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February 1942

# Fourth International

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## War and the Monopolies

What Monopoly Control Is Doing to Production

*By Felix Morrow*

## They Dared Not Arm the Natives

*Editorial Comment on the Far Eastern War*

The Liberals and the War . . . . by *W. F. Warde*

A Letter from Mexico . . . . . by *Piocho*

Europe Under the Iron Heel . . . . by *Marc Loris*

Nazi Blows to Soviet Economy . by *John G. Wright*

The End of Auto Production . . . . by *Joe Andrews*

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Twenty Cents

# Managers Column

We have received several letters during the past month endorsing our belief that the FOURTH INTERNATIONAL is getting better and better:

From Kansas: "Enclosed is \$2.00 to take care of the January FOURTH INTERNATIONAL bundle order. It is certainly a splendid issue. We distributed them immediately with much enthusiasm."

From New York: "Enclosed is my check for \$2.00; my subscription to the F. I. expired in December and I want to renew it for a year. Please send me the January issue. . . . I am told the whole F.I. for January is very good."

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And now we want to quote from a class war prisoner:

"I am suddenly being released for the purpose of deportation this morning. . . . During the years of my incarceration you have sent me your magazine from which I could follow the struggles out there, the various changes and alignments. I was glad to have been able to receive your publication as well as other literature sent me through the years. As I say, I am now leaving this prison, so will you kindly cancel the arrangements you had made and not send the magazine to this prison, for the only purpose served would be that of having it destroyed."

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Editor FELIX MORROW

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Manager's Column Inside Front Cover

We are happy in the proof the following letter offers that the FOURTH INTERNATIONAL still reaches our subscribers in England:

"I enclose five shillings for FOURTH INTERNATIONAL

and THE MILITANT. Could you let me know how many issues that would cover?

"I am a member of the Labor Club at New College, Oxford, and I support the Trotskyist group in this country. The Trot-

skyists suggested that as there are not exactly a surfeit of your magazine here, I should send for the F.I. on my own."

So that we can continue to publish our magazine regularly, we must attempt to place FOURTH INTERNATIONAL on a sound financial footing. This can be done only by prompt and regular payments from all our agents. We want to stress the importance of promptness and regularity because some of our agents allow their accounts to grow until they reach a substantial sum and then send in a payment covering the full amount of the account. This large payment is very welcome, of course, and alleviates our financial worries for the moment, but it is the regular payments that really send FOURTH INTERNATIONAL to press each month.

To those agents who have not been in the habit of sending in prompt and regular payments each month on their FOURTH INTERNATIONAL account, we make the following suggestion: Beginning with this issue of the magazine you send us full payment of your February bundle, plus a few dollars on your back balance which has grown to considerable size because of tardiness and irregularity of payment.

At the expense of repetition, we hammer for prompt and regular payments and that you make a concerted effort to clean up as much of the old account as possible.

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# FOURTH INTERNATIONAL

VOLUME III

FEBRUARY 1942

NUMBER 2

## Editorial Comment

### The Successes of Japanese Imperialism in the Far East, Products of Desperation — The "Mistakes" of the Imperialist Democracies Which Dared Not Arm the Colonial Peoples — The Nakedly Imperialist Character of the War — What Opposition to the War Means — The Problem of Winning Over the Masses to the Socialist Revolution

It begins to appear very possible that the two most powerful imperialist countries in the world will be compelled, for this stage of the war, to surrender their dominant position in the western Pacific and Asia to Japanese imperialism. They have certainly received mighty blows; with the Japanese already in control of the Philippines and Malaya, and holding strong footholds in Burma and the Dutch East Indies, the Anglo-American forces may well be ousted for a time before they succeed in mobilizing their tremendous resources of manpower and armaments.

