vis* World War II is clearly not quite the same as was its relation to World War I.

American capitalism entered the highest stage of its development—the imperialist stage—during the last years of the nineteenth century. Two events, among many, signalled the emergence of the brash youth from its precocious adolescence into the estate of manhood amongst the capitalist nations of the world. They were the Spanish-American War and the formation of the gigantic billion dollar monopoly, the United States Steel Corporation in 1901. The first event served notice on all competitors that American imperialism could not be ignored in any distribution or redistribution of the world's markets, colonies or spheres of influence. The second event served to emphasize and to punctuate the importance of the first. When the canny Scot, Andrew Carnegie, sold his industrial properties to the successful banker, J. P. Morgan, the process of merging banking capital with industrial capital came to a climax and then continued on a grand scale. American imperialism throughout the twentieth century is thus characterized by the domination of finance capital.

The fusion of banking capital with industrial capital to form finance capital does not disclose the same story in each case. On the contrary, two major trends can be noted in the United States. The more classic case is that of banking capital, through its rôle as promotor, invading the field of industry. Occasionally by outright purchase, but more often by various forms of intimidation and pressure, it secured control of various industries. The outstanding example of this method is, of course, the Morgan interests. The National Resources Committee in its study of *The Structure of American Economy* (1939) estimates that there are eight large interest groups. Of these, what is called the Morgan-First National group is by far the largest. Corporations directly controlled by this group possess assets of more than \$30,000,000,000.

The other major method by which finance capital evolves is best exemplified by the Rockefeller interest group. Capital is originally accumulated in the field of industry or mining (in this case, oil). It expands until the pressure of accumulated surplus reserves and the struggle for survival and domination force it to acquire control of banking capital. In 1930, for example, the Rockefellers bought into the Chase National Bank and, through the help of the Banking Act of 1933, established Mr. Rockefeller's son-in-law, Winthrop W. Aldrich, as chairman of the Board of Directors. The Board of Directors was pruned and reorganized with the object of forcing the Morgan men out. Today, the Chase National Bank, with total assets of three and one-half billion dollars, is the largest bank in the world and is clearly a Rockefeller-controlled institution.

The total assets of the 50 largest banks in the country plus the 200 largest non-financial corporations are approximately \$100,000,000,000, or almost one-half of the total national wealth. The eight finance capital groups, Morgan-First National, Rockefeller, Kuhn-Loeb, Mellon, Chicago, duPont, Cleveland, and Boston, control 62 per cent of the assets of this list of the principal 250 corporations. In a very measurable sense, therefore, finance capital controls the United States.

## The Morgan-Rockefeller Groups

Within these eight major interest groups, the two most important, especially from the point of view of their ability to influence domestic and foreign policy, are the Morgan and Rockefeller groups. The other six groups generally occupy a position subordinate to the two main groups. Moreover, the Morgan and Rockefeller groups were the first to appear on the historical scene as important molders of policy. To a large extent the history of the United States during the first part of its finance imperialist phase (1890-1917) is a history of the conflicts between these two groups. Following World War I, however, during the phenomenal expansion of American imperialism in the 1920's, many changes took place within the anatomy of American imperialism. These left their mark on the Morgan and Rockefeller groups.

The fairly sharply defined Morgan and Rockefeller groups have given way, as a result of a maze of interlocking directorates formed under relentless pressure by the requirements of monopolistic competition, to loose, informal groupings of "friendly enemies." Both the Morgan and Rockefeller families have declined tremendously in importance. The dominant figures in both groups are chiefly successful business men who have demonstrated by their ability and success their right to positions of leadership within the American bourgeoisie. Changes are made as often as circumstances require within this leadership. That which gives these groups continuity is their more or less respectively similar interests plus the perpetuation of the Morgan name in close association with one group and the Rockefeller name with the other. The original antagonisms between the Morgan group and the Rockefeller group, based on the conflict between finance capital and industrial capital, have not been completely obliterated. They still remain latent and, on occasion, burst into the open. Both groups, today, are full-fledged finance capital groups. But, because of the nature of their origins, their investments are not identical. The Rockefeller group, wherever a conflict arises between industrial capital and finance capital, is inclined towards the industrial capital position. The Morgan group, however, even though its industrial interests are larger than its banking interests, is both in origin and outlook a banking group. Hence, whenever a conflict arises between industrial capital and finance capital, as more genuine finance capitalists, the Morgans incline towards the banker's point of view.

Labor policy, price policy, the New Deal and domestic politics, as well as foreign policy, have, on occasion, served as battlegrounds between the two groups. The Rockefellers and their allies have been much firmer in their insistence on an open shop policy than the Morgans. They have pursued a much more rigid, inflexible price policy than the latter. They have been openly anti-New Deal, whereas the Morgans have varied in their attitude, at times being quite friendly to the Roosevelt Administration. The Rockefellers have concentrated more and more on the Republican Party, while the Morgans have continued their interest in both political machines. Finally, the original appeasement sentiment in this country (after the outbreak of the war) was pretty much concentrated in the Rockefeller group.

If one considers solely American direct investments abroad (this type of capital investment is the more stable and, other things being equal, will more likely influence policy than portfolio or short-term investments), the reason for the cleavage on foreign policy between the two major groups within the American capitalist class that ran from the outbreak of

World War II until almost the date of the 1940 election appears to be quite clear. At the end of 1936 (whatever shifts have taken place since are relatively minor and can only serve to reinforce the general picture which I am presenting), 72 per cent of American direct investments were in the Western Hemisphere, 18 per cent were in Europe, and the remaining 10 per cent were largely in the Far East. Manufacturing, public utilities and transportation investments are chiefly Morgan. Petroleum, mining and smelting are chiefly Rockefeller. An analysis of the location of these different types of investments reveals that the bulk of the investments in Europe are Morgan-controlled; the bulk of the investments in the Far East are Rockefeller-controlled. Both groups have very important investments in the Western Hemisphere.

From what I have said above, the following conclusions seem to be indicated:

(1) The most successful policy that American imperialism can pursue is one that will secure the maximum agreement within the American bourgeoisie. So far as foreign investments are concerned, this means that the cornerstone of American policy must be the protection of the 70 per cent of American investments in the Western Hemisphere. For it is here that all groups of American imperialists have important interests. The alliance with Canada, the Act of Havana, the creation of the Pan-American Bank, the granting of a \$500,000,000 capital to the Export-Import Bank for loans to Latin America, the military plans for Hemisphere "Defense," these are virtually the only items in American foreign policy today that have the unanimous approval of all sections of the American bourgeoisie.

(2) While all American imperialists are interested in the Western Hemisphere, some are not particularly interested in Europe or the fate of England. Others are. The House of Morgan, for example, is vitally interested in defending England. More is involved here than the simple fact that the Morgans have considerable investments in England. England (the City of London) has been the world center of international trade, the focal point from which finance capital throughout the world operates. If England goes under, not only do the Morgans lose considerably in wealth, power and prestige, but world finance imperialism will be considerably shaken. If it lies within the power of Morgan and those financial interests allied with him, history will repeat itself. America will enter World War II for the same laudable purpose as last time—to protect American trade with and investments in England.

(3) Some American imperialists are more worried about the threat offered by Japanese imperialism than that offered by German imperialism. They are not only the ones who have the chief stake in the Far East, but who, above all, see in the Far East a great potential sphere of interest. This vast market, embracing almost one-half of the world's population, possesses unlimited opportunities for capital investment, securing raw materials, and for trade. It is in the Far East that the destiny of American imperialism lies, in their opinion.

(4) These differences within the ranks of American imperialists, plus the course of the war to date, have forced the Roosevelt Administration to operate on the basis of the least common denominator between the two major groupings of American imperialists—Hemisphere "Defense." The immediate purpose of an army of 4,000,000 American conscripts is likely to be as an army of occupation throughout the strategic points of the Western Hemisphere.

(5) The aim of American imperialism in this war must be complete mastery of the world. Or, in the words of Wendell Willkie, a Morgan man if there ever was one in American politics: "After this war, the capital of the world will either be in Berlin or in Washington." But there are still some differences of opinion within the bourgeoisie on how this program of world domination is to be accomplished.

## The War and Group Unity

The continued resistance of England, which gives currency to the forecasts of a type of Napoleonic war, has strengthened the Morgan hand. Their task now is to involve the United States in the war in a military manner as quickly as feasible. To do this, they must, if possible, cement their agreements with the Rockefellers. The government, therefore, must increasingly represent, for the bourgeoisie, a régime of national unity. Roosevelt has already taken the first steps in this direc-

tion. His appointments of Stimson and Knox, two Republicans, to the key cabinet positions of War and Navy, were more than a clever election maneuver. It was the first step in the direction of a government of national unity. The personnel of the National "Defense" setup is steadily broadened out to embrace all sections of finance capital. Aside from Stettinius, with his Morgan link, and Knudsen, with his Morgan-duPont link, one of the most significant of recent appointees has been that of Nelson Rockefeller to the position of Coordinator of Cultural Relations with Latin America.

In general, the crisis of capitalism requires more and more constant intervention on the part of the capitalist state in the affairs of business. This is what Lenin called the domestic counterpart of modern finance imperialism—the development of state monopoly capitalism. An additional reason for the hastening of this process is that an immediate solution, in view of the war situation, for these internecine conflicts within the bourgeoisie is required—and only the capitalist state can solve them.

Along with this growing unification of the capitalist class within the capitalist state will come the hammering out of a clearly defined policy of action for American imperialism, both in regard to domestic affairs and foreign policy. Its outlines have already been clearly indicated by Roosevelt during the past year. Price policy is to be dictated by the capitalist state in the interests of the entire capitalist class—witness the establishment of a price ceiling in steel. Prices are no longer to be subject to the vagaries of the market, as influenced by the necessities of fratricidal warfare amongst the capitalists. Profits will not be ignored. Far from it. They will now be guaranteed by the capitalist state at a higher level than the capitalists could hope to maintain by themselves in "normal" times. Along with and as a result of this tendency small business will be completely wiped out. The American industrial structure will be streamlined along the lines of 100 per cent monopoly. Since time does not permit, those industrialists

who insist on the patriotic necessity of crushing labor in order to improve the war effort, will be forced by the capitalist state to acquiesce in Roosevelt's policy of an alliance with labor, modelled after the British setup—witness the establishment of the National Defense Mediation Board and the manner of settling the Bethlehem, Ford and Harvester strikes. Foreign policy is now well formulated—witness the passage of the Lease-Lend Bill and other more recent steps and the enthusiastic approval given to these measures by the outstanding spokesmen for both the Morgan and Rockefeller groups. German imperialism is the main threat and must be defeated at all costs. This will take care of Japan and, incidentally, in the process of "helping" England, British imperialism will become subservient to the greater interests of American imperialism.

The tendency which was exhibited by industrial capital in France towards appeasement and towards conserving its direct investments by avoiding the defense of Paris cannot be expected here. Finance capital is too cosmopolitan, too broad in its outlook to take such a narrow view of its interests. The paucity of investments in the Far East and Africa, as well as Europe, dictates to American imperialism a policy of attempting to achieve world domination. This policy is reinforced by the tremendous pressure being exerted by untold billions of surplus capital lying idle within the country, and by the constantly growing pressure of an expanding armaments economy—which more and more exhibits a tendency to become permanent. We will not enter a foreign war, says President Roosevelt, "except in case of attack." But American imperialist interests have already been attacked by Germany and Japan. They will be more so in the near future. How soon, then, will it be before there is another Lusitania incident, before Roosevelt and the rest of the capitalist propagandists have the pretext or invent the pretext of "attack" by a foreign power and America is launched in actual military participation in World War II?

FRANK DEMBY.

# Hook Purges Marxism

AMONG THE STRICTLY MINOR successes of Marxist analysis is the outcome of Professor Sidney Hook's political evolution. Two and a half years ago Burnham and Shachtman pointed out in their NEW INTERNATIONAL article, "Intellectuals in Retreat," this his political course was leading him straight to old-fashioned reformism. This prediction, after an interval of a year and a half, was verified by Hook in documented form with the publication of his last book, *Reason, Social Myths and Democracy*, a collection of articles from various magazines. He there poses the question, "What Is Living and Dead in Marxism?" and answers it with an obituary.

An obituary it is, in spite of tentative qualifications. "How much of traditional Marxism will remain after it is scientifically purged cannot be foretold in advance," he writes, but leaves precious little for future purgatives. Revolutionary seizure of power, dictatorship of the proletariat and soviet power are dismissed out of hand; the Marxist theory of the state is first patted on the back and then sent packing; the existence of any laws of social revolution is denied; historical materialism is implicitly condemned as so one-sided as to be

false or else so ambiguous as to be incapable of present discussion.

Readers who approach this book in the hope or fear that it contains the slightest degree of novelty in the way of anti-Marxist argument or evidence are doomed to disappointment. To a great degree it could be dismissed in one sentence: "See *Towards the Understanding of Karl Marx*, the defense of Marxism which the same author wrote in 1933." This is not merely to show that the man has changed his line: the very same anti-Marxian stand-bys which *Towards the Understanding* is largely devoted to riddling, are blandly repeated by Hook in 1940 as if he had just invented them.

One reads *Reason, Etc.*, from cover to cover without a hint that its ideas have not been part of Hook's equipment since the cradle. It would be nasty to point out that this is typically a Stalinist procedure. It is not, however, too much to expect of an honest, scientifically objective thinker that he should "settle accounts" with his former self, especially with those works which gave him the only reputation he has. It is also relevant to add (since Hook coolly includes "Machiavellianism" as part of the nature of Bolshevism) that our own regu-

lar practice has been to change political positions by public proclamation and explanation.

Perhaps Hook is wise in not motivating, by argument and evidence, the series of assertions which make up the bulk of his "annihilation" of Marxism. For as he notes himself, he is not yet through with the purge. At the present time "Hookism" represents not so much a political position as a process. His book is a snapshot album of an intellectual in full flight; and like most still photographs of an object in rapid motion, the definition of outlines is blurred and vague.

### Some Demonstrations in Scientific Method

Of science and logic he chatters,  
As fine and as fast as he can;  
Though I am no judge of such matters,  
I'm sure he's a talented man.

—W. M. Praed.

Before proceeding to take up the roster of Marxist principles, Hook presents three reasons why Marxism is unscientific. We consider them now in order to display his critical methods.

#### (1) "Historical reason":

"What is meant for anything to be a science was determined by the nineteenth century formulations of Engels which were already antiquated at the time he penned them. It was a deistic view of the world without Deity in which terms like infinity, necessity, universality were used in emotionally free but intellectually unprecise ways."

Neither Marx nor Engels ever sat down to "formulate" the scientific method. But it is not here a question of a general and all-embracing definition. Hook is concerned specifically with the question: How is the truth of a statement to be ascertained, and how is a meaningless abstraction to be distinguished from a meaningful assertion? For Hook a statement is meaningful "if we know how to go about testing it, and what would constitute evidence tending to confirm or refute it."

Good, truth is ascertained in *practice* and verified by the consequences of *action*; and this concept was *not* prevalent in Marx's day. But it was Marx who proclaimed precisely this principle in his Theses on Feuerbach:

"The question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. In practice man must prove the truth . . ." (Thesis II.)

