

Chapter V

REORGANIZING THE WORLD

AMONG ALL THE TANGLE OF PROBLEMS OF PEACEMAKING it is clear that the U.S.A. is abandoning the Roosevelt policy toward the Soviet Union and adopting that of Churchill. But her motives in that change are not so clear. It is my belief that these motives are inherently confused and therefore cannot be the basis of lasting national policy.

As an example, among the new governments arising in Europe after its liberation from the Axis, American statesmen have given full support only to one—Royalist Greece, brought into existence by the force of British arms. This one, however, is a direct departure from the letter and spirit of the Teheran and Yalta agreements. The others, which embody efforts to reconcile conflicting interests and ideological trends, have incurred the displeasure of Washington and London.

From the millions of words printed to “explain” to Americans why this happens, the only thing we learn is that the Royalist Greek government is considered the “sole reliable support of western democracy on the continent.” This is further explained as meaning it is the only government which can be depended upon always to be anti-Soviet. But why America should *want* to

establish anti-Soviet governments remains a haze of confusion.

There is some pretense made that the Soviet Union has earned this American hostility by influencing those governments which are friendly to it to tie themselves economically to the Soviet Union to the exclusion of American trade. But that is obviously a false explanation since the concrete measures complained about are no different in principle from those adopted by Britain, our close associate in anti-Sovietism, perhaps even our guide.

For example, something happened in April, 1946, of which the *New York Times* said: “It would be difficult to imagine a more direct blow to the whole system of free world markets.” Was that terrible blow at a most cherished American economic idea delivered by the Soviet Union or one of the new governments friendly to her? No, not at all! It was the action of our dear friend and close associate, the British government, announcing permanent continuance of governmental buying of all British cotton requirements.

What Americans are complaining of, and calling “sovietization” of Europe, is nothing more than the world-wide trend away from the “free market” and toward nationalized planned economies. This is not an issue in which the Soviet Union is fighting the rest of the world with America at its head. On the contrary this is the issue on which the U.S.A. stands entirely alone, the only government in the world that demands a “free market.”

This contradiction is explained away as the result of

"doctrine" being imposed by force upon the "facts of life" which are assumed to support America's "free market" ideology. Such events as the permanent submergence of the Liverpool Cotton Exchange, which for a hundred years regulated world commerce in that staple raw commodity, are explained entirely in terms of the "victory of an idea," the imposition of a "doctrine" not rooted in economic facts and forces.

Quite the opposite is true. The "twilight of the free market," as a headline of the *New York Times* puts it, is brought to pass by hard, cruel, inescapable economic facts, operating against the resistance of a preponderant body of doctrine and ideology. The trend away from the "free market" is the triumph of fact over doctrine.

Some little glimmer of this truth penetrates the mind of the *Times* writer, when he warns that "it would be a mistake" not to see that this is a world-wide trend, expressed not least in the U.S.A. itself! He still sees it, however, as a trend of "ideas" rather than of forces. But if it shows itself in all countries, influenced by all sorts of ideologies (even in the U.S. with its worship of "free enterprise"), then it must be clear that the trend arises from economic facts, and not from systems of ideas regarding these facts, i.e., the trend is the product of life and not of propaganda.

Much of the confusion arising around this question of "free markets" comes from an understandable reluctance openly to talk about the fact that Britain monopolizes a large part of the potential world markets which America covets. We have just made a huge loan to Britain, which impartial authorities say Britain can never repay,

largely in the hope that it will cause Britain to relax her market monopoly. America wants these markets to be free from British control; but it is not "free markets" in general that we are seeking, it is big markets for American exports. If big markets for American goods come from the "planned economies" rather than from "free markets," it is obvious that American market interest lies in volume rather than freedom. "Freedom" for markets is a means rather than an end, and if big markets express their demand for goods, it is not of major consequence to America whether they are "free" or "controlled."