One could develop some striking analogies between the successes of the Japanese and those of the Nazis, despite the far weaker industrial base of Japan. In both cases "hungry" imperialists, commanding resources inferior to those of their opponents, out of very desperation more than made up for their economic inferiority by new military techniques, superior preparation and by striking the first blows. For the "hungry" imperialists, it was a question of life or death and they embarked on conquest with the desperation of cornered rats. Their wealthy opponents, on the other hand, were weakened by the complacency of their long-continued superiority — the commanders of Pearl Harbor and Singapore were as certain of their invincibility as were the generals of the Maginot Line — and by the fundamental contradictions growing out of their very wealth — unemployment, idle capital, the apathy of the masses of France and its European satellites and of the colonies of the "democracies."

The smug decadence of the American officer caste in Hawaii and of the British overlords in the Far East have become matters of public record. *Time* magazine (January 12) sighs for "the old robust, acquisitive East" of the conquerors of the Nineteenth Century which has become "an effete, tired, hyper-civilized society." It confesses that the causes of the defeats "lay, deep as marrow" in "super-Anglo-Saxon complacency." The London *Sunday Express*, flagellating its own class in bitterness at the defeats, complained: "The rich men again could not bear to see their property destroyed (in Malaya). They toasted the land instead of scorching it." The CBS correspondent in Singapore, Cecil Brown, was expelled for cabling *Life*: "The atrophying malady of dying-without-death, best known as the 'Singapore mentality,' largely helped to bring the Japanese more than 125 miles inside Malaya. For civilians this walking death is characterized by an apathy to all affairs except making

tin and rubber, money, having stengahs between 5 and 8 p.m., keeping fit, being known as a 'good chap,' and getting thoroughly 'plawstered' on Saturday night."

This "self-criticism" even extended to the hitherto unmentionable question of arming the natives. The London *Daily Express* (January 15) bitterly complained: "We could have had a native defense force in Malaya of even better quality than that which General MacArthur raised in the Philippines. But a pack of whisky-swilling planters and military birds of passage have forgotten this side of the Malayan population. They have handed it over to the Japanese, together with the radio station and stores of Penang." And as the chorus grew, lo and behold, even one of the newspapers of overlords in the colonies, the *Singapore Free Press*, declared that Singapore Asiatic peoples should be given arms to defend themselves against the approaching Japanese, declaring: "No invader relishes the task of subduing a population plentifully supplied with grenades, rifles, pistols and tommy-guns." The hypocrisy of this belated proposal is not lost on the correspondent who cabled it to the *New York Post* (January 15): he terms it "unthinkable and certainly unmentioned before the invaders passed Kuala Lumpur," and sardonically notes: "But shooting scenes in westerns and gangster films are still censored" — the Asiatics might be inspired to emulate them against their British masters.

From Chungking come bitter indictments of British and American strategy in the Far East; the bitterness seems exacerbated by the thought of the Chinese bourgeoisie: And these are the people who treat us as inferiors! A January 13 United Press dispatch quotes a Chinese newspaper which summarizes the two "vital Allied mistakes" as follows: "First, failure to carry out a true scorched-earth policy, and second, failure to accomplish mobilization of native populations, resulting in most effective fifth-column activity."

These so-called mistakes, however, emanate from the very essence of the character of imperialist rule. The imperialists, of course, have never wanted to arm and train mass armies of natives. That would have been dangerous to their continued rule. The colonial masses certainly cannot be convinced that this is a war for democracy. The ignorant and uneducated natives are not learned enough in logic and casuistry to see black as white and white as black. They look at things as they are and they know from very intimate and practical experience that democracy has nothing to do with this war.

Neither do the Malayans, the Filipinos, the Burmese, the natives of the Netherlands Indies, appear to be too perturbed about a change of masters — at least not sufficiently to rouse them to a life and death struggle for one master as against another.

## The Imperialist Character of the War

The whole situation in the southwestern Pacific is characterized by the fact that the native population, although greater in number than the Japanese, has not been mobilized by the British, Dutch and American warlords. But, we repeat, this is not a "mistake," rather it expresses the nature of imperialist rule, the irreconcilable clash of interests between the "democracies" and their colonial slaves.

We must admit that we are left completely undisturbed at the prospect of seeing the American, British and Dutch imperialists kicked out of the preserves they have for so long marked out as their own. Our regret is that it was not the native population that kicked them out, for we are just as much opposed to Japanese imperialism exploiting the natives as we are to exploitation by the "democratic" imperialisms.