Hook knows this: in 1933 he devoted a chapter to demonstrating the scientific character of Marxism, basing himself on Marx's writings. In 1940 he "proves" the reverse . . . by ignoring Marx and referring to unspecified, uncited "antiquated formulations of Engels."

But let us keep in mind the criterion for a meaningful statement and apply it to Hook's second reason.

#### (2) "Analytic reason":

"It [Marxism] would assert: 'Marxism is not a dogma' but it never made clear what the difference was between a dogma and an hypothesis."

Hook need only call to mind the second half of this truncated citation: "Marxism is not a dogma *but a guide to action.*" (Emphasis mine.—P. T.)

"It looked to experience, but only to confirm Marxist pronouncements, not to test them."

What does this sentence mean? Hook cannot mean that Marx, Lenin, Trotsky or the other great theoreticians of Marxism never posed the question: "Do these facts refute Marxism?" On the contrary, the history of Marxism is a long polemic against alleged facts refuting Marxism—from Dühring

to Bernstein to Hook. He can only be saying: "Yes, they pretended to take them up but they were not really, subjectively interested in testing Marxism thereby but only anxious to slay their critics." But it is as impossible to refute such an assertion about the psychology of these men as it is to prove it (and Hook, here and throughout, does not even make a show of proving such assertions). It is strictly unverifiable nonsense, in Hook's terminology.

But isn't the professor confirmed by the fact that every time the Marxists looked at experience, they did as a matter of fact draw the conclusion that Marxism was thereby confirmed and never drew the conclusion that it was refuted? That is precisely why they remained Marxists. While on innumerable occasions specific conclusions arrived at, or statements made by, Marx and his successors have been discarded by the movement on the basis of the test of experience, we are certainly not convinced that history has invalidated the Marxist method or its basic principles; on the contrary.

Hook's nonsense boils down to this: either (a) Marxists are by nature, and because of their Marxism, incapable of accepting evidence invalidating Marxism—a proposition refuted by the existence of Hook himself; or (b) the trouble with Marxists is that they believe history has confirmed their theory. Again:

"We search in vain in the canonic writings of the pre-war or post-war periods for any indication as to what empirical evidence Marxists were prepared to accept as constituting even a possible refutation of their doctrines."

This is truly amazing. Bernstein, Bohm-Bawerk, Struve, Professor Carver and a century of anti-Marxists threw volumes of "empirical evidence" at the movement and the Marxists accepted their challenge because they constituted "a possible refutation of their doctrines." Of course, they were "dogmatic" enough to go about refuting this evidence, as Kautsky and others did in the case of Bernstein's contention that class antagonisms were softening. But that is not a crime against scientific method.

And where is Hook's empirical evidence against Marxism? Unlike his more distinguished predecessors, there is scarcely a shred of empirical evidence, appeal to facts, presented in the whole section. Hook's purge of Marxism is based almost exclusively upon "logical" analyses, bald assertions, psychological probings into the Marxist subconscious.

(3) The last two of these three methods are used exclusively in putting forward the third reason for the unscientific character of Marxism. Marxists, says Hook, have "never" considered the relationship between their socialist ideals and their means. In actuality, he means that we have not come to *his* conclusions in making such consideration. In writing, to concretize his generalizations, he makes only one concrete reference.

"Before the First World War, the propaganda of the Marxist movement was infused with moral passion and idealism." But "with the coming of the Bolsheviks" these faded into the background! There you have the historical distinction between the old rotten Second International and the Leninists—the "moral passion" of Kautsky and Legien, Hillquit and Algernon Lee, and its absence in Lenin and Trotsky, Liebknecht and Luxemburg.

As a matter of fact, Hook is half right: the pre-war socialist movement *substituted* "moral passion" for revolutionary agitation for the same reason that it substituted practical opportunism for revolutionary action. Norman Thomas' highly "moral" declamations against capitalism demonstrate how

necessary it is for the opportunist to resort to a *steady* fare of idealistic *verbiage* as a substitute for a political program.

## Hook's Critical Methods

Lord, Lord, how this world is given to lying!  
—Shakespeare.

We shall find the section just discussed typical of Hook's critical method in *Reason, Social Myths and Democracy*. (1) A complete lack of documentation for crucial statements on what Marx or "the Marxists" believe. Hook can even remark that Marx believed in the possibility of peaceful revolution without adding a word of qualification, a half-sentence of explanation, or even a reference note for check.

(2) This characteristic merges into another: outright falsification and distortion. The example given in the above paragraph is close to this category—for Hook, who has written whole chapters disproving the assertion he now flings out in a phrase. But there are more direct examples. Here is how Hook quotes Lenin:

"There is no more eloquent testimony of the practical ruthlessness and theoretical naïveté of Lenin than his reply to those dissident communists who warned against the cult of political leadership which was involved in the Bolshevik substitution of the dictatorship of the party for working class democracy. 'The mere presentation of the question,' he says, '[of] 'dictatorship of the party or the dictatorship of the class' is . . . childishness . . . evidence of the most incredible and hopeless confusion of mind.' To contrast the dictatorship of leaders and the dictatorship of the masses, he adds, 'is ridiculously absurd and stupid.' It is worse. It is 'repudiation of the party principle and party discipline . . . for the benefit of the bourgeoisie. It is to carry out the work of the agent-provocateur.' His discussion never even reached the level of an argument."

I have reproduced this paragraph exactly as it appears in Hook's volume, with all the excisions. Hook gives the source: *Selected Works*, Eng. ed., vol. x, pp. 80 ff. Look it up; it is the famous *Left-Wing Communism*.\*

Hook conveys the notion—does he not?—that a group of democratically inclined communists protested against the concept of party dictatorship and that Lenin merely threw epithets at their heads. The fact is the reverse!

(a) The dissident communists involved were the "Left communists" who were opposed to parliamentary action and working in the reactionary trade unions. *Far from opposing the concept of one-party dictatorship, they were explicitly in favor of it, as their transition to class dictatorship. Their program stated: "The opposition . . . is of the opinion that the question of the rule of the Communist Party and of its dictatorship is only a question of tactics. At all events, the rule of the Communist Party is the final form of all party rule . . . Accordingly, it is necessary to reject most emphatically all compromise with other parties . . ."* One of their leaders wrote "The working class cannot destroy the bourgeois state without destroying bourgeois democracy, and it cannot destroy bourgeois democracy without destroying parties." They *condemned* the official communists for seeking collaboration with the independent socialists. This is one-party dictatorship with a vengeance. (Incidentally, Lenin presents these facts in the pages from which Hook assembles his quotation.)

\*Two minor falsifications first. (a) The fragments quoted by Hook are culled from four pages of a chapter which contains one of the most cogent discussions of the relations between party, class and masses to be found in Lenin. That his discussion never reached the level of argument may be Hook's opinion, but his jig-saw quotation is selected to give the impression that this is all there is to the chapter. (b) The last sentence quoted by Hook is not in Lenin. The quotation mark is apparently misplaced. But it is false even as a paraphrase: Lenin makes no amalgam between Left communists and agents-provocateurs.

The Left communists made a distinction between party and class dictatorship, only in order to insist upon the former for the present and to present the latter as something which they must "strive toward"—*after* all parties had been destroyed! *This is what Lenin was polemizing against.*

(b) Through the party dictatorship the Left communists were going to abolish all other parties and organize all workers in the "workers' union" (red trade union). *Then* the class dictatorship was to come into being—with the workers' union replacing the party as the rallying point for the revolutionists and the party itself becoming merely an educational and training instrument. In effect, the Communist Party also was to be abolished under the "class dictatorship." *This is what Lenin was polemizing against.* To these ideas Lenin counterposed the concept of a class dictatorship, led by an iron party enjoying the confidence of the revolutionary workers.

(3) Hook's third method is psychoanalysis à la Edmund Wilson, not as an addendum to an argument but as a substitute for it. This is the substance of his entire section on "The Party as Instrument," which begins fittingly enough with the falsification of Lenin cited above. Following up the remark about Lenin's "theoretical naïveté, it continues:

"Lenin's naïveté was the reflection of his inability to imagine that his conception of the best interests of the workers could ever in fact be different from what their best interests actually were. His indignation was a reaction to a criticism which in virtue of his naïve Messianic faith, he could not interpret otherwise than as an attack upon his personal integrity. Stalin was the 'price' that Lenin paid for this naïveté . . . Given this naïveté, it was perfectly natural for Lenin to charge that the Workers' Opposition which fought for more democracy within the Soviets was trying to overthrow the Soviet Power."

Lenin, you see, wasn't a bad man; he was just . . . naïve, took all political criticism personally, thought he was Jesus Christ himself, in short, a bad case of superiority complex. Hook sums it all up as "simple-minded infamy," an epithet generated by a reflection upon Lenin's detestable habit of shooting people he disagreed with. (Hook calls it "actual murder" but it would be too much to expect this scientific investigator to cite an instance; he doesn't.)

You have before you Hook's critical annihilation of the Leninist conception of the party. The rest of the section presents a "positive alternative" to this conception which we shall not fail to take up later. Though Hook can seriously present such psychological dribble, how distressed he would be if an answer were to be rendered in like terms:

"Professor Hook's renegacy is to be expected of a man with a vulcanized spine; it is no accident that his running to cover coincides precisely with the outbreak of the war. His book is obviously addressed more to Chancellor Chase than to the Marxists; he bids fair to get ahead in the world. Having once entered upon the path of intellectual dishonesty, it is perfectly natural for him to lie, falsify, distort and conceal known facts in order to prove himself a useful turncoat."

(4) The last general consideration we shall make is that Hook pretty consistently takes the Stalinists as the representatives of Marxism (without saying so) and by criticizing the former, smears the latter.

Nine out of ten times when Hook ascribes an idea to, or makes an accusation against, "the Marxists," "most Marxists," or "contemporary Marxist movements" (in the plural), he does not specify whom he is talking about. We may overlook this for the moment although it is his regular procedure whenever he produces a whopper. A certain suspicion is aroused, however, when we read the following:

"The Marxist movement in every country of the world seems to have lost that sense of direction and assurance which had sustained it in previous crises. Articles of faith and doctrine have been abandoned in a precipitate scramble for slogans and formulae that will work for a day, a week, or a month" (page 106).

What "Marxist" movements, we wonder, is Hook referring to, that have lost their assurance and abandoned their doctrines? He cannot be referring to our movement, because his complaint there is that we're *too* assured and *too* orthodox. Unless he is merely being autobiographical, can it be that the "Marxists" he is considering are the Stalinists and Social-Democrats?

"Until recently most Marxists deduced the nature of the cultural superstructure of socialism . . . as a simple corollary of socialist production" (page 127).

What this describes is the *New Masses* school of "proletarian literature" and the Stalinist nonsense about the "Bolshhevisation of culture."

"It was not because they lacked enthusiasm that Marxists lost out to fascists in Europe. It was partly because they lacked the courage to act boldly at the height of their power, partly because their doctrines were inflexible and their specific practices unintelligent" (page 133).

There it is: the "Marxists" are . . . the Stalinists and the Social-Democrats! Hook began by describing how *these* movements have *abandoned* Marxism, their "articles of faith and doctrine." That is a count against Marxism. Then he notes that these movements (which had abandoned Marxism) failed to defeat fascism.

To confound confusion, on page 141 we find him referring to these same Stalinists and Social-Democrats as "counterfeit" Marxists, that is, they only claimed to be such and *were not*. This does not prevent him from using them (anonymously!) as horrible examples when it is necessary to misrepresent Marxist theory and practice.

What a congeries of deception and confusion by this very scientific professor of philosophy! On one page he can write: "The Stalinists, who have long since betrayed the ideals of socialism, still call themselves Marxists . . ." and on another draw a portrait of the Marxist soul with the Communist Party sitting as the model:

"As everyone knows who follows the day by day activity of Marxist groups, it is marked more by zealotry than intelligence, more by narrow organizational loyalty than cool appraisal of events. Slander is the weapon more often employed than argument, and hate the ruling emotion."

## The State—

We may with advantage at times forget what we know.

—Publius Syrus.

Professor Hook's method of disposing of Marx's theory of the state is to crush it to his bosom, with the flattering remark that it is "fundamentally empirical." But when the baby emerges from that lethal embrace, its visage has been changed beyond recognition.

"The state is what it does," writes Hook. This *may* mean that the *test* of the class nature of the state is to be sought in an observation of state activities, not in definitions. This is perfectly correct. But what the professor means to say is that *one can make no generalizations about the class nature of a given state; all that is possible is to make a series of observations holding only for given situations.* Even the soundest generalizations from long experience "are formally irrelevant to the question of whether the state *here and now* and in re-

spect to *this* proposal will act to further or frustrate the interests of a particular class." "What it usually does gives it its class character," but it is false to assert that "the legislatures, the courts, the army, police and militia *cannot* change their nature by functioning differently or for different purposes." (Hook's emphasis.) It is a Marxist error to believe that the state is still acting in the interests of the ruling class when "a Labor Relations Act, helpful to workers, was adopted in the teeth of organized opposition by employers."

It is said, continues Hook, that in the case of the Labor Relations Act "the 'ruling class' yielded to pressure in order to escape more drastic demands being made up on." (The quotes around "ruling class" are his. Apparently he does not subscribe to the term.) He answers: "But the fact that the 'ruling class' could be made to yield is *just as significant* in understanding the nature of the state as its reasons for yielding." (My emphasis.—P. T.)

Certainly, the susceptibility of the state to pressure from below, the degree to which it will yield and the form in which this pressure is exerted, bear upon the difference between the fascist-totalitarian state and the democratic state—i.e., upon the political form of the capitalist state. If Hook is accusing us, the Marxists (not the third-period Stalinists), of overlooking this important difference, he is asserting a falsehood. But his implication here (and Hook works greatly through implied rather than frontal attacks) is that somehow the democratic capitalist state is less, or not at all, a *capitalist* class state. From this point on he can proceed to develop theories in which the capitalist democracies function in practice as non-class organizations.

To bolster this non-class theory of the state, our professor appeals to . . . *Marx*. Not, you understand, by referring to a line he ever wrote (he exhausted all the quotations in proving the opposite in *Towards the Understanding*), but by assertion:

"Now, historically Marx may have been justified in asserting that *in a given situation in a given country* the state institutions, *in virtue of their traditions and personnel*, could not function to achieve socialist purposes, and that the workers and their allies, therefore, could not rest with capturing the state machinery but had to destroy it. [My emphasis.—P. T.] But Lenin converted the conclusion of a specific analysis into a dogma and asserted that by its very nature, the existing state could never under any circumstances change its nature by new uses and new functions. He *defined* the state in such a way as to preclude this possibility."

It would be useless to ask wherein Lenin's definition or views on the state differed from those of Marx and Engels. Hook says not a word more about this new-found distinction between Marx and Lenin. But note:

(1) Hook passes from "The state is what it does," to "The state *at any moment in any situation* is what it does *in that situation.*" We know the character of a given state *only* from specific situation to situation. To generalize on the class nature of that state as a guide to future action is a metaphysical vagary of the Marxists. This is the sheerest vulgar empiricism: we know only what is before our noses; one cannot dogmatically assert that the National Guard *may* not be used to herd the company bosses into jail and install the strikers into workers' control of the plant!