This fact will be demonstrated very sharply when the domestic market for capital goods reaches saturation point—probably during 1947 or 1948. Then America will suddenly awaken to the fact that the more "free" the market the less it will be able to expand its demand, while the biggest immediate market available will be—the Soviet Union, most extreme example of an "unfree market" according to American ideology! This socialist-planned economy will still be free to place big orders with American industry when the so-called "free market" has been paralyzed by the cyclical crisis that appears more and more imminent.

Similarly, in the liberated countries of Europe, it is precisely those measures of planned economy, nationalization of industry and the like, against which America is now so violently protesting, which will furnish elements of stability in the world market for American goods. Those countries are not introducing socialism (in the scientific sense of that term, as opposed to the loose

popular sense in which even the New Deal is "socialist"), but rather a form of state capitalism. But they are "unfree" in the pattern of current American thinking. As the United States finds it more and more necessary to seek foreign markets in order to keep its industries in operation, we will also learn that these "unfree markets" of countries with nationalized industries will be the biggest and most reliable customers for American goods and the only ones able to pay their bills. The "unfree markets" will be the biggest and most active, and the "free markets" will be languishing, with no plans for construction and no reliable means of payment.

The search and struggle for "free markets" is therefore an ideological will-o'-the-wisp that leads American policy away from its real objective and throws unutterable confusion into American economic thinking and American foreign policy. It leads us to place our cards on Royalist Greece as the model for Europe and the semifeudal Kuomintang of China as the model for Asia. It leads us into the Churchillian anti-Soviet crusade that today is throwing the world into disorder.

America requires huge markets which are today only potentialities. These can be brought into existence only through peace and world order, attained by co-operation with the Soviet Union and through the means of large-scale planning and control in all the countries involved.

Nationalization of the basic industries, with governmental planning and control of foreign trade, is a program common today to all of Europe, including Britain,

and to much of the rest of the world. There is not a single country outside the United States that continues to pay even lip-service to "free enterprise" as this term is understood in America.

What are the economic factors that give rise to this movement for nationalization?

While each country is different from every other, all share certain common factors which may be examined first.

All of Europe, outside the Soviet Union, has been enormously weakened in its economy, as a consequence of the two World Wars. At the same time Europe is faced with the emergence of two economic and political giants, the United States of America and the Soviet Union, as the major powers of the world. This situation is the outstanding example of the principle of "uneven development" as a law of history, first elaborated by Lenin. Europe faces the problem of economic recovery under the influence of the rise of the U.S.A. and the U.S.S.R.

There is, of course, no doubt that the "ideological" influence of the U.S.A. upon European reconstruction is for the restoration of "free enterprise" capitalism. Soviet influence, on the other hand, by example if nothing else, stresses the advantages of government control and planning. Ideology is by no means the decisive factor, however.

Every European country faces the fact that it is only from the United States that it can obtain the bulk of the machinery and credits needed for the most rapid restoration of its economy.

Each country also faces the fact, however, that if such credits and machinery investments are planned, negotiated, and controlled by many private capitalists, their form and shape will be determined by a thousand differing considerations of private profit and not from considerations of restoring the national economy as a whole. Thus the national economy of the particular country would be further unbalanced and distorted, instead of moving toward a stable recovery. This is the generalized economic factor, common to all European countries and independent of ideology, that motivates the trend to nationalization of industries.

There is the further fact, impressed upon these countries from without, that when they stand face to face with the United States in economic negotiations, the representatives of European economy are hopelessly weak and divided, at the mercy of the American negotiators. They can obtain sufficient strength to negotiate successfully with the American colossus only by uniting their economic interests under a single head, the state, the government, which is effectively accomplished only through nationalization of at least the banks and basic industries. Thus the economic, as distinguished from the ideological, pressure of the United States tends to hasten and intensify the movement toward nationalization in Europe.

The problems of foreign trade have grown to such size that it is impossible for the European countries to solve them except through the concentrated powers of government.