Let bourgeois moralists and hypocrites raise their hands in horror at the infamy of Japan striking at Pearl Harbor and Malaya without due notice. For revolutionary Marxists the aggressor in this war as in all imperialist wars is the imperialist clique that controls every capitalist country. The struggle for colonies, for markets, and for spheres of influence is the aggression that is responsible for this war and that is inherent in imperialism. When the representatives of the imperialist democracies complain about the "unethical conduct" of the fascist dictatorships, it merely prompts us to recall that they did not acquire the colonies by following the precepts of Christ or the Marquis of Queensbury rules.

Too much has been written by everybody about rubber and tin as the true reasons for the conflict, for the myth to persist that democracy is involved in the war with Japan. The actual causes of the conflict between Hitler and the "democracies" are unfortunately not so visible to the broad masses in England and the United States, but in the war with Japan sources of raw materials, colonies, fields of investment, stand out so plainly as the real causes that not even the bourgeois apologists trouble overmuch to deny the realities.

When Roosevelt indicts Japan because its "scheme of conquest goes back half a century" (speech of January 6, 1942) he certainly treads on dangerous ground for, if age determines the degree of the guilt of an imperialist clique, then British imperialism and the United States are no less guilty than Germany and Japan. And it is the age of British imperialism and the tremendous wealth of American imperialism that give Hitler and the spokesmen of Japanese imperialism powerful arguments with which to sway the minds of their followers. Why should the Japanese and the Germans and the Italians be reduced to the category of poor nations without colonies, without raw materials, without markets, shout the leaders of these respective imperialist nations? What divine law decrees that Great Britain and the United States should control all the wealth of this world? And to the Italian and German and Japanese people the "democracies" have no effective answer to the Nazi arguments. The four freedoms which Roosevelt claims he is fighting for are abstractions which mean at best, to the masses of Germany and Italy and Japan, a continuation of their miserable existence.

To revolutionary Marxists Roosevelt's claim that he is fighting for the four freedoms is as valid as Hitler's claim that he is the champion of Europe and humanity.

This war on the part of all nations, except the Soviet Union and China, is imperialist in character. That knowledge determines for revolutionary Marxists the attitude they should take to the war, whether they are in the United States or Great Britain or Germany or Japan. It is a reactionary imperialist war on the part of all nations involved except the Soviet Union, a degenerated workers' state, and China, a colonial nation fighting for its independence. This is the primary characteristic of the war; all other factors are secondary and accidental and cannot influence our principled position on the war.

## What Our Opposition to the War Means

There follows, from this analysis, the necessity on the part of revolutionary Marxists to oppose the war, to oppose the class in control of all the capitalist imperialist states involved in the war. This correct attitude was taken by James P. Cannon, Secretary of the Socialist Workers Party, in a statement that was published in the January issue of *FOURTH INTERNATIONAL*. We expected nothing less from a Trotskyist, that is, a revolutionary Marxist.

As we were forcibly reminded by the Minneapolis prosecution of the anti-war principles of the Socialist Workers Party, it is necessary to explain just what is meant. "Oppose the war" does *not* mean an opposition consisting of acts of sabotage. Opposition to the war is a political concept, synonymous with non-support of the war. It is, of course, an active opposition in the sense that revolutionary Marxists are obligated at all times to explain to the working masses the true nature of the war and what they should do to assure peace for themselves and future generations.

Lenin laid down the fundamental revolutionary principles which must govern the position of revolutionary Marxists in a reactionary imperialist war. He used the terms "revolutionary defeatism" and "the transformation of the imperialist war into a civil war." Correctly interpreted (and a correct interpretation requires not a sentence taken at random from some article written by Lenin but a consideration of his position based on all his writings and taking into account the circumstances under which he wrote the articles), they mean that the revolutionary party must not support its own government in a reactionary war and must continue during the war the education and organization of the working masses for victory against the capitalist exploiters. Revolutionary defeatism does not mean that we prefer the defeat of our own imperialism at the hand of German or Japanese imperialism, but that we favor the continuation of the class struggle for the purpose of defeating the imperialists by the revolutionary forces of the nation. And since it is certain that the minority of exploiters will forcibly resist any attempt by the working masses constituting the vast majority of the people to introduce a socialist order, it is necessary to state that the imperialist war will be transformed into a civil war if and when the majority decide to take their fate into their own hands.