(2) Is it merely because of its "traditions and personnel" that the capitalist state's class character is determined, according to Marx's theory? Nonsense: basically, it is because of *the capitalists' control of economic power.* But this fact is precisely the one which disrupts Hook's pretty non-class theory. His

sleight-of-hand, put forward in a parenthetical phrase, enables him to imply that the way to change the class character of the state and achieve socialism is by changing the *personnel* and then ignoring the traditions. And of course capitalist democracy itself offers the method of "changing personnel," namely, the ballot box. . . . Like the rest of the book, this link between reformist state theory and reformist practice was already noted in *Towards the Understanding* (page 262):

"Sometimes it is even expected that the existing state will gradually abolish capitalism and introduce socialism. This dangerous illusion disappears once it is realized that the existing state cannot be dissociated from the existing economic society."

## —And Revolution

Mortality, behold and fear!  
What a change of flesh is here!  
—Inscription on Tombs in Westminster Abbey.

This dissociation of the state from capitalist economy and its conversion into a non-class institution is, as it always has been, only the prelude to a theory of peaceful, constitutional transition to socialism. Now this theory can be (and has been) argued for on its merits. Hook does not choose to do so. He prefers once again to pin it to Marx's coattails—in what is the most amazing passage of the entire book:

"The confusion on this point [theory of the state] was obscured by the *completely independent question* of whether the transition to socialism could be achieved peacefully. *From Marx's point of view, it must be achieved peacefully; but peacefully or not, always democratically.* [My emphasis.—P. T.] According to Lenin's revision of Marx, the transition to socialism *cannot* be achieved either democratically or peacefully."

At the risk of tedium, I repeat that not a word more is added to this interesting statement, incredible as it appears.

(1) There is no point in going through the long list of passages in which Marx made his views on "peaceful revolution" clear, beginning with the *Communist Manifesto*. But didn't Marx once say that England and the United States *might* be exceptions?

(a) If it is this gray-bearded subterfuge that Hook has in mind, the paragraph is at the least, to speak very moderately, a highly dishonest representation of Marx's views.

(b) Marx *did* once say in a speech (in 1872) that "we do not deny that there are certain countries, such as the United States and England, in which the workers may hope to secure their ends by peaceful means." It was in the same year that he wrote: "It is to force that in due time the workers will have to appeal if the dominion of labor is at long last to be established." Taking up Marx's exception in 1886, Engels remarked: "He certainly never forgot to add that he hardly expected the English ruling class to submit, without a 'proslavery rebellion,' to this peaceful and legal revolution." As a matter of fact, the Leninists are also acquainted with "peaceful and legal revolutions: in 1918 the Finnish socialists captured a majority of Parliament; in 1919 the Hungarian socialists took over power peacefully from the Karolyi régime; in both cases this formal act was immediately followed by civil war and intervention. The thesis that the workers' revolution must be based on armed force has hardly been disproved by experience.

(c) If peaceful revolution in England and America could be "hoped for" in 1872, that hope can scarcely remain after two world wars, three decades of revolution, the arrival of an era of reactionary finance-capital and bloody imperialism. In 1940 it is hardly possible for Hook to rest his case by (indi-

rectly) referring to one sentence of Marx and ignoring the rest.

(d) As is well known, Lenin explained Marx's exception in the above manner. In 1933 also, Hook took issue with Lenin on this point—in order to prove that Marx had no right to make the exception even in 1872! "If anything," he wrote then, "it would have been more difficult to achieve the social revolution peacefully in these countries than elsewhere." With utmost tolerance, we find it impossible not to make a presumption of conscious dishonesty when Hook writes the above-quoted unsupported paragraph.

(2) According to Marx the revolution is *always* to be achieved "democratically," says Hook, distinguishing him from Lenin. What does "democratically" mean here? It might mean (a) through the democratic machinery, legally, constitutionally. But it is hard to believe that even Hook could represent Marx (who did not consider that would *ever* be true with the exception noted), as asserting that it must *always* be so. Or it may mean (b) with the support—active or passive—of a majority of the masses. But Lenin and his present-day followers (not the Stalinists) have emphasized and argued for this principle on every occasion. Where is Lenin's "revision"? As a matter of fact, Hook's passage bears both implications, that Marx believed in a constitutional assumption of power and that Lenin was a putschist, thereby cramming more falsifications into two sentences than an honest man can refute in two pages.

But it is not in any of the sections explicitly devoted to that subject that Hook reveals his complete acceptance of Bernsteinian gradualism. That is to be found tucked away in a description of the ideal party:

"Its task will be to guide, and not to dictate, the organized struggle for socialism in such a way that *'the conquest of power' becomes a phase in the unfolding of democratic institutions and tendencies already present in the community*" (page 116. My emphasis.—P. T.)

There it is, in chemically pure form. We will wake up one fine day and find that socialism has crept up on us as imperceptibly as a bald head. "My friend! Be not so lengthy in preparing the banquet, lest you die of hunger," wrote Walter Pater, thinking of neither Bernstein nor Hook.

## Blueprint for a Party

"On a level plain, mere mounds look like hills. We can measure the imbecile flatness of the modern bourgeoisie by the altitudes its great intellects can reach."—Karl Marx.

Hook has been busy for some time making clear that the root of all evil is the Leninist conception of the party. What is the alternative? "The alternative to the Leninist conception of the political party is not the traditional Social-Democratic conception," he answers. Good! but there's a catch.

"The latter assumed that a party dedicated to the heroic task of transforming existing society could succeed with the same organizational forms, the same leisure-time holiday effort, the same evaluation of electoral gains, which characterized capitalist parties for whom politics was, by and large, a business."

It is not necessary to analyze fully the inadequacy of this definition of the Social-Democratic type of party to see that two vital characteristics are glossed over or omitted. (1) The structure of the Social-Democratic party is derived from its political goal—the amassing of socialist votes for election-time. If the road to socialism lies through the polling-place, all considerations must be organizationally subordinated to this.

Hence its moderate demands upon members, its toleration of autonomy for the local electoral machines of the party, its disregard for internationalism—only a complicating factor, its disciplinary control over the leftists (and over them alone) and other elements who might impair its reputation in the eyes of the good citizens, and the draconic, arbitrary measures it takes in such cases, etc. But Hook also now sees the coming of socialism along the same route; if he permits himself a sneer at the entirely logical practice of the Social-Democrats it is because he himself is not confronted with the necessity for any practice at all. (2) The second characteristic of the Social-Democratic party likewise flows from its political perspective: toleration for all shades of political opinion and ideology within the ranks of the party (with the exception of the revolutionists), from the pinkest liberal to the most radical left-centrist, the latter being as useful in garnering leftward-moving workers (provided he doesn't *act* like a Bolshevik) as the former is for attracting substantial burghers. This is Norman Thomas' "all-inclusive party." Hook doesn't mention this vital feature of the Social-Democratic party because he himself, as we see below, insists upon it, even in exaggerated form.

Having caricatured the Social-Democrats in order that he might be able to distinguish himself from them in words, Hook presents his own picture. We quote every word of it, especially for those who are enamored of the punctiliously precise and pellucid phraseology for which Hook is so famous in certain circles. My emphasis throughout:

"The genuine alternative to the Leninist conception of the political party is a party *not less disciplined but more flexibly disciplined* in virtue of a better grasp of both scientific method and the democratic process. . . .

"Its task will be to *guide, and not to dictate*, the organized struggle for socialism in such a way that 'the conquest of power' becomes a phase in the unfolding of democratic institutions and tendencies already present in the community."

Aside from the political content of these words, already noted: the deep distinction between "guiding" and "dictating" is, if it has any meaning, a warning against laying down a political program in advance, for the achievement of socialism. This does not prevent Hook from doing just that in the same sentence.

"It recognizes and respects the relative autonomy of the arts and sciences from politics, and thus avoids both the horror and the foolishness of a 'party line' in anything but politics."

The old forgery: as Hook well knows, Lenin's party had no party line on art and science, nor has ours. This is Stalinism.

"It is built around principles and not a cult of leadership. Its perspective is neither one of blood and thunder nor of milk and water. It must yield to none in realism which means nothing more than applied intelligence. *It therefore will have no doctrinal dogmas, acceptance of which is a prerequisite of membership.*"

This is all-inclusiveness which makes the Social-Democrats appear sectarian in comparison. No principles need be accepted to join Hook's party; still, a discipline not less than the Leninists' is to prevail over this ideological Babel! In any case, how the "therefore" clause flows from the preceding three bromides is a mystery to applied intelligence. The enlightening passage closes with a final declamation:

"Its confidence will extend to a point where it is prepared to take account of the dangers and obstacles which its own organized activities may create, even with the best of intentions, to the successful consummation of socialism."

## Paean to Democracy

Come weal, come woe, my status is quo.

—Samuel Hoffenstein.

Hook is certain that every particle of revolutionary content in Marxism must be purged. The "class struggle" is a meaningless phrase (page 263). The working class is incapable of leading the struggle for socialism. (His proof? Ironically enough in the light of the current strike wave, it is a *Fortune* poll purporting to show that most American workers believe that Henry Ford has done more for them than their trade unions.) Socialism itself peels down from "democratic socialism" to "economic democracy" to just plain "democracy" as the pages go by. What then is left of Marxism, with the purge still uncompleted? Nothing more than "an organized activity to achieve, by applied intelligence" economic democracy. Hook even has a candidate to succeed Marx as the "old man" of his movement—John Dewey, who represents "the best elements of Marx's thought," "independently developed by him and systematically elaborated beyond anything found in Marx." We can only be grateful that after presenting this carefully strained purée-of-Marxism with Deweyan croutons, Hook concedes that probably the term "Marxism" ought also to be dropped.

What now is Hook's "credo"? It is "the promise of the Great American Dream" (I am quoting) whose ideals are "still substantially those of the French Revolution." It is "the democratic way of life." But he is broadminded enough to agree that the defense of democracy in a "crucial situation" requires an approach to totalitarian control:

"Effective defense against a foreign totalitarian enemy may require extraordinary and exceptional measures of co-ordination and control. Some fear that this is the road to totalitarianism. It *may* be. But the alternative is *certain* totalitarianism. (Hook's emphasis.)

The specific "extraordinary" measure he recommends is that any opposition group which does not confine itself within the framework of the "democratic process" be "*swiftly dealt with.*" In this category he lumps the revolutionary Marxists together with the Stalinists and Nazis. To put it crudely, he is advocating their immediate and forcible governmental suppression. But this does not prevent him from preaching (in the very next paragraph) that the democratic method of solving negotiable social problems is to approach them as "difficulties to be solved by experiment and analysis, not as battles to be fought out in the heat of blood lust." With this synthesis of the best elements of J. Dewey and J. Christ, the professor retires to his brownstone tower on Washington Square.

\* \* \* \* \*

Professor Hook's intellectual contortions do not arise from an affection of the brain plasm or regrettable personal characteristics. It is as clear as day that they are the philosophical rationalizations of a mood of pessimism, defeatism, disappointment with the working class. For Hook says as much at the very outset of his argument: "impressive evidence of the débâcle of *Marxism* is to be derived from a direct examination of the dwindling influence of Marxist *movements* on contemporary social and political affairs." (My emphasis.) Marxism must be wrong because it has not led to victory—yet. To be sure, the influence of Hook's democratic ideal has dwindled even more considerably in the world today. But there is this important difference, for Hook: the socialist revolution still has to be *fought for*; the remains of the democratic way of life need only be clutched to the bosom and held tightly: while there's life, there's still hope of retaining one's stake in

the present. The workers, with little stake in the present and an unprecedented amount of preoccupation about the absence of a stake for them in the future, cannot so easily give way to despair and quietism. Never has their class struggle risen to such intensity in a comparable social period; 1941 and 1916 need only be compared. And the *revolutionary Marxist* movement has scarcely dwindled from that of 1916, when Lenin

stood almost alone.

The workers have lost *one* world revolution, that of 1917-1921, and not by too great a margin. If the second revolutionary storm finds a party of revolutionary Marxism to guide its lightnings, then that destruction of civilization which will sweep away even professorships can be avoided.

PAUL TEMPLE.

## DISCUSSION ARTICLES:

# Fascism - A New Social Order

IN DEVELOPING THE CONCEPTION of Nazism which I sketched in outline in *THE NEW INTERNATIONAL* two months ago (and which the interested reader may find argued in more detail in the current issue of *Partisan Review*), I naturally have had many discussions with adherents of more "orthodox" views. These objections run pretty much along a few lines (most of which are laboriously traced out in Albert Gates' article in the last *NEW INTERNATIONAL*). It seems useful, therefore, to try to formulate these objections in the form of five "hard questions," and to try to deal with them briefly.\* I hope that at least the answers may lay to rest certain elementary misconceptions about Nazi economics, as well as certain false assumptions as to the conclusions that one must "necessarily" draw if one insists that bureaucratic collectivism has displaced capitalism in Germany today.

### Control Is Decisive

1. *Has there been any trend towards greater nationalization (state ownership) of property under Hitler? If not, doesn't this conflict with your theory?*

Not only has there been no such trend, but the tendency has been in the other direction. "*Reprivatisierung*" ("reprivatizing") was carried out by the Nazis on a big scale in 1936 and 1937. In this period, the state sold back to private interests its controlling shares (acquired in the last years of the Republic to prevent the bankruptcy of certain key banks and trusts) in Thyssen's great steel trust, Vereinigte Stahlwerke; in the German Shipbuilding & Engineering Co.; in the Hamburg-South American Shipping Co.; and in the three big banks which dominated the whole banking system—the "Dedi" (Deutsche Bank & Disconto Gesellschaft), the Commerz und Privatbank, and the Dresdner. Yet this "reprivatizing," which seems to support the traditional Marxist conception of the Nazi state, actually turns out to be a particularly nice example of the miscalculations one falls into if one takes too seriously the matter of private ownership in a totalitarian society, whether Nazi or Stalinist. By reprivatizing these banks and trusts, the Nazis gained (1) large sums of cash, (2) a certain amount of goodwill and confidence from the business community, which, in 1936 at least, still took these matters of "ownership" with Marxian seriousness. Both these commodities were useful to the Nazis, embarking on the Second Four

Year Plan. In return, they gave nothing of importance. For note that they "restored" the properties not in 1934, when big business was still in the saddle, but in 1936-7, that is, after they had achieved such a degree of *control* of the economy that *ownership* had become a secondary matter. How secondary was to be revealed dramatically several years later when Fritz Thyssen, in 1936 restored by the Nazis to his full glory as the private owner of the Steel Trust, in 1939 fled across the border into exile.

Even more significant was the case of the Big Three banks. "There is no longer any question of private control," commented the *New York Times* at the time. "All banks are now under the central control of the Reichsbank and the Economic Ministry, but the régime believes in private ownership so long as it does not involve the question of control." Or, as Stolper put it in *German Economy*: "The subsequent reprivatizing of the large banks was of no practical consequence because meanwhile the state had assumed full control of the economic system as a whole." At the same time as the Nazis reprivatized the Big Three banks, they also extended direct state control over the decisive factor in the banking system: the Reichsbank, for so many years Dr. Schacht's base of power. The *New York Times* of February 13, 1937, reported: "By a law decreed today, the Reichsbank was stripped of its technically independent character and placed under Chancellor Hitler's direct authority as an organ of the German government." A Marxist description of the German economy, written in 1936, had had this to say about the Reichsbank: "Schacht's paramount economic power derives from the position of the Reichsbank, which is the most important economic institution in Germany. It has complete control of the capital market and of the main financial resources of the country. It forms a part of the Fascist state, yet it is—besides the Army—the only institution to which the Fascist totalitarian principle has not been applied."