It little impresses European economic thought to call

attention to the current movement in the United States toward withdrawing the government from its wartime role in economic life, and to suggest that European countries should move in the same direction. Europeans see clearly, what so many Americans fail to see, that U.S. private enterprise, so-called, is in the main composed of a few giant corporations, any one of which is stronger by itself, economically speaking, than most European governments. Europeans know that in economic dealings with the U.S., they are not dealing with individual plants but with the giant trusts and monopolies, before which they are helpless unless they centralize their forces to the maximum. Europe knows that without nationalization of its industries it is doomed to become little more than an economic colony of the U.S.A.

Even further, however, European economic thought is more conscious of basic economic trends than is the economic thought of America. Many Americans think that this nation is "taking the government out of business," but the Europeans know that this idea is mainly self-deception. Europeans ask what Bretton Woods and the British loan represent, if not the most gigantic governmental intervention in economic life ever seen outside the socialist Soviet Union. And they know that when overproduction shows itself again in the U.S., and crisis ensues, as must happen before many years, the governmental intervention in economic life must become general and decisive here also.

Thus the influence of the United States, as an economic rather than an ideological and propagandist force,

operates in Europe to intensify and hasten the movement toward nationalization.

Nationalization has undoubtedly been greatly stimulated by the fact that when the Nazis overran Europe the majority of the big industrialists turned quisling and collaborated with the conquerors. With liberation came demands for punishment of the traitors and confiscation of their property. To the degree that such confiscation has been carried out it has, to the same degree, increased the force of the nationalization movement as providing the only rational form of administering the confiscated properties.

It is characteristic of the nationalization now being carried out in Europe that "confiscation without compensation" is occurring only in relation to the quisling traitors and to enemy property. All other owners are being fully compensated for their property when it is nationalized and they themselves are usually drawn into the governmental administration of the nationalized properties in key positions.

Thus the nationalization movement is "revolutionary" only in relation to the fascists and their agents and collaborators, while it is "reformist" toward all who resisted the Nazi conquest.

There can be no doubt, however, that the existence of such a large proportion of Nazi collaborators among the industrialist circles of Europe has greatly intensified public suspicion and distrust of the industrialists and big property owners as a class. This feeling also lends force to the nationalization movement.

Here again we find an example of how the influence of the United States operates in a contradictory fashion. America is more and more going along with the British policy of exerting strong ideological and political pressure upon the countries of Europe—especially eastern Europe, Germany, and the Balkans—to minimize the punishment of the quislings and collaborators and to restore them to their former influence and power, economically and politically.

To the degree that this pressure from Britain and the U.S. has been successful in saving such collaborationist circles from punishment—and there can be no doubt that it has had much success, even in such countries as Poland—it has also brought about another result. It has steeled the determination of the democratic forces in those nations. They are determined that the men and groups who were formerly quislings for the Nazis, and have now only transferred their allegiance to the Anglo-American anti-Soviet camp, shall not be permitted to entrench themselves in active control and direction of their national economies. The only sure way to prevent this from happening is through nationalization. In that way the economic and political privileges restored to the quislings through British and American patronage would not give them the power to sabotage national economic policies. Thus, the British-American effort to retain and halt the nationalization movement in Europe has, even in its successes, the net result of further stimulating that movement.

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One of the most stubborn misconceptions in America, and one of the most stupid, is that Soviet influence in Europe is directed toward excluding the United States from the European market.

That idea is utter nonsense. There is certainly no such policy on the part of the Soviet Union. On the contrary it is evident that the Soviet Union wishes for nothing more than to find a basis upon which both the United States and the Soviet Union can participate fully and co-operatively in the economic rehabilitation of all Europe and the rest of the world.

The degree to which the Soviet Union can directly and immediately aid the restoration of the devastated countries is, while of decisive importance, restricted by the circumstance that the Soviet Union was itself the chief sufferer from the war and must for some years concentrate in the main upon her own reconstruction. On the contrary the chief problem of the United States will be, within a year or two, when temporary war shortages are overcome, to find new markets big enough to absorb the tremendous surplus production which will tower over its domestic requirements.