The nature of the activities of a revolutionary Marxist party during an imperialist war depends, of course, on its strength and on the consciousness of the masses. If it is a small party and has no mass following, its activities are necessarily confined to propaganda and agitation centering around both the nature of the war and the immediate tasks confronting the working masses.

Essentially the task of a revolutionary Marxist party is the same in war as in peace, the gaining of the support of a majority of the laboring masses. The subject matter of the propaganda and agitational material is different, a new ap-

proach may be necessary, but the essential task remains the same.

Only ignorant and falsifying prosecutors, and ultra-left sectarians who are satisfied with a phrase and do not take the trouble to analyze its real meaning, will interpret "revolutionary defeatism" to mean anything other than that indicated above.

## The Latest Alibi for the Imperialists

We need not argue much against those social democrats who insist that this is not an imperialist war, that this war is a war between conflicting ideologies, a war between fascism and democracy. These social democrats are continuing the line followed by their predecessors of the First World War. They are openly defending the interests of their own imperialist bourgeoisie. They must pretend not to hear when Eden, upon his return from a conference with Stalin, says that there would be no quarrel with Nazism if it only remained within the boundaries of its own country; or when both Hitler and Churchill express the truth that this war is a continuation of the last war. But this type of social-democratic support of the war is not our main concern.

As far as the advanced workers are concerned, the danger (because of the subtle plausibility of their argument) comes from those social democrats who admit that this is an imperialist war, that the ruling classes of the various imperialist countries are fighting for markets, sources of raw material and spheres of influence. But, they add, it is also a war in which the working masses must give political support to the military efforts of the democratic imperialists against the fascist imperialists.

Their argument can be summed up as follows: A victory for Hitler destroys the possibility of a social revolution for generations while a victory for the imperialist democracies will permit the revolutionary party the freedom necessary for the education and organization of the working masses for the achievement of the socialist revolution.

Thus their policy is based not on the essential character of the war but on speculation as to the victory of which side will be best for the revolutionary movement. This may be very interesting speculation but is completely useless and dangerous when presented as the motivation for a position on the war by a revolutionary party. It may possibly be that a defeat of Hitler will set into motion revolutionary forces in Europe but is it not just as likely that a defeat of the United States will set into motion revolutionary forces in the most powerful capitalist countries? Is it not likely that a defeat of Great Britain will set into motion revolutionary forces throughout the whole colonial world? The revolutionary party worthy of its salt is interested in accomplishing the social revolution in its own country first, knowing that thereby it best serves the interests of the revolutionary movement throughout the world.

Some of those who argue that the advanced workers give political support to the military efforts of the democratic imperialists admit that a victory of the democratic imperialists will also be followed by fascism unless the socialist revolution intervenes, but they contend that there will be a shorter or longer period after the military victory for the revolutionary movement to organize its forces against the fascist danger within the "democracies."

Even granting that this is the case (though it is by no means certain that the victorious "democracies" would give the revolutionary movement a breathing spell), it still remains

a fact that to support the imperialist democracies means to betray the historic interests of the working masses for a few years of grace. As against that possible advantage, the disadvantages of supporting the democratic imperialists are far more serious. For he who supports the democratic imperialists has no right to ask the support of their colonial slaves. What confidence can the enslaved colonial peoples have in a party which makes common cause with their oppressors? He who supports the democratic imperialists has no right to ask the support of the German, Italian and Japanese masses.

The revolutionary party has no alternative but to say: "This is not our war; we shall not assume the slightest responsibility for it."

We dismiss with disdain the dishonest argument that by our attitude we make it easier for the fascist imperialists to defeat the democratic imperialists. The capitalist interests of this country are in control of the war. So long as we are in a minority we cannot help but go to war ourselves. Revolutionary Marxists are opposed to sabotage. The capitalist government officials know that they need not fear sabotage on the part of revolutionary Marxists and any accusation of sabotage against a revolutionary worker can be nothing but a frame-up.