In his *Fascism and Big Business*, Guerin describes the change in *ownership* of the Big Three banks, which he, of course, sees as one more verification of the traditional Marxist thesis: but he does not even mention the much more significant change in *control* of the Reichsbank.

Could there be a clearer illustration of the misleading nature of the traditional Marxist categories than this matter of reprivatizing?

### The Nature of Nazi Superiority

2. *Is German fascism economically superior to democratic capitalism? If so, in what sense precisely?*

\*In these questions I do not deal with perhaps the main point raised by Albert Gates: that inside Germany you have *monopoly* capitalism, and outside Germany the struggle of a "state capitalist" imperialism for a bigger share of the world market. This is because in my article, "The Economics of Nazism," in the current *Partisan Review* it chanced that I deal extensively with these themes. Comrade Gates would have been well advised to restrain his polemical ardor until he had read this article!

The answer to the first question is Yes. Since 1936 Germany has been operating at practically 100 per cent capacity, with no unemployment and full use of the national plant. This production has been directed into the most necessary channel to any modern imperialist state: war production. The democracies have not produced at anything like 100 per cent and are not even now doing so, and their production is not even yet adequately integrated into the supreme purpose of a modern state—war. Furthermore, since 1936 we have seen Germany producing in quantity a whole series of synthetic products which hitherto modern industry had been able to produce only on a laboratory scale. Thus the German economy would seem to be clearly superior, in productivity and in technology, to the French, British and American economies.

The Marxist, however, asks: (1) is this increased production the result of new industrial techniques which exploit human labor more effectively, expressing themselves in higher productivity per man per hour—the sort of increased productivity which the industrial revolution at the end of the eighteenth century brought about? And (2) is this large-scale synthetic production due to new (post-Hitler) inventions and laboratory advances, comparable to the inventions of Watt, Arkwright, Whitney and other other heroes of the industrial revolution? If the answer is Yes, then German fascism is a new form of economy in the sense that modern capitalism is, which is to say it is “progressive” in a Marxist sense. This does not seem to be the case, however. There is no significant difference, in this sense, between the German and the British or American forms of production. I have seen no figures indicating any superiority, in post-Hitler Germany, in man-hour productivity, nor is there any evidence that the new synthetic production, technologically, is anything more than an extension and application of discoveries made before 1933.

Wherein lies the superiority of Nazi economy may be suggested by Stolper's comment on the production of synthetic materials: “The scientific and technical problems of their production were solved long before National Socialism came into power. The difficulty was merely the economic application of scientific devices on a large scale. This difficulty consisted first in the huge amounts of capital that had to be diverted to the new plants from other purposes, where they were employed more economically. The second difficulty was that these new materials were several times as expensive as the materials they were supposed to replace. For example, the price of buna rubber is about seven times the price of genuine rubber.” That is, as I have shown above, it was desirable, for political reasons, for the Germany economy to cut loose from the world market and the international division of labor, since only thus could German supplies of essential war materials be assured. Laboratory technique gave the possibility of making artificial rubber, oil, wool, etc., on a big scale. But this ersatz production was so expensive and unprofitable—in terms of the world market—that business would never have undertaken it unless compelled to do so by the state. In a word, the problem of mass production of ersatz materials inside Germany was primarily a *political*, rather than an *economic*, problem, and the totalitarian controls wielded by the Nazis were what made a solution possible.

Similarly with the matter of production in general: the great problem of any advanced economy is not how to devise more efficient techniques for producing goods (technologically, we have been living in an economy of abundance, as against the 19th century economy of scarcity, for many years) but how to *control* the existing industrial mechanism so as to get it to work at full capacity on those products which are

most desirable and useful for whatever aims the society may have. The problem is not how to increase *productivity*, but how to increase *production*, and the solution can be found only by political means. The Nazi economy is superior to those of England and America today in that it allows the state power to intervene so as to get 100 per cent production from the existing national plant and to organize this production in a planned, purposeful way. This can only be done by bursting the antiquated fetters which bourgeois economic forms place on production—and in this sense fascism is a kind of “black socialism.”

### Fascism as a Class Society

3. *If the Nazi is as you say it is, then will it not be able, in the future after the war, to introduce production for use, a planned economy, and plenty for all? In that case, what are the reasons for opposing it?*

There is no *economic* reason why fascism should not create such a society after the war, and, by the same token, there is no *economic* reason for Marxists opposing it—any more than there was for their opposing the concentrating of industry into monopolistic trusts. But we don't evaluate a society in terms of economic production alone; we also consider its effect on human beings. And here, as in the case of the trusts, there are good *political* reasons for fighting against fascism.

Fascism is not only a form of class society, but it is one in which the dominance of the ruling group and the exploitation of the ruled group reaches a degree of intensity unparalleled since the great slave states of antiquity. On a world scale, it means an Asiatic subjugation of all non-Germanic peoples to a German ruling race, just as internally it means the totalitarian control, by terror and propaganda, of the great mass of Germans by a political bureaucracy. This bureaucracy can maintain itself only by drawing an extremely sharp class line between themselves and the rest of society: absolute power must be counterposed to absolute subjugation. Hence, while it would be economically possible for fascism to develop into a sort of technocratic Utopia in which living standards would be high, politically this would tend to decrease the differences between rulers and ruled, since (1) access to and control of the means of production would have to be spread much more widely, and (2) such an economy would mean well-fed and well-housed masses, which in turn would mean leisure, education, a higher cultural level. Scarcity, hunger, ignorance—these are the necessary conditions for the maintenance of a totalitarian bureaucracy. As for conquered nations, the Nazis have already indicated the policy they must pursue there: not organization of their economies on a higher level, but, on the contrary, the de-industrialization of these nations, reduction of them as much as possible from advanced manufacturing nations to suppliers of foodstuffs and raw materials to a super-industrialized Germany. (Yes, Comrade Gates, there is “export of capital”—but *to*, not *from*, Germany!) Once more the relations inside Germany are reproduced on a world scale: in order to maintain absolute rule over conquered nations, the German state must concentrate the instruments of production in its own hands, keeping the rest of Europe on a subsistence level.

This is the most favorable possible outcome of the present war, for Germany. More likely is a continuance of the struggle with England for years, the entrance of the United States and possibly Russia into the conflict, and a long period—ten to twenty years—of continual or intermittent world conflict between Germany and her major imperialist rivals. In such a

case, it would clearly be even less likely that the Nazi bureaucracy would relax any of its control over either the German masses or the European conquered nations or that we would see any technocratic era of plenty ushered in by fascism.

The distinction between the two outcomes is not very important anyway, since the first would merely postpone for a few years the struggle for world power between Germany and the United States. So even in that case, there could be little relaxation of the present "war economy."

### The New Ruling Group

4. *How can Germany be termed a non-capitalist society when (1) the bourgeoisie still retain their property, still amass huge profits; (2) the bourgeoisie also keep their social status largely intact, living better than the rest of society and occupying positions of authority; (3) this alleged new ruling class, the bureaucracy, is just a handful of politicians with the same essential relationship to the means of production as politicians in capitalist countries?*

Even traditional Marxists would agree that you have in Germany two economic systems existing side by side: the familiar capitalist system with its apparatus of prices, profits, private property, money, the market, etc.; and a new sort of system, which might be called bureaucratic collectivism, in which production is ordered not by the interplay of capitalist factors but by official decrees and regulations based on a plan worked out consciously by state bureaucrats. The same dualism exists in this country today: the diehard Republicans are right when they detect in various New Deal measures (SEC, TVA, Wages and Hours Act, Wagner Act, AAA, RFC, FCC, FDIC) a non-capitalist tendency. The question is: which of these systems is dominant? My contention is that, while clearly it is the first in this country, in Germany it is the second. While the forms of capitalism still exist there, they have lost their autonomy and hence their character of economic prime-movers, and have become merely the technical bookkeeping means whereby the plans of the bureaucracy are put into effect.

(2) It is true that the bourgeoisie have not been reduced to the level of the working class either in power or in living standards—to put it mildly. There is some disagreement as to just how much the bourgeoisie's living standards have been reduced, but it seems probable that their living standards are still far above those of the masses and that there still is a considerable degree of luxury open to them. It is also true that they exert a much greater degree of influence on the Nazi régime than any other of the old social classes do, and that many Nazi top bureaucrats have also become members of the bourgeoisie through acquisition of property. But these are not decisive tests of class rule. The position of the German big bourgeoisie in relation to the Nazi bureaucracy has resemblances to the relationship, centuries ago, between the feudal nobility and the new bourgeois ruling class. The feudal nobles were by no means reduced to the status of their peasants by the bourgeois revolution; in England especially, they kept much of their wealth and were able to fuse themselves with the new ruling class. But this did not alter the fact that they were no longer the ruling class in society. When one form of class rule succeeds another, the new ruling class often treats the old one with more consideration than the masses get. This is partly due to snobbery, but chiefly to the common interest both classes have in keeping the great mass of people out of power (the old ruling class, in the transition period, still commands some of the instruments of control). It is only when a revolution is made by believers in a classless society, leading the *lowest* of the old classes, as in Russia, that the break with the old ruling class is

sudden and complete.

(3) Finally, the new ruling class in Germany is by no means "just a handful of politicians." Guerin describes it: "A caste of parasites, greedy and corrupt, was installed in the government. An idea of its numerical size can be obtained from the fact that at the Nuremberg Congress every year the parade of *party leaders alone* included nearly a million participants." It is true that because of its hierarchical and centralized form of organization, the class is itself controlled at the top by a small number of political leaders. But the entire mass, from Hitler down to the humblest youth leader, has a common interest in the perpetuation of the party's monopoly of power, and has a common economic security from its privileged status, and has a common sense of superiority, prestige and real power *vis-à-vis* the 'grey mass' of non-party people. Nor is it accurate to describe this political organization as essentially a reproduction, on a bigger scale, of capitalist political parties. These new rulers of society, like the bourgeoisie, rule because they have control of the means of production. It is true that this control is exercised in a different form from that of the capitalist ruling class, that it is based on political power over the means of production rather than on legal ownership of them. But the relationship of the Nazi bureaucracy to the means of production is that of a ruling class, in the strictest Marxist sense.\* Sidney Hook well summarized the matter when he wrote in the *New Leader* of July 20: "If we follow the customary usage of scientific historians, the term 'social revolution' will designate (1) a change in property relations, (2) effected by a transfer of political power from one class to another. Once we define property *functionally*, i.e., as the right, enforced by state power, to exclude others from the use of goods and services, then it is strictly accurate to say that in Germany (as in Russia) the basic instruments of production are owned by the party bureaucracy."†

### The Character of the Order

5. *But why isn't it "just a war economy," a long-term investment by the German big bourgeoisie?*

By now almost every one grants the existence of certain non-capitalist features at least at present in the Germany economy.

\*In an article, "Is Russia a Workers' State?" in *The New Internationalist* for December, 1940, Max Shachtman argues that, while the Stalinist bureaucracy is a new class, the Hitler bureaucracy is not. He rests his entire argument on the purely formalistic quibble that in Germany you have private property forms, and in Russia you have collectivized property forms. The heart of Shachtman's argument is this paragraph: "Private ownership of capital, that 'juridical detail' before which Hitler comes to a halt, is a social reality of the profoundest importance. With all its political power, the Nazi bureaucracy remains a bureaucracy; sections of it fuse with the bourgeoisie, but as a social aggregation it is not developing into a new class. Here control of the state power is not enough. The bureaucracy, insofar as its development into a new class with a new class rule of its own is concerned, is *itself controlled* by the objective reality of the private ownership of capital." In this article I have tried to present data to show that, under Nazism as under Stalinism, "control of the state power" is "enough," and that these private property forms are precisely—forms. Elsewhere in his article, Shachtman makes a valid distinction between property forms and property relations. The conclusion he reaches as to the nature of the Soviet economy applies word for word to the Nazi economy, as may be demonstrated by substituting the word "private" for "nationalized" and "Germany" for "the Soviet Union"—to wit: "However, what is crucial are not the property forms, i.e., nationalized [private] property, whose existence cannot be denied, but precisely the relations of the various social groups in the Soviet Union [Germany] to this property, i.e., *property relations!* [!" indeed!]. If we can speak of nationalized [private] property, in the Soviet Union [Germany], this does not yet establish what the property relations are." Thus we find Shachtman, in writing of Soviet economy, basing his conclusion on the property relations, correctly rejecting the property forms as secondary, while in defining the Nazi economy, he looks only at the property forms, which are those of private property, without considering, as this article tries to do, "the relations of the various social groups to this property." To such shifts is the "orthodox" Marxist reduced today when he tries to escape the embarrassing—to his theory—implications of fascist economics.

†It might be well to point out that, in agreeing with Hook's formulation on this point, I do not at all agree with his general political conclusions as to the desirability of supporting England against Germany in this war—any more than, in accepting Hilferding's analysis of totalitarian economics, I accept his well known general political views. As the Persian proverb has it: "A wise man gathers knowledge even out of the mouths of unbelievers."

The theory of "just a war economy" or "a long-term investment by the bourgeoisie in future profits to be realized after the war" implies that these tendencies, however non-capitalist, are merely *temporary*, that after the war is over—assuming a German victory—there will be a return to more "normal" capitalist economic and political methods.‡ This in turn implies a belief in the possibility of the reconstruction of the world market—with Germany in England's place—and in the possibility that capitalism—failing as a successful socialist or colonial revolutionary movement—can survive this war. With these assumptions I disagree.

For my views on the world market and Germany's war aims, I must again refer the reader to the current *Partisan Review*. Here I want to make a few points about the *internal* political situation in Germany today.

In a recent lecture, Shachtman made a notable admission: that today in Germany the bourgeoisie no longer control politically the Nazi bureaucracy, that they have for the moment lost (or surrendered) their political power—while, of course, still keeping their ownership of the means of production. At first glance, this seems to contradict the usual Marxist view of the state power as "the executive committee of the bourgeoisie." For here we have a state power which makes political decisions independently of the bourgeoisie, who thus become pensioners of the state power, enjoying economic benefits only insofar and for so long a time as seems best to the bureaucracy to grant them. In answering a question pointing this out, Shachtman made two points: (1) Nazism is a species of Bonapartism, in which the state power temporarily assumes an independence from direct control by the ruling class; (2) as Engels pointed out, the development of finance capital long ago turned the bourgeoisie into a caste of superfluous, parasitic coupon-clippers, who no longer play an important rôle in production (as the early capitalist entrepreneurs did, who personally directed production, built up new industries) but who have become *rentiers* drawing "pensions" from the stocks and bonds which are their legal titles to the income from production.