In no country are the leaders more keenly aware of such economic realities than in the Soviet Union. They cannot possibly have any policy, therefore, that does not envisage a large and expanding role for the United States in European economic reconstruction.

But the Soviet Union is unquestionably disturbed by the tendency of the United States to take under its protection, as very special protégés, precisely those people who are the sworn enemies of the Soviet Union and

who collaborated with the Nazis to destroy the Soviet Union.

These circles to which U.S. patronage has been so generously extended are, curiously enough, not of a character to represent in any way the furtherance of legitimate American interests. They are tied up with social and political reaction in their own countries, with semifeudal and precapitalist remnants, which is directly responsible for the rise of fascism-Nazism in Europe and the consequent disaster. They are progressive in no sense at all. They are a dead weight upon the development of their own countries and of the world. That the United States should pick such people for special favor and attention is appalling testimony to the stubborn persistence of the old anti-Soviet ideology upon which Hitler built his bid for world power.

In order to achieve mutual confidence and collaboration between America and the Soviet Union, therefore, what is needed above all is a more realistic, less ideological, approach to the problem from the side of the United States. Roosevelt successfully acted upon the judgment that there existed common interests in the war that transcended ideological differences. That proves that there exists, and can be crystallized in a concrete program, a very broad base of common interests of the two countries in the formulation of the peace, on behalf of which Soviet and American influence can be exerted in common and not in conflict, in almost every area of the world and certainly in Europe.

The sympathetic attitude which the Soviet Union adopts toward the nationalization movement in Europe

is in contrast to the hostile attitude taken by the United States. But the Soviet Union's position is not at all motivated by hostility to the United States. On the contrary, the Soviet leaders undoubtedly see in the new regimes the merit, beyond and above their democratic and progressive character, of providing the most promising ground for a meeting and reconciliation between America and the Soviet Union in common practical policy.

In terms of providing the largest possible markets for American goods, there is every reason for the United States to support the nationalization program, rather than to oppose it as at present. Opposition is motivated solely by the ideology which identifies "free markets" with large markets for America, an idea which today is in contradiction to the world of reality. Only through the nationalization of basic industries can the European countries purchase and pay for the export surplus of American industries. The United States must soon realize this is true, if only because it has become the fixed opinion of the nations involved and their leadership.

Nationalization of industries in Europe is not a result of the influence of Soviet ideology or of Soviet economic or political pressure. It is not hostile to the interests of America as a great capitalistic exporting nation. It is the result of economic necessity, which drives the leaders of many ideological trends in many nations in the one single direction. America must stop opposing this irresistible current and begin to adjust its policies to the course of history.

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Much of American opposition to the nationalization trend abroad arises from an unwillingness to admit the policy is legitimate for fear this will lead to its adoption in America.

Just as surely as the issue of nationalization unites the democratic and progressive majority of the peoples in most European countries, so there could be no stable regime which rejected this course, it is equally certain that in the United States there is no such existing or immediately potential majority favoring nationalization of the banks and basic industries of this country.

Any major attempt to push this issue to the foreground in American political life would only split the democratic and progressive camp, with the advocates of nationalization on the small end of the split. It would result practically in bringing into power the most reactionary camp in American politics.

It will require events, not propaganda and agitation, to make nationalization a major issue with the mass of the population of America. Such events could only be in the form of demonstrated inability of the country's economic leaders to avoid the crisis of overproduction which is threatened if adequate measures are not adopted.

If and when such a crisis in the American economic system occurs, with the full force behind it of the gap between America's enormous productive forces on the one hand, and markets not appreciably expanded beyond those of prewar on the other hand—then such a crisis will be so deep, will have such a shattering effect upon all existing institutions that it is extremely doubt-

ful whether the mild reform measures of nationalization of industries will have much practical appeal and significance. A more deep-going radical reorganization will, under such circumstances, be called for. It is therefore not to be expected that the movement for nationalization now characteristic of Europe will, in any case, play much of a role in America.