To deal with (2) first: in the pre-fascist era the bourgeoisie controlled the state *politically*, and it was precisely the most important function of the state power to protect these pensioners' property rights to the lion's share in the income from production; under fascism, the state power has become *politically* independent of the bourgeoisie. Parasitic pensioners from the economic point of view in both instances, the big bourgeoisie in the one case controlled the political instrument which could guarantee their legal rights to their pensions, in the other case lost this control. Thus we come back once more to the central point, which traditional Marxists seem unable to grasp: that it is *political control*, and not *legal ownership* which is decisive.

‡It is interesting to note that the two schools of thought which held this "long-term investment" theory most tenaciously were the conservative-bourgeois and the traditional-Marxist. Schacht and Trotsky both emphasized the fact that the big bourgeoisie was only yielding its control to the Nazis *for the time being*, that its concessions and sacrifices would be more than restored "after the war." Schacht and the big bourgeoisie, being actually involved in the development of Nazism, have been the first to lose this illusion. The Marxists, looking on at a distance, have been able to remain blind to the reality even up to the present. This parallelism between Marxist and conservative-bourgeois thought, by the way, cannot be dismissed as an "amalgam," since it can be shown that the thought-patterns are the same in each case because both schools of thought analyze economic relations in Germany within a capitalist framework, the Marxists putting a moral plus sign where the bourgeoisie put a moral minus sign.

Shachtman's second point, that this is an essentially Bonapartist régime (admittedly a much more stable kind than has ever existed before), means that after the war the bourgeoisie will regain their political control of the state. What form, precisely, could this take? I can imagine only two—either a restoration of some degree of democracy or else a "palace revolution," perhaps aided by the conservative army chiefs, which would replace fascist-quasi-Bonapartism with the pre-Hitler type of Bonapartism. But the latter would merely postpone the decision, since it is generally agreed that this type, purely and frankly a "rule of the saber," cannot last any considerable period. Thus the general perspective must be a trend back towards democracy—which is, after all, the political form best suited to a capitalist market economy. I think this trend is unlikely for both political and economic reasons. Politically, why should the Nazi bureaucracy, which has won the war by its own methods and its own policies, both of which were strongly opposed by the big bourgeoisie, as I have shown, why should this triumphant class step aside and let the bourgeoisie take command again? And, assuming the Nazis would not yield voluntarily, how could the bourgeoisie engineer a palace revolution when the bureaucracy, having reduced to political impotence the junkers, the finance capitalists and the conservative army clique, is firmly in control of the whole state apparatus? Economically, the shift is even less likely, since, as I have tried to show, Nazi bureaucratic collectivism has won out over Schacht's capitalist policies because it more closely corresponds to the structure of Germany's highly rationalized, large-scale industrial economy. It is precisely the failure of the political-economic forms expressing finance capitalism—from the Brüning-Schleicher-Papen types of Bonapartism through Schacht's "New Plan"—to solve Germany's economic problems that made inevitable the establishment of the Second Four Year Plan and the victory of the Nazi bureaucratic forms. But will these difficulties be *more* or *less* serious after the war? If *less*, then there is at least a theoretical possibility of the relaxation of totalitarian controls. If *more*, there is not even such a theoretical possibility.

The crux of the whole matter is the possibility of the survival of capitalism throughout the next period of world war, and of the reconstitution, after the war, of the world market and an international capitalist economy. My views on this subject are expressed in detail in the current *Partisan Review*. It cannot be too often emphasized that the perspective of "orthodox" Marxists like Gates, Shachtman and most of the other leaders of the Workers Party is based on the assumption that, at some time in the future, with peace, there will be a tendency *back* to a more "normal" capitalism, that the bourgeoisie will take back the state from the "Bonapartist" totalitarians, and that it will be economically possible to restore something at least approaching the traditional capitalist world market. For my own part, I cannot share this faith in the recuperative powers of capitalism. I am much less optimistic about its survival!

DWIGHT MACDONALD.

# German Society and Capitalism

**I**N PURSUANCE OF THE PRINCIPLES outlined in the April installment of this article, I propose to show now how the "new" society really functions at home.

What is it that stands out so clearly in Macdonald's exposition of his thesis? Eclecticism! He has no fundamental point of departure and therefore is reduced to examining isolated and unrelated phenomenon which are strange really to him, but nevertheless dovetail with the Marxist analysis of monopoly capitalism as a stage of world economy. However, without this Marxist foundation Macdonald fails to understand the true nature of German economy. A correct summation of his position is to say that it is devoid of a class viewpoint. Hence, the real position of the German proletariat has little place in his writings. Yet the rôle of the proletariat in the fascist nation is the key to the character of fascism. Nothing has happened in the experience of our lifetime to cause us to forsake the analysis that fascism signifies the triumph of the financial capitalist class within the nation over the proletariat and, consequently, the latter's violent enslavement. Therein is the key to the revival of the fascist economies and when Macdonald dismisses or alludes not at all to this fact in favor of some mystical "superiority of fascist to capitalist economy" he necessarily commits an ineradicable error.

We repeat, the revival of German industry would have been impossible without the aforementioned enslavement of the proletariat. Labor was regimented, while all the social gains of the post-war period were abolished. Restrictions on the working day were eliminated. The eight-hour day no longer exists. In 1939, prohibitions were levied against the free movement of workers inside the country. The law prohibiting night work for women was abolished, as were all restrictions on the employment of boys and girls under 18 years of age. Discontent and mass fatigue brought about some amelioration, but no genuine improvement of working conditions.

In December, 1939, the work day was limited to ten hours and by special permission to twelve! Night work for women and youth was prohibited and the work week RESTRICTED TO 56 HOURS, and longer by special permission.

The War Economy Decree of September, 1939 (please note, Macdonald) abolished paid vacations and forbade extra pay for overtime and night work or for Sundays and holidays. These measures naturally occasioned widespread dissatisfaction and "had to be partially repealed." A decree of November, 1939, restored paid vacations beginning with 1940 and permitted payment of overtime wages, "but only for work beyond ten hours a day on week days and at a rate not exceeding the normal compensation by more than 25 per cent."

What does all this mean? Simply that the proletariat bears the burden for whatever revival has taken place in German economy—especially in the preparation for war. The present intense exploitation of the working class would have been impossible without the victory of fascism which resulted in the physical destruction of the proletarian organizations. Once having vanquished the proletariat as an organized class, it was possible for the new régime, serving the historical interests of the economically dominant ruling class, i.e., the interests of German imperialism, to prepare the struggle for a redivision of the earth. This is the singular achievement of fascism! Yet

it is on this question that Macdonald commits the cardinal sin of deemphasis or omission.

## The Nature of a War Economy

Macdonald rejects the idea that the war has anything to do with the conduct of German economy and the current situation in the Third Reich. He thereby betrays a light-minded attitude toward decisive economic problems.

Modern wars between great bourgeois states are not and cannot be, and as a matter of fact never were, private affairs between contending national economic groupings. The state wages the war in the interest of the dominant economic class. Because the bourgeoisie itself is not a completely homogeneous class its attitudes are not ever unanimous. The state intervenes as the final arbiter in the interest of the whole national economy, whether or not it suits individual or sectional desires. This is true of all states engaged in war.

A modern war is a gigantic industrial and financial endeavor, requiring state direction, management and control for the purpose of a complete and unified effort. An authority on the blitzkrieg should, we think, understand the need for this maximum industrial effort, class cohesion, national unity and planning.

War, above all, is an abnormal stage of economic activity, since the entire industrial machine of a country is concentrated on one thing alone: the production of war materials. Production for use? Of course, for use in the war. Consumers goods and light industries? They operate only insofar as they are required for the general welfare of the nation at war. Planned economy? Yes, for the war machine! Is it not clear that this kind of a planned economy means to determine in advance: how much steel is required, how many guns, cannon, airplanes, tanks; how much coal, oil, copper, freight cars, ships, food, clothing, etc., is needed. And the state decides, among other things, how much butter and bread and meat and other articles of food shall be consumed. This principle holds true not only for Germany, but for all warring countries and even partially for the United States, which is fast approaching the supreme effort. It is also determined by the resources of the nation.

## What About the Market?

What has happened to the internal market? It has ceased to exist in its pre-war form. It could not be otherwise under the aforementioned conditions. The state has now become the immense market through which the production of war material flows. Otherwise chaos would ensue and the war effort would be greatly encumbered, or, more properly, impossible. How else does Macdonald expect the war to be fought?

But for all of this, the stress and strain of the war, nothing fundamental has changed in Germany, nor, for that matter, in England. The profit system remains unimpaired, not only in form, but in fact.

Germany, in the absence of a colonial empire, divorced from the fields of raw materials, economically blockaded, is fighting for her very economic existence, as is England, and

stakes all on the hope of a military victory. Such a victory will give her an empire and a dominant position in world economy. Imperialist Germany faced a dilemma: either to stake everything on war where a tangible possibility of victory existed, or else to perish by economic strangulation.

Hitler, who understands better than Macdonald Germany's needs and why she is fighting, said before the war: "We export or we die."\* On January 30, 1939, he warned the world powers that any attempt on their part to exclude Germany from the world markets would find her prepared for a "desperate economic struggle." The "desperate economic struggle" has now become a desperate military struggle.

When Macdonald says that Germany has destroyed the world market he cannot then explain what this war is all about and is compelled to develop the theory of the "social war," which gives to fascism a universal or internationalist character. Such an analysis contains dangerous implications!

One of the first results of Germany's initial victories was the reinvigoration of her colonial companies, which experienced an increase in their share sales at a time when no colonies had yet been won! Shares of the East Africa Company rose from 76 to 152 in 1940. The Otava Mining Company shares rose from 17.50 to 35.00 and the Kamerun R.R. Co. advanced from 71 to 187 in the same period. For more than ten years colonial companies paid no dividends, yet by 1938 seven large enterprises did, the African Fruit Company paying as high as 8 per cent (*New York Times*, September 15, 1940). Here is a not unimportant indication of what the war is about.

## What Has Happened in Germany

The economist John C. deWilde prepared two interesting reviews of German economy for the Foreign Policy Association, which illustrated measures of state control and economic organization in preparation for the war. The studies proceed from the basis that German economy is capitalist, that the measures of control are not abnormally unique from the point of view of a state at war, that planning in Germany is solely for the purpose of war, and that these measures in their extreme result from Germany's position in world economy. They involved: increasing industrial production, coordinating production in general, putting industry on a war footing, expanding the war industries (at the expense of other branches of production), raising food production, producing of synthetic raw materials in absence of natural raw materials (the driving force for the four-year plan),† increasing labor reserves, food rationing, improving the efficiency of transportation, maintaining foreign trade if possible, and financing the war. A truly gargantuan task for which state intervention, control and direction are obligatory. In each instance, as verified by deWilde, the methods employed were unusual and special, in marking a departure from conditions of normal, democratic processes, but were in no way incompatible with capitalism. The difference between present-day Germany and that prior to 1936 is quantitative rather than qualitative.

\*Note—The absurdity of Macdonald's position is nowhere better expressed than in the statement that Germany as a result of its current victories is importing capital rather than exporting it. Reference is had here to the destruction of industries in conquered countries, or the removal of machinery, etc., to Germany. Yet the dominant economic feature of the war is the suspension of normal economic activity.

†Note—Economic necessity, arising from Germany's position in world economy, an inferior position, is translated by Macdonald as a proof of economic superiority. Germany with her immense industrial organization is doing what any other capitalist country, under like conditions, would be compelled to do.

On March 1, 1939, in relation to the industrial revival then experienced by Germany, deWilde wrote:

"The maintenance of this boom in Germany is not as miraculous as it appears. It must be attributed, above all, to the enormous expenditures of public funds and the government's power to MOBILIZE all the resources of LABOR and CAPITAL, industry and agriculture."—John C. deWilde, *Foreign Policy Reports, Germany's Controlled Economy*, page 290. (Emphasis mine—A. G.)

There is nothing extraordinary in this since the methods are identically employed in all imperialist nations in times of stress. All classes, presumably and in fact, are faced with equality of demands—yet in a society resting upon the inequality of classes the reality finds the proletariat the chief victim.

How did the boom come about? It should be clear by all the foregoing, but we record from deWilde:

". . . they (the government) lavished large sums on the army, navy and air force, but under their direction billions of marks have been invested in plant and machinery to increase domestic output of such vital raw materials as mineral oil, rubber, metals, and textile fibres."—John C. deWilde, *Foreign Policy Reports, Germany's Controlled Economy*, page 290.

Economic and political necessity dictated policy to the German state. There was a construction boom in railroads, highways, fortifications and building projects—all in preparation for the war. It was directed by the state. The state issued contracts, the state paid for these undertakings. How? By the vast exploitation of the working class, by forced labor, and devious ways, not the last of which was the heavy taxation referred to throughout this article. To whom was it paid? To itself? No, these contracts resulted in enormous profits to large sections of the bourgeoisie.

We observe that the indicated controls are such as to guarantee the existence of private enterprise and the inflow of steady, even though, for the sake of argument, small profits. The German ruling class, however, was faced with the alternative of no profits or profits with control. Better limited profits than chaos, no profits and a permanently rebellious and dangerous proletariat, is the axiom of the capitalist.

## Dividends and Profits

The fascist state, it is true, has designated a limit to dividends, not their abolition but their limitation, to 6-8 per cent. Yet Otto Tolischus of the *New York Times* points out that dividends of 14 per cent are not uncommon. But suppose no dividends were paid? Dividends are not identical to profit. No dividends or low dividends could mean a rise in profits since it would signify the concentration of profit in a smaller circle. The absence of dividends, or even the failure to realize profits, which may be due to many circumstances, would not necessarily have anything to do with the character of the economic and social order. During the crisis in the United States dividends and profits ceased for many concerns, yet it had no fundamental significance so far as the bourgeois order was concerned—it is typical of capitalist economy with its recurrent crises. If no profits or dividends were realized in Germany today, as was the case in previous crises there, nothing would be changed, so long as bourgeois class relations to capital prevailed.

Yet the opposite is true. Dividends and profits have been constant; they have increased under Hitler's rule. In 1932, dividends were paid at 2½ per cent; in 1935 they increased to 6 per cent. The value of shares rose from 5 billion marks in 1932 to 11 billion in 1938. Undivided profits increased from

175 million marks in 1932 to 2,200 million marks in 1938, an increase by twelve times!

These increases were made possible by government expenditures for war, by the intensified exploitation of the working class, whose average working day was increased 12 per cent. Yes, it is illuminating to reread Marx's *Capital*, especially those chapters on surplus value!

What is also illuminating is that during all these years no measures for the expropriation of the capitalist class were enacted. Control? Of course, but these, again, were not directed against the existent property relations. The class positions of the bourgeoisie and the proletariat remain unaltered. Nor has nationalization of finance or industry been manifested. On the contrary, the tendency toward reprivatization was dominant.

What, then, does Macdonald mean when he says a fundamental change took place in 1936 which brought about a structural change in German society? Obviously, the date itself has no meaning to our discoverer of a new social order. Germany was preparing for the final effort to break her chains—war! German economy became a full-fledged war economy. Everything was subordinated to solving this crisis, for war is an expression of the deepest capitalist crisis.

## The Limitation of Profits

Macdonald makes a great deal out of the limitation of profit, as if it were of fundamental importance. Unusual, yes, but not fundamental. Setting a limit to profit and compelling reinvestment in industry is necessary in Germany to insure the steady flow of war goods and even the expansion of the war industries in the midst of the war, to increase the quickly depleted supplies. But this situation holds true for England and will hold true for the United States. Germany's world position makes this, for her, even more incumbent. Yet despite limitation of profits, profit, as we have already shown, is not eliminated, the rise of new millionaires is not halted.

David M. Nichols, the *New York Post* Berlin correspondent, in a dispatch dated December 9, 1940, points out how the ruling classes are benefitting from the war itself. These groupings are:

- (1) Armament manufacturers whose profits are rigidly controlled on a cost plus basis but whose turnover has been vastly increased.
- (2) Smaller manufacturers and building contractors whose profits are less rigorously limited and whose benefits have come indirectly as a result of the demand for heavy goods.
- (3) Merchants and manufacturers not directly or indirectly connected with war activity, whose fields have been freed of foreign competition as a result of Nazi trade policies.
- (4) Owners of large agricultural estates, especially those devoted to wheat production."

Referring to an official survey made in Germany relating to the new wealth of Nazi Party leaders, Nichols writes:

"As they neither reject the principle of private ownership, nor of private incomes, they have no objection to these men earning (!) a lot of money."

Nichols points out, too, that incomes from securities, parasitic incomes based on investments, have been the most rigidly controlled, profit being limited to 6 per cent.

"Any declared profits OVER this figure must be deposited with the Reichsbank, where they are available in government securities and credits by which the Nazis are financing, roughly, half of their 50,000,000,000 M. yearly expenses. The Minister of Economy, Walter Funk, has stated publicly, however, that THIS MEASURE WILL NOT BE EXTENDED." (Emphasis mine—A. G.)

Ship building concerns are paying dividends of 10 per cent. The number of firms previously earning less than 6 per cent now report great increases. While wages have increased from 54.2 to 55.1, independent incomes from trades and professions were more than doubled, from 11.6 to 25.6.

The Hermann Goering Werke has no doubt expanded and earned great sums as a government institution. But its origin lay in the refusal of private industry to undertake the costly production of synthetic materials. Nonetheless, with the existence of the Goering Werke, Krupp's profits were 6 per cent, as reported by the *New York Times* of March 11, 1941.

Without doubt, German industry fully enjoys the fruits of the war boom, but, observing that victory is not yet in sight, is hesitant about "taking risks." And this, in the "new social order," where industry supposedly enjoys no independence. That the problem has a measure of seriousness is evident by Economic Minister Funk's allusion to it as reported in the *New York Times* of March 13, 1941. Funk admonishes business to be ready to take risks and refrain from shifting the entire burden of the war upon the government. The economic minister referred to the limitation of dividends at 6 per cent and declared that all dividends over such limitation would be prohibitively taxed—not eliminated, confiscated or prevented, but taxed! And note, too, that despite government control, supervision and direction, profits and dividends more often than not rise above 6 per cent.

Funk threatened that unless industry and business in general took the risks required and growing out of the war, the government would step in:

"When private enterprise does not take risks it gives itself up, and then we no longer need private enterprise."

Mark well, "then we no longer need private enterprise." That is, if private enterprise does not meet the needs of the war, then the government will step in. This was stated, not in 1932, nor even in 1936, the year of the great change, but in 1941, the second year of the war. The statement is important because it lifts the veil to the true economic relations existing in the Third Reich, and none of it conforms to the fancies of Macdonald.

Moreover, Funk says, of the industries or enterprises with a low capitalization, that there will not at present be a prohibitive taxation of their dividends in order to permit that section of the bourgeoisie to significantly raise their aggregate capitalization!

## The Situation in Agriculture

It is common knowledge that the Nazis, upon their acquisition to power, returned large agricultural estates to the Junkers, lowered taxes for such estates throughout Germany and prepared for a national rise in the productivity of agriculture. Efforts have been made to extend the areas of land cultivation and to stabilize agricultural prices. Only moderate success was achieved in these aims. Why? For one reason, because:

"Large sums have been spent of land reclamation and improvement . . . BUT THE ACREAGE AFFECTED HAS BEEN SMALLER THAN THE AREA TAKEN FOR AIRPORTS, ROADS, BUILDINGS AND OTHER PURPOSES CONNECTED WITH REARMAMENT." (de-Wilde: Germany's Wartime Economy, June 15, 1940, page 94. Emphasis mine—A. G.)

Partial price stabilization in agricultural goods has been attained only because the government was the chief recipient of agricultural goods, and the distribution of agricultural

goods came under its strict supervision. Agricultural production, however, remaining low in relation to needs and by no means corresponding to the requirements of the war economy, accompanied with a shortage of livestock, cereals, fats and similar commodities, has driven Hitler to all the corners of Europe.

### Financing the War

Taxes, according to deWilde, reached the figure of 27 billion marks per year with the public debt rising at the rate of two billion marks per month for the first three months of the war. Government expenditures average well over 50 billion marks a year. The total national income varies between 85 and 90 billion marks. The attempt to finance the war by prohibiting war profits (how very much like England and the United States) failed. As we have already shown, there was an improvement in profit earnings. As regards labor, however, the government did carry out its program in complete accord with German business. Yet even here, where an effort was made to freeze wages, labor shortages led to increases in various fields, quite in accord with the capitalist law of supply and demand in relation to labor.

Taxes, of course, are the main source of income for the government. The government has taxed business, excess profits, commodities, etc., to the limit. Where no further taxes could be levied the responsibilities for raising new funds were placed on provincial and local governments, or through the looting of occupied countries and the collection of reparations before the war has even approached some definitive conclusion!

Yet even these measures are not enough and the government sought to increase taxation. This led Dr. Funk to:

"Repeatedly warn against heavier taxation which would impair the capital of industry and DEPRIVE BUSINESS OF THE INCENTIVE TO PRODUCE (!), a factor he apparently believes essential even in a totalitarian state." (deWilde: *Germany's Controlled Economy*, page 95. Emphasis mine—A. G.)

And finally the whole war effort is summed up by deWilde:

"Germany's totalitarian government has had no hesitation in subordinating everything to the war and in exacting sacrifices from everyone. AT THE SAME TIME THE STATE HAS NOT, WITH FEW EXCEPTIONS, ASSUMED DIRECT CHARGE OF PRODUCTION. It decided what was to be done, BUT IMPOSED THE RESPONSIBILITY FOR CARRYING OUT THE PROGRAM SQUARELY ON PRIVATE ENTERPRISE. . . ." (deWilde: *Germany's Controlled Economy*, page 96. Emphasis mine.)

What does this all sum up to? Bearing in mind the general principles outlined throughout this article, we find that Germany represents in reality a monopolist capitalist nation under a totalitarian régime, suffering from restrictions of isola-

tion in the world economic system of finance capitalism and driven on by the basic organization of its economy to wage war. Rauschnig knew what he was talking about when he wrote that the Nazi leaders' main aim was ". . . the renewal of Germany's power in the field of foreign policy."

How explain the methods employed by German imperialism? Lenin explained it in part when he wrote in his introduction to Bucharin's *Imperialism and World Economy*:

"The typical ruler of the world became finance capital, a power that is peculiarly MOBILE AND FLEXIBLE, peculiarly intertwined AT HOME AND INTERNATIONALLY, peculiarly DEVOID OF INDIVIDUALITY AND DIVORCED FROM THE IMMEDIATE PROCESSES OF PRODUCTION, peculiarly easy to concentrate. . . ." (Emphasis mine—A. G.)

Faced with extinction, German imperialism is making a valiant effort in this war. Why should the chance be taken? Because it lies in the very nature of capital. No more apt description of the character of capital is to be found than that of P. J. Dunning, quoted by Marx:

"Capital is said by a Quarterly Reviewer to fly turbulence and strife, and to be timid, which is very true; but this very incompletely states the question. Capital eschews no profits, or very small profit, just as nature was formerly said to abhor a vacuum. With adequate profit, capital is very bold. A 10 per cent will insure its employment anywhere; 20 per cent will produce eagerness; 50 per cent positive audacity; 100 per cent will make it ready to trample on all human law; 300 per cent, and there is not a crime at which it will scruple, nor a risk it will not run, even to the chance of its owner being hanged."

And who is to say what possibilities will be opened to German imperialism in the event of a victory in the war?

I am fully aware of the fact that the foregoing in no way exhausts this immense subject. But I have endeavored to show by examining various features of German economy both prior to and in the war, that while there have been changes in the character of economic life under the totalitarian régime, no fundamental departures from monopoly capitalism is observable.

Macdonald has produced nothing tangible in verification of his theory of the existence of a new social order in the Third Reich. All that he has done is to show measures of state control, state direction and planning as it related to the rearmament of Germany for the war and as it is operating in the midst of the gigantic conflict involving the future existence of imperialist Germany. His article not only does not indicate any basic reasons why the Marxist analysis of fascism should be altered; it does not add anything of fundamental value to the study of fascism in general or German fascism in particular.

ALBERT GATES.

# Counter-Revolution in Mexico

IN MEXICO, the word "revolutionary" is popular. It is devoid of content and conveniently used by rich and poor alike. It suffers the same fate that the word "socialism" does in Russia. Every petty politician, every trade union bureaucrat runs for office under the banner of this revolutionary party or that revolutionary party. Every reactionary deed is accomplished under the banner of "the revolution." Truly, Russia and Mexico have, in their own peculiar fashion, an-

swered that cynical question, "What's in a word?"

The petty bourgeois agrarian and anti-imperialist revolution, which began in 1910, swept through successive stages of development that culminated in the high water mark reached by the Cardenas administration. Here, a liberal and, to some extent, historically conscious régime, trying to rest on the social pillars of a class conscious proletariat organized into militant trade unions and a land hungry peasantry of Indian stock,

awakening from centuries of oppression, attempted to carry through a belated democratic bourgeois revolution—a bourgeois revolution which is not to be identified with the classic example of France of 1789, nor even with the February to November régime in Russia, but one that was to be adapted to the conditions of a decaying internationalist capitalist system. The agrarian problem to be settled in part by the division of the large estates among the individual peasants and in part by the communal division and ownership of large tracts of land. As for the new factor in society, the class conscious proletariat, which was not on the scene in 1789, it was to have some of its demands realized through the securing of certain social legislation and through the nationalization of the most highly trustified sections of capitalist economy, these being in Mexico, namely, the railroads and the oil industry. In short, Mexico attempted to put into practice the theory of "the democratic dictatorship of the peasantry and proletariat."

But, scarcely has the Mexican nation begun moving in the direction of such a goal, when the iron laws of capitalism in a higher stage than that of 1789, namely in a period of imperialism, have returned with redoubled fury to begin the relentless smashing of the historically anachronistic stage of Mexican development. This historic development has worked itself out through men in the election year of 1940.

### Camacho—Agent of Reaction

To the Mexican people, the election of 1940 seemed to resolve itself swiftly into a choice of but two alternatives—one to support Avila Camacho, the candidate of the Mexican Revolutionary Party, and to carry forward or, as Camacho so neatly put it, "Consolidate the gains of the revolution"; or, on the other hand, vote for Almazon, the independent rightist candidate, who had the support of all the rightist and fascist elements in Mexico. Almazon, the bogey man, who was to destroy all the gains of the 25 year old Mexican revolution.

To the "realists," there was no other choice. Therupon, the peasants, the small farmers, the trade unionists, cooperatives, small trades people and intellectuals of all grades and qualities plumped for Camacho. In short, all the elements that go toward building that modern but short lived political phenomenon known as the people's front rallied behind Camacho. And, to top off the concoction, the Communist Party of Mexico, with the blessings of the C.I., raised its voice above all others in acclaiming Camacho as the savior of Mexican revolutionary people's progress. And, roared the C.P., anyone who opposed Camacho was, consciously or unconsciously, an agent of Almazon, thereby, ipso facto, being a fascist, a Hitlerite, an agent of imperialism or, what was worse, a Trotskyite!

And it came to pass that, by dint of great labor and much noise and some ballot stuffing, Camacho was elected as president, and the Mexican revolution was saved from the fate of falling into the hands of fascist Almazon. Under Camacho, "the revolutionary democratic dictatorship of the peasantry and proletariat" was to march onward. True, Camacho had received the backing of Washington, always an ominous sign to the people of Latin America, yet Almazon had been defeated, and the future was rosy if not quite red.

Early in the fall—after the election and before he was inaugurated as president—Camacho let go his first salvo. He proclaimed, "I am a Catholic, and I am neither socialist nor communist, but a democrat." This avowal burst like a bombshell upon the long ears of his faithful electorate.

In Mexico, to proclaim oneself a Catholic is not like the

President of the United States saying he is a Protestant. For Catholicism in Mexico has played the same kind of reactionary rôle that it has played in Spain or any other unfortunate country where it has gained a foothold. Fountainhead of reaction, prop of every Mexican military dictatorship since that of Cortez, evil opponent of every upward step of the Mexican people, blocker of every reform, instigator of the assassination of Obregon and other revolutionary leaders, forbidden in many parts of Mexico by the demand of the peasantry, enemy of the rural schools which now dot the Mexican countryside, instigator of the lynchings of the teachers of these schools, the Catholic church retains all its potency for evil in Mexico today and, when Avila Camacho says, "I am a Catholic," everyone in Mexico, from the lowliest Indian peasant to the highest government bureaucrat, knows what he means and what he means to do. And, when he says, "I am a democrat," while it is true that only a few really know what lies behind that bombastic and pleasant sounding word, the class conscious workers of Mexico instinctively feel that his democracy extends only to the limits of the capitalist class.

### The New Decrees

But still, the faithful had elected him, and so, although they moved uneasily, they awaited his next pronouncement. They did not have long to wait. Early in December, the Ministry of Railroads recommended to the Executive that the control of the railways of Mexico be taken out of the hands of the trade union. Charging incompetence, neglect, etc., on the part of the Mexican Railway Union, the Ministry proposed a drastic reorganization of the entire railroad system and recommended that control be vested in more efficient hands. The consolidation of the revolution seemed to have begun.

In the last few months, in swift succession, have come new decrees and proposals, clearly indicating the direction of the Camacho régime.

He recently issued a decree ordering the division of communal land among the individual peasants. The effects of this decree will be far reaching. He is creating a land owning class of small proprietors, a group which has always been the backbone of conservatism and the prop of a Bonapartist régime. This decree almost automatically puts an effective stop to the further division of the large landed estates, since the newly land rich peasantry will frown upon actions that lead to expropriation. The decree will be the cause for the creating of a schism between the landed and landless peasantry. And, finally, the decree effectively breaks the community of interest between the proletariat and the peasantry. Once more, the land of Mexico is thrown upon the open market, subject to the capitalist laws of accumulation and the consolidation of the land through the operation of these laws in the hands of the banks.

The civil service code is to be amended, prohibiting government employees from organizing into unions and from going on strike!

Camacho has proposed an amendment to the constitution, making supreme court judges life appointees. At present the judges are appointed by the President for the six year duration of his administration. Avila Camacho explains lamely that judges will thus be removed from political control and thereby justice (!) will be assured to all. What the calibre of this justice would be can be seen when the Mexican Senate refused to confirm three of Camacho's choices for supreme court justices. The men whom Camacho wished to appoint to dispense justice for life have a public record for reaction

and pro-fascism. So bad did these appointments smell that they were unpalatable even to the conservative Mexican Senate, whose chief note of distinction is the flashy new Buicks in which the senators disport themselves. But Camacho put his foot down, and next day the three were confirmed!