A final consideration confirms the Roosevelt policy of working in co-operation with the "left" tendencies in Europe and the world, and thereby with the Soviet Union, and proves that the Churchill policy of plumping with the reactionary "right" and raising an anti-Soviet camp is wrong and disastrous for American interests. This lies in the fact that the Roosevelt policy promises peace and reconstruction, which are America's deepest interest, whereas the Churchill policy now being followed plunges directly toward disorder, civil wars and, finally, a new world conflict.

Before America gets too deeply committed to the Churchill policy we should carefully weigh the alternatives and costs.

Can anyone who knows anything of Europe and of history, imagine for a moment that America and Britain, with all their power and money, can separate any considerable part of Europe from the Soviet Union and bring them into a hostile anti-Soviet bloc? The whole idea is utterly unrealistic. All that is accomplished by Anglo-American pressures in this direction is to force Europe more and more to the Soviet side in sheer self-preservation. Europe does not want to choose between

a pro-Soviet and an anti-Soviet alignment. It prefers a "middle ground" of Soviet-American leadership and co-operation. But if European countries are forced to choose—and they are being forced not by Soviet but by Anglo-American policy—they will inevitably choose the Soviet side.

Within Europe Anglo-American power can recruit to an anti-Soviet program only those who were involved in collaboration with Hitler and reactionaries, royalists, and landlords who were anti-Hitler only because they were traditionally part of the British power-structure in Europe. It is upon such a weak thread as this that the whole future of Europe and the world is being suspended by the Churchill policy now being followed by Britain and America.

These European allies in an anti-Soviet policy are thoroughly defeated and discredited in their own countries. They have been exposed as fundamentally mercenaries, as antinational, as puppets. Anti-Sovietism was defeated with the downfall of the Axis, militarily, politically, economically, socially, and morally. It is impossible even for such a great power as America to salvage anything out of this war wreckage except chaos.

No, Russia's neighbors in Europe cannot be recruited into an anti-Soviet bloc, not even by the mighty influence of American dollars. They will not fall for Hitler's *Antikomintern* a second time, even with new costumes, scenery, and management. These peoples learned a lesson from their conquest and rule by Hitler and his vassals that they will not soon forget. When the remnants of Vichyism and quislingism rush to join in an

Anglo-American party which is also an anti-Soviet camp, the peoples know what it means. They smell war. And if war comes they are determined never again to be the helpless puppets of anti-Sovietism.

The war party in America, and those who allow themselves to be dragged at its tail, should ponder well the lessons of the most recent experiences of M. Léon Blum in France. M. Blum returned from Washington flushed with the success of negotiating a huge American loan for France. His reward was not acclaim and hero worship, but repudiation by his own party in national convention, by a two-to-one vote. This was not an anti-American action and it certainly was not pro-Soviet. But it was, flatly and unequivocally, a rejection of the program of an anti-Soviet front, which M. Blum had injected into the issue of the loan as a major motivation. France will not go that way, and continued American pressure to such an end can produce in that country only civil war.

Is the puppet Royalist government of Greece really to become the symbol of American world policy? Have we not already had enough experience with such discredited persons and groups—the system of governments-in-exile, of Darlan and Pétain, of Badoglio and Victor Emmanuel, of Mikhailovich and King Peter, of Anders, Mikholczyk, Bor & Co., of Franco, of King George and his fascists, and the whole unsavory anti-Soviet underworld of Europe? There is no future for any policy based upon such political dregs. Not even the power of America can turn Europe into one vast

Greece. Even if we could, it would prove very unprofitable.

There is no necessity for America to take the Churchillian road. We can return to the Roosevelt policy of co-operation with Russia. But time is running out.