His latest action has been the proclamation of an amnesty to the fascists arrested by the Cardenas régime. In Texas, Calles, a living symbol of reaction, announces that he is returning to Mexico. Almazon is already there. The Catholic nun imprisoned as the instigator of Obregon's assassination leaves prison loaded down with roses. All the buzzards are assembling for the feast.

### Cooperation with American Imperialism

What do all the above portend for Mexico, once more at the crossroads? Rumors emanate from Washington over a future satisfactory agreement over the oil controversy. Sumner Welles praises the judgment of the new régime. Heaven help the workers under a régime that Welles extols! Mexico is once more ripe for the ravenous maw of American imperialism. The Catholic church is going to be given a free hand to inoculate the Mexican masses once more with its morphine. With the return of the Catholic church, the schools will go. As the executive branch of the government comes into conflict with the relatively more democratic legislature, the Bonapartist régime will begin to take form, supported by Washington, the Catholic church, the army and the capitalist class of Mexico. With the growth of the Bonapartist régime will come the greater restriction of all forms of social progress, the trade unions, the cooperatives, etc. In the political field, the C.P. is already receiving payment in full for its support of one bourgeois candidate against another. It is being hacked to pieces, and the masses, whom it led in support of Camacho, stand sullenly to one side and do not interfere.

Does this mean the end for Mexico? Will it once more sink into darkness and slavery? To believe this is to underestimate completely the revolutionary forces that the social upheaval of 25 years has awakened. Mass movements are not stopped by pronunciamientos. No revolution which has been deepening and developing for 25 years can be abruptly brought to a halt by the issuance of decrees. Physical force,

the fundamental adjuster of decisive questions, will come to the fore.

Behind Camacho, the legions of armed men of the counter-revolution are in the process of formation. There is the great landed gentry, the Catholic church, the new bourgeoisie, the army and police bureaucrats and all others who have something to gain by holding on to the status quo or even pushing back the clock of history a few years.

### Sharp Struggles Loom Ahead

The disinherited have also, in the surge forward, built their weapons of defense. There are the communal collectives of the peasantry and the peasants union, all well armed! There are the power trades unions and the cooperatives; there are the "socialist" schools and there is some semblance of a workers militia. This group, when the decisive hour of struggle approaches, as it surely must, can yet win out if one all important factor arrives on the historical scene—a Marxist Revolutionary Party.

The vestigial appendage of the C.I. is hopelessly bankrupt. Its line is thoroughly rotten and can only lead the revolutionary people of Mexico from one defeat to another. In it, however, are good elements, and an enormous proportion of the rank and file are militant revolutionists. A fundamental task of the new Marxist party that will arise in the stormy period ahead will be to win this rank and file away from its venal leadership. With the knife at its throat, the Mexican proletariat may not hesitate to break any emotional ties that bind it to the Comintern! They must not hesitate to do so, if they are to live and fulfill their duty to the international proletariat! Great class struggles are in the offing in the republic to the south. And the workers of the United States must not fail them in their hour of crisis.

Once more, the majestic and illuminating theory of the permanent revolution emerges as a beacon light to revolutionists as a guide to action. In the epoch of imperialism, a mass insurrectionary movement begun cannot stop halfway. It must go on to the end with the proletariat as leaders of the people of the nation. Only through thoroughgoing socialist measures can the threat of reaction be ended and the way paved for the advancement of humanity.

JOSEPH ARNOLD.

# Archives of the Revolution

Documents Relating to the History and Doctrine of Revolutionary Marxism

## THERMIDOR AND ANTI-SEMITISM

AT THE TIME OF the last Moscow trial I remarked in one of my statements that Stalin, in the struggle with the Opposition, exploited the anti-Semitic tendencies in the country. On this subject I received series of letters and questions which were, by and large—there is no reason to hide the truth—very naïve. "How can one accuse the Soviet Union of anti-Semitism?" "If the U.S.S.R. is an anti-Semitic country, is there anything left at all?" That was the dominant note of these letters. These people raise objections and are perplexed because they are accustomed to counterpose fascist anti-Semitism with the emancipation of the Jews accomplished by the

October Revolution. To these people it now appears that I am wresting from their hands a magic charm. Such a method of reasoning is typical of those who are accustomed to vulgar, non-dialectical thinking. They live in a world of immutable abstractions. They recognize only that which suits them: the Germany of Hitler is the absolutist kingdom of anti-Semitism; the U.S.S.R., on the contrary, is the kingdom of national harmony. Vital contradictions, changes, transitions from one condition to another, in a word, the actual historical processes escape their lackadaisical attention.

It has not yet been forgotten, I trust, that anti-Semitism

was quite widespread in tsarist Russia among the peasants, the petty bourgeoisie of the city, the intelligentsia and the more backward strata of the working class. "Mother" Russia was renowned not only for her periodic Jewish pogroms but also for the existence of a considerable number of anti-Semitic publications which, in that day, enjoyed a wide circulation. The October Revolution abolished the outlawed status against the Jews. That, however, does not at all mean that with one blow it swept out anti-Semitism. A long and persistent struggle against religion has failed to prevent suppliants even today from crowding thousands and thousands of churches, mosques and synagogues. The same situation prevails in the sphere of national prejudices. Legislation alone does not change people. Their thoughts, emotions, outlook depend upon tradition, material conditions of life, cultural level, etc. The Soviet régime is not yet twenty years old. The older half of the population was educated under tsarism. The younger half has inherited a great deal from the older. These general historical conditions in themselves should make any thinking person realize that, despite the model legislation of the October Revolution, it is impossible that national and chauvinist prejudices, particularly anti-Semitism, should not have persisted strongly among the backward layers of the population.

But this is by no means all. The Soviet régime, in actuality, initiated a series of new phenomena which, because of the poverty and low cultural level of the population, were capable of generating anew and did in fact generate anti-Semitic moods: The Jews are a typical city population. They comprise a considerable percentage of the city population in the Ukraine, in White Russia and even in Great Russia. The Soviet, more than any other régime in the world, needs a very great number of civil servants. Civil servants are recruited from the more cultured city population. Naturally the Jews occupied a disproportionately large place among the bureaucracy and particularly so in its lower and middle levels. Of course we can close our eyes to that fact and limit ourselves to vague generalities about the equality and brotherhood of all races. But an ostrich policy will not advance us a single step. *The hatred of the peasants and the workers for the bureaucracy is a fundamental fact in Soviet life.* The despotism of the régime, the persecution of every critic, the stifling of every living thought, finally, the judicial frame-ups are merely the reflection of this basic fact. Even by *a priori* reasoning it is impossible not to conclude that the hatred for the bureaucracy would assume an anti-Semitic color, at least in those places where the Jewish functionaries compose a significant percentage of the population and are thrown into relief against the broad background of the peasant masses. In 1923 I proposed to the party conference of the Bolsheviks of the Ukraine that functionaries should be able to speak and write the idiom of the surrounding population. How many ironical remarks were made about this proposal, in the main by the Jewish intelligentsia who spoke and read Russian and did not wish to learn the Ukrainian language! It must be admitted that in that respect the situation has changed considerably for the better. But the national composition of the bureaucracy changed little, and what is immeasurably more important, the antagonism between the population and the bureaucracy has grown monstrously during the past 10-12 years. All serious and honest observers, especially those who have lived among the toiling masses for a long time, bear witness to the existence of anti-Semitism, not only of the old, hereditary but also of the new, "Soviet" variety.

The Soviet bureaucrat feels himself morally in a beleaguered camp. He attempts with all his strength to break

through from his isolation. The politics of Stalin, at least to the extent of 50 per cent, is dictated by this urge. To wit: (1) the pseudo-socialist demagoguery ("Socialism is already accomplished" "Stalin gave, gives and will give the people a happy life," etc., etc.); (2) political and economic measures designed to build around the bureaucracy a broad layer of a new aristocracy (the disproportionately high wages of the Stakhanovites, military ranks, honorary orders, the new "nobility," etc.); and (3) catering to the national feelings and prejudices of the backward layers of the population.

The Ukrainian bureaucrat, if he himself is an indigenous Ukrainian, will, at the critical moment, inevitably try to emphasize that he is a brother to the muzhik and the peasant—not some sort of foreigner and under no circumstances a Jew. Of course there is not—alas!—a grain of "socialism" or even of elementary democracy in such an attitude. But that's precisely the nub of the question. The privileged bureaucracy, fearful of its privileges, and consequently completely demoralized, represents at present *the most anti-socialist and most anti-democratic stratum of Soviet society.* In the struggle for its self-preservation it exploits the most ingrained prejudices and the most benighted instincts. If in Moscow Stalin stages trials which accuse the Trotskyites of plotting to poison the workers, then it is not difficult to imagine to what foul lengths the bureaucracy can resort in some Ukrainian or central Asiatic hovel!

He who attentively observes Soviet life, even if only through official publications, will, from time to time, see bared in various parts of the country hideous bureaucratic abscesses: bribery, corruption, embezzlement, murder of persons whose existence is embarrassing to the bureaucracy, violation of women and the like. Were we to slash vertically through, we would see that every such abscess resulted from the bureaucratic stratum. Sometimes Moscow is constrained to resort to demonstration trials. In all such trials the Jews inevitably comprise a significant percentage, in part because, as was already stated, they make up a great part of the bureaucracy and are branded with its odium, partly because, impelled by the instinct for self-preservation, the leading cadre of the bureaucracy at the centre and in the provinces strives to divert the indignation of the working masses from itself to the Jews. This fact was known to every critical observer in the U.S.S.R. as far back as 10 years ago, when the Stalin régime had hardly as yet revealed its basic features.

The struggle against the Opposition was for the ruling clique a question of life and death. The program, principles, ties with the masses, everything was rooted out and cast aside because of the anxiety of the new ruling clique for its self-preservation. These people stop at nothing in order to guard their privileges and power. Recently an announcement was released to the whole world, to the effect that my youngest son, Sergei Sedov, was under indictment for plotting a mass poisoning of the workers. Every normal person will conclude: people capable of preferring such a charge have reached the last degree of moral degradation. Is it possible in that case to doubt even for a moment that these same accusers are capable of fostering the anti-Semitic prejudices of the masses? Precisely in the case of my son, both these depravities are united. It is worth while to consider this case. From the day of their birth, my sons bore the name of their mother (Sedov). They never used any other name—neither at elementary school, nor at the university, nor in their later life. As for me, during the past 34 years I have borne the name of Trotsky. During the Soviet period no one ever called me by the name of my father (Bronstein), just as no one ever called Stalin Dzhughashvili.

In order not to oblige my sons to change their name, I, for "citizenship" requirements, took on the name of my wife (which, according to the Soviet law, is fully permissible). However, after my son, Sergei Sedov, was charged with the utterly incredible accusation of plotting to poison workers, the GPU announced in the Soviet and foreign press that the "real" (!) name of my son is not Sedov but Bronstein. If these falsifiers wished to emphasize the connection of the accused with me, they would have called him Trotsky since politically the name Bronstein means nothing at all to any one. But they were out for other game, that is, they wished to emphasize my Jewish origin and the semi-Jewish origin of my son. I paused at this episode because it has a vital and yet not at all exceptional character. The whole struggle against the Opposition is full of such episodes.

Between 1923 and 1926, when Stalin, with Zinoviev and Kamenev, was still a member of the "Troika," the play on the strings of anti-Semitism bore a very cautious and masked character. Especially schooled orators (Stalin already then led an underhanded struggle against his associates) said that the followers of Trotsky are petty bourgeois from "small towns," without defining their race. Actually that was untrue. The percentage of Jewish intellectuals in the Opposition was in no case any greater than that in the party and in the bureaucracy. It is sufficient to name the leaders of the Opposition for the years 1923-25: I. N. Smirnov, Serebryakov, Rakovsky, Pyatakov, Preobrazhensky, Krestinsky, Muralov, Beloborodov, Mrachkovsky, V. Yakolev, Sapronov, V. M. Smirnov, Ishtchenko—fully indigenous Russians. Radek at that time was only half-sympathetic. But, as in the trials of the gratfers and other scoundrels, so at the time of the expulsions of the Opposition from the party, the bureaucracy purposely emphasized the names of Jewish members of casual and secondary importance. This was quite openly discussed in the party and, back in 1925, the Opposition saw in this situation the unmistakable symptom of the decay of the ruling clique.

After Zinoviev and Kamenev joined the Opposition the situation changed radically for the worse. At this point there opened wide a perfect chance to say to the workers that at the head of the Opposition stand three "dissatisfied Jewish intellectuals." Under the direction of Stalin, Uglanov in Moscow and Kirov in Leningrad carried through this line systematically and almost fully in the open. In order the more sharply to demonstrate to the workers the differences between the "old" course and the "new," the Jews, even when unreservedly devoted to the general line, were removed from responsible party and Soviet posts. Not only in the country but even in Moscow factories the baiting of the Opposition back in 1926 often assumed a thoroughly obvious anti-Semitic character. Many agitators spoke brazenly: "The Jews are rioting." I received hundreds of letters deploring the anti-Semitic methods in the struggle with the Opposition. At one of the sessions of the Politburo I wrote Bukharin a note: "You cannot help knowing that even in Moscow in the struggle against the Opposition, methods of Black Hundred demagogues (anti-Semitism, etc.) are utilized." Bukharin answered me evasively on that same piece of paper: "Individual instances, of course, are possible." I again wrote: "I have in mind not individual instances but a systematic agitation among the party secretaries at large Moscow enterprises. Will you agree to come with me to investigate an example of this at the factory 'Skorokhod' (I know of a number of other such examples)." Bukharin answered, "All right, we can go." In vain I tried to make him carry out the promise. Stalin most categorically forbade him to do so. In the months of preparations for the expulsions of

the Opposition from the party, the arrests, the exiles (in the second half of 1927), the anti-Semitic agitation assumed a thoroughly unbridled character. The slogan, "Beat the Opposition," often took on the complexion of the old slogan "Beat the Jews and save Russia." The matter went so far that Stalin was constrained to come out with a printed statement which declared: "We fight against Trotsky, Zinoviev and Kamenev not because they are Jews but because they are Oppositionists," etc. To every politically thinking person it was completely clear that this consciously equivocal declaration, directed against "excesses" of anti-Semitism, did at the same time with complete premeditation nourish it. "Do not forget that the leaders of the Opposition are—Jews." That was the meaning of the statement of Stalin, published in all Soviet journals.

When the Opposition, to meet the repressions, proceeded with a more decisive and open struggle, Stalin, in the form of a very significant "jest," told Pyatakov and Preobrazhensky, "You at least are fighting against the C.E., openly brandishing your axes. That proves your 'orthodox' action.\* Trotsky works slyly and not with a hatchet." Preobrazhensky and Pyatakov related this conversation to me with strong revulsion. Dozens of times Stalin attempted to counterpose the "orthodox" core of the Opposition to me.

The well-known German radical journalist, the former editor of *Aktion*, Franz Pfemfert, at present in exile, wrote me in August, 1936, "Perhaps you remember that several years ago in *Aktion* I declared that many actions of Stalin can be explained by his anti-Semitic tendencies. The fact that in this monstrous trial he, through the Tass, managed to 'correct' the names of Zinoviev and Kamenev represents, by itself, a gesture in typical Streicher style. In this manner Stalin gave the 'Go' sign to all anti-Semitic, unscrupulous elements." In fact the names, Zinoviev and Kamenev, it would seem, are more famous than the names of Radomisluski and Rozenfeld. What other motive could Stalin have had to make known the "real" names of his victims, except to play with anti-Semitic moods? Such an act, and without the slightest legal justification, was, as we have seen, likewise committed over the name of my son. But, undoubtedly, the most astonishing thing is the fact that all four "terrorists" allegedly sent by me from abroad turned out to be Jews and—at the same time—agents of the anti-Semitic Gestapo! Inasmuch as I have never actually seen any of these unfortunate, it is clear that the GPU deliberately selected them because of their racial origin. And the GPU does not function by virtue of its own inspiration!

Again: if such methods are practiced at the very top where the personal responsibility of Stalin is absolutely unquestionable, then it is not hard to imagine what transpires in the ranks, at the factories, and especially at the *kolkhozes*. And how can it be otherwise? The physical extermination of the older generation of the Bolsheviks is, for every person who can think, an incontrovertible expression of Thermidorian reaction, and in its most advanced stage at that. History has never yet seen an example when the reaction following the revolutionary upsurge was not accompanied by the most unbridled chauvinistic passions, anti-Semitism among them.

In the opinion of some "Friends of the U.S.S.R.," my reference to the exploitation of anti-Semitic tendencies by a considerable part of the present bureaucracy represents a malicious invention for the purpose of a struggle against Stalin. It is difficult to argue with professional "friends" of the bureaucracy. These people deny the existence of a Thermidor—

\*The word used by Stalin in Russian refers to the Greek Orthodox Church.

ian reaction. They accept even the Moscow trials at face value. There are "friends" who visit the U.S.S.R. with special intention of not seeing the spots on the sun. Not a few of these receive special pay for their readiness to see only what is pointed out to them by the finger of the bureaucracy. But woe to those workers, revolutionists, socialists, democrats who, in the words of Pushkin, prefer "a delusion which exalts us" to the bitter truth. A healthy revolutionary optimism has no need for illusions. One must face life as it is. It is necessary to find in reality itself the force to overcome its reactionary and barbaric features. That is what Marxism teaches us.

Some would-be "pundits" have even accused me of "suddenly" raising the "Jewish question" and of intending to create some kind of ghetto for the Jews. I can only shrug my shoulders in pity. I have lived my whole life outside of Jewish circles. I have always worked in the Russian workers' movement. My native tongue is Russian. Unfortunately, I have not even learned to read Jewish. The Jewish question therefore has never occupied the center of my attention. But that does not mean that I have the right to be blind to the Jewish problem which exists and demands solution. "The Friends of the U.S.S.R." are satisfied with the creation of Biro-Bidjan. I will not stop at this point to consider whether it was built on a sound foundation, and what type of régime exists there. (Biro-Bidjan cannot help reflecting all the vices of bureaucratic despotism.) But not a single progressive, thinking individual will object to the U.S.S.R. designating a special territory for those of its citizens who feel themselves to be Jews,

who use the Jewish language in preference to all others and who wish to live as a compact mass. Is this or is this not a ghetto? During the period of Soviet democracy, of completely *voluntary* migrations, there could be no talk about ghettos. But the Jewish question, by the very manner in which settlements of Jews occurred, assumes an international aspect. Are we not correct in saying that a world socialist federation would have to make possible the creation of a "Biro-Bidjan" for those Jews who wish to have their own autonomous republic as the arena for their own culture? It may be presumed that a socialist democracy will not resort to compulsory assimilation. It may very well be that within two or three generations the boundaries of an independent Jewish republic, as of many other national regions, will be erased. I have neither time nor desire to meditate on this. Our descendants will know better than we what to do. I have in mind a transitional historical period when the Jewish question, as such, is still acute and demands adequate measures from a world federation of workers' states. The very same methods of solving the Jewish question which under decaying capitalism has a utopian and reactionary character (Zionism), will, under the régime of a socialist federation, take on a real and salutary meaning. This is what I wanted to point out. How could any Marxist, or even any consistent democrat, object to this?

LEON TROTSKY.

Coyoacan, D. F., February 22, 1937.

(Translated by Freddie James)

## + BOOKS +

### Anarchism in Spain

WHY WE LOST THE WAR. D. A. SANTILLAN. Ediciones Iman. Buenos Aires, Argentina. April, 1940. 300 pp.

D. A. Santillan has written a tragic, very significant book to tell the "real rôle" of the F.A.I. (Anarchist Federation of Iberia), the "only influential mass organization that remained incorruptible in the face of new loves" and to place the blame for the victory of Franco where he thinks it really falls—at the door of the "democracies," Russia and the Popular Front government of Spain.

Santillan, leader and chief of the Anarchist Federation of Iberia, was the organizer and active leader of the militias that crushed the fascists in Barcelona in July, 1936, and then marched on to Aragon. He was later Defense Minister in the Catalan Popular Front Cabinet, member of the Economic Council of the same government, representative of the F.A.I. to the national Popular Front organization, and a key figure in the organization by the C.N.T. unions of the Catalan war economy.

He lists the three causes of the Spanish defeat, "the definitive defeat of our generation" as "(1) the Franco-British policy of non-intervention . . . (2) the Russian intervention into our affairs . . . (3) the centralist mania of the run-away Madrid-Valencia-Barcelona-Figueros government . . ."

These are the most superficial of reasons. We, as Marxists, don't "blame" Britain for her anti-working class foreign policy; how could a revolutionary seriously expect capitalist England to contribute to the building of an independent working class state in Europe? Nor do we think that the "centralism" or "anti-Catalanism" of the Popular Front government was any more than a cover for much more serious objections against Catalonia—namely: that it was the focus and stronghold of the revolutionary power of the Spanish proletariat. Nor can "Russian influence" be blamed: the anarchists had complete control of Catalonia, most of Aragon and much of Levante when the Stalinists were only a tiny handful.

The Stalinists gained control over Spain and the Popular Front was enabled to carry out its disastrous military and economic policies because of the same fundamental

factor that led the Anarchists to betray the Spanish workers. There was no Bolshevik party in Spain embodying the one set of *ideas* that could organize the situation: the tested truths of Marxist theory and methods.

Santillan's book emphasizes again for us the great importance of our Marxist theoretical tools. He is forced by the tremendous experience he went through to realize that something went wrong—he finds it in every obscure corner, except in his own theories.

Marxists know that to carry on a victorious proletarian war in a capitalist world, an independent working class state apparatus—free from all reflections of ruling class interests—is a prerequisite. This state must be a means through which the courage, watchfulness and creative energy of the toiling masses is given expression. An effective, trustworthy army must be established, controlled from below, devoted to its class and ready to combine revolutionary propaganda, guerrilla warfare, or fraternization with other forms of combat. A war economy free from fascist or middle class saboteurs, supervised and run by the revolutionary committees, must be set up and its activities coordinated with the old task of supplying the rear guard.

Lastly, and most important of all, the working class of the neighboring countries must be made to understand the struggle and rallied to support it with independent revolutionary action.

This was all possible in Spain. The anarchists had the power to do it. But they didn't. Because their theories—their tools for action—were smashed to pieces by the realities of proletarian revolution. Independent of the will of the Anarchist leaders, the Spanish workers built revolutionary committees throughout Spain—committees which enforced their will on all recalcitrant bourgeois. Capitalist England and France made the only choice possible to them: they chose to strangle the proletarian revolution that directly threatened to upset their control over their own working masses.

How did the leaders of the revolutionary anarchist masses meet this situation? Santillan tells us.

General strikes had closed all the industries throughout Catalonia and the rest of Spain, armed squads of Hombres de la F.A.I.—men of the F.A.I.—patrolled the streets, roads and forts. Companys, head of the petty-bourgeois Catalan nationalist government—called the Anarchist leaders into his office. Unshaven, exhausted, arms in hand, they came to answer his questions as to “what we proposed to do . . . We could be the only rules, impose our will absolutely, declare the Generality fallen, and institute in its place the real power of the people, but we did not believe in dictatorship when it was exercised against us and we did not desire it when we could exercise it against others. The Generality would remain at its post with President Companys at its head, and the popular forces would organize into militias to continue the fight for the liberation of Spain. Thus surged forth the Central Anti-Fascist Militia of Catalonia, to which we allowed all liberal and proletarian sectors to enter.” (My emphasis.—M. W.)

All their anti-Marxist polemics on “pure democracy,” “libertarian communism,” the tyranny of the Soviet forms didn't succeed in teaching them the first elementary principle of revolutionary democracy—its politics: the methods of expressing the will of the people in a democratically organized form.

A multitude of “practical” problems arose immediately to pose in all its sharpness the basic political problem: who was controlling and organizing Spanish economy? The Stalinist-led politicians of the bourgeoisie—whom the workers had forced ever so reluctantly to “be saved” from fascism—or the revolutionary workers in arms? Santillan recounts with tragic naivete how the bourgeois “democrats” sabotaged the proletarian organization of the war. Blind economism was confronted on every side with political reactions. Neither the Spanish bourgeoisie nor their political tools would help in the construction of a workers' Spain—which alone could organize to stop fascism, as the republic of 1931-36 had proved. The F.A.I. faced all the complex economic, military and

above all political problems of a twentieth century capitalist world—in Spain, where two classes were contesting for power; in the European market, where trading was strictly in terms of cash; in the military struggle, where a coordinated, centralized command was needed to fight Mussolini's legions; and on the international political front, where a crystal-clear revolutionary analysis and interpretation of the war had to reach the French workers to rouse them into independent class action to stop non-intervention and organize proletarian support. What happened?

“We found ourselves from the first day faced with an alarming poverty of raw materials in a region that lacked minerals, textile fibers and coal. We lacked coal for industry and transport . . . it was a constant tragedy, especially for the metallurgical industry. Asturias could have cooperated greatly, but one of its leaders replied to our proposals that he would prefer for the coal of the Asturias to remain in the mine, or in the Musel than to have it fall into the hands of the Catalans; in turn Asturias lacked the cloth that we had an abundance of, and the other elements that we offered to supply.” The Asturian bourgeoisie refused to cooperate with the Catalan proletariat—a political problem.

“The Communist Party took advantage of its entry into the Ministry of Agriculture to deny credits, manure and seeds to the collective farms of the C.N.T.; they went so far as to create organizations of the dissatisfied peasants to destroy the work of the collectives in Levante, giving them all the support of the Ministry of Agriculture.” The Lister Division of the International Brigade destroyed hundreds of collectives in Aragon in blood and fire. Russia, the agent of the British and Spanish bourgeoisie, fights to put down the revolutionary peasant movement: a political problem.

“We could not develop the war industries without depending on foreign steel, zinc, copper, etc., that had to be paid in foreign exchange, which could only be got through the access of the Central Government to the gold of the Bank of Spain (which was consistently denied the Catalan anarchists.—M. W.). Basque steel also had to be paid for with foreign exchange . . . We encountered only difficulties and obstacles in providing ourselves with the raw materials that abounded in those regions (Asturias and Basque provinces.—M. W.)” The Basque and Asturian capitalists combine with the Central Popular Front government in their refusal to help their proletarian comrades in the anti-fascist struggle—also a political problem of a great magnitude.

In an interview with Giral in July, 1936—even before the formation of the first Caballero government—Santillan “explains our military possibilities, emphasizing the importance of the Aragon front

for linking economically the Catalan region with the heavy industry of Euzkadi and the coal mining zone of the Asturias. . . . We asked for a small advance of foreign exchange to buy airplanes and some armaments that had been offered us.” Giral “appeared convinced” but his government soon fell and “nothing remained of the episode but our memories.” And so it is, when you depend on bourgeois support in a time of proletarian revolution. Santillan also visited Azaña to get money for an attack on Aragon—no results. Durruti the Militia Committees were “a complete assumption of total popular power” or a went to interview Caballero to get funds to buy arms available in Europe—he got promises but no money. Santillan organized 3,000 men in a secret plan to seize this Bank of Spain gold, but his organization and the C.N.T. said no, so he didn't.

“The Central Government reiterated again and again to us that they would not help us while the power of the Militia Committee, the organ of the people's revolution, was so manifest.” Politics is concentrated economics, and despite the blindness of the anarchists, the bourgeois Madrid government knew that a new economy and the defense of this economy were concentrated into the hands of these committees that were running Catalonia. These were political bodies, were attacked politically, and only through them, politically, could the revolution be defended.

Two very clear, simple facts hit you in the face with every line of the book: First, that there were two classes in “loyalist” Spain. One was the workers and peasants who wanted to fight fascism for their own preservation and to build a revolutionary world; the other was the terrified Spanish middle class and capitalists—whose stooges in the Popular Front government also served the interests of British imperialism. This petit bourgeoisie wanted at all costs, blindly and first of all, to crush the independent revolutionary class action of the Spanish masses. Second, there were two state forms contending for control, and the only hope of conquering fascism was to smash the old form that permitted economic and military sabotage and to put complete control in the hands of the revolutionary committees.

This apolitical anarchist could not see that the state still represented the bourgeoisie: that it was the last and strongest reservoir of bourgeois power, resisting stoutly all attempts to make it serve an alien class—even while covering itself with revolutionary phrases. He tries to right the errors and treachery he sees everywhere around him, but he expects the leopards to change their spots. He cannot see the basic class causes of the degeneration of the war and the revolution.

Santillan says: “Circumstances stronger than our own will carried us into situations and proceedings that disgusted us, but that

we could not avoid." No, it was circumstances that *Anarchist theory* was too *weak* to meet that led them into the path of class collaboration in the service of the enemy class.

How can a revolutionary know what to *do* about a situation if his theory can't tell him what it *is*? You can't save a drowning man if you are victim of the mirage that water is air. How could the F.A.I. know what to do about the Spanish revolution if they couldn't decide whether "Ministry of War in time of war", or a guerrilla army, "the complement of the regular army" and the "most efficient guarantee of the revolution"?

Nowhere does he give in one single, simple formulation the rôle of these committees—which were the key to all the

problems he struggled with. In each chapter where he takes up one job that only the committees could perform successfully, he proves that *this* was their function, and that the others should be assumed by the state. The militias are a "Ministry of War in time of war" so the F.A.I. must organize a separate Council of Economy with the old Generality government to coordinate the economy with the war; they are the stateless "assumption of popular power" so coercive, repressive governmental functions must be organized independently—e.g., the workers' police; they are a guerrilla army, so the bourgeois state must organize the "regular" army. They were not to control or organize the economy—that was a purely economic question to be handled by the unions—but when it became

obvious that industry and agriculture must be coordinated with the conduct of the war—the whole program was abandoned to the bourgeois government.

Santillan's work is an incomparable documentation on the failure of the Popular Front government to perform any of the functions that were stripped from the revolutionary committees. He concludes his bitter denunciation of this failure with: "*We had no other instrument that could carry out the manifold functions of a government at war*" !! (My emphasis.—M. W.)

With theory so inadequate that they failed even to *see* what went on around them, how could the F.A.I. *possibly* have acted correctly?

M. WILSON.

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