## The Problem of Mass Agitation

Having settled the fundamental question of principle as to what position to take with reference to the war, there still remains the problem of the method of approach to the masses — what issues to raise and how to raise them.

The problem of legality is, of course, not to be disregarded. The criminal code exists and revolutionary socialists do not disregard it when it comes to questions of tactical approach — what to say and how to say it, in order to be within the law. But that is by no means the important factor. Far more important than the legitimate desire to be within bourgeois legality is the necessity of making contact with the masses by proper slogans.

It has frequently been pointed out that the Russian workers were not won over to Bolshevism by going to the masses with the slogans of "revolutionary defeatism" or of "turning the imperialist war into a civil war." Those were propaganda slogans for the creation of party cadres; they were used by Lenin in their sharpest form in order to create a distinct line of demarcation between the social patriots and the revolutionary Marxists, in order to destroy every remnant of social patriotism in the ranks of revolutionary socialists. But they were not and by their very nature could not be mass agitational slogans.

It is not sufficient simply to say that we follow the principles Lenin taught in the First World War. The present war is not a repetition of the war of 1914-1918; it is only a continuation. Outside of the Soviet Union, the important new factor is the one of fascism. While that factor does not change our principled line it does and must affect our whole line of agitation.

Justifiably fearful of fascism, the masses are naturally anxious to defeat Nazism and see in the military might of the democratic imperialist governments a means to achieve that objective. The fear the masses have for fascism is the most powerful weapon the democratic imperialists and their labor lieutenants have for the purpose of chaining the workers to the war machine. Revolutionists are compelled to meet the question of the threat of fascism and meet it in a manner that the masses can understand and accept.

Suicidal indeed, because so contrary to truth, would it be for a party to say: there is no difference between the democracy that exists in the United States and in England and the fascism that exists in Germany. The workers would not accept a proposition which they know is not true. There are similarities but there are great differences and those differences are important.

It is up to us to convince the workers that only through the socialist revolution can the defeat of fascism be accomplished. Our agitational material must show that the democratic imperialists are not opposed to fascism as such; that they helped Hitler consolidate his power in Germany; that this war is not fought to destroy fascism but to protect the imperialist interests of British and American capitalists against the designs of German, Japanese and Italian imperialists; that a military victory of the democratic imperialists leaves the door wide open to the entry of fascism in the victorious countries. Every argument in our agitational material used with reference to the war must center around the question of defeating fascism. If it does not, then it fails to answer the question uppermost in the minds of the thinking workers.

Sectarians satisfied with what they themselves think and completely indifferent to the thoughts of the more mundane working masses, will call this positive approach contrary to everything Lenin taught. They forget one of the most important of Lenin's teachings: flexibility in application of principle to a given situation.

Many voices have been raised to tell the workers what to do in this war. The social democrats and conservative

labor leaders exhort them to fight for the democratic imperialist governments because this is a war for democracy. The Stalinist leaders, guided only by the orders of the Stalinist bureaucracy in the Soviet Union are, for the present, even more violent than the social democrats in their support of the democratic imperialists. The semi-socialist, semi-pacifist, semi-isolationist position of Norman Thomas and his Socialist party has now developed into a position which says that Japanese and German imperialism can be destroyed only by the military might of the democratic imperialists and therefore "critical" support should be given the latter — a capitulation to the support of the democratic imperialists. The sectarians are satisfied with telling the workers that there is no difference between fascism and bourgeois democracy and throwing such slogans at them as "revolutionary defeatism" and "turn the imperialist war into a civil war."

The Trotskyists alone, of all the groups and parties, have made clear and necessary distinctions. They have distinguished between the Soviet Union and China on the one hand, and the imperialist nations on the other. Support the war of the Soviet Union and China; oppose the war of all the imperialist governments. They have also distinguished between a principled position on the war and the application of the principled position in mass agitation.

It is at present too early to state when the masses will begin to listen to the voice of revolutionary Marxism. By and large the masses are not moved by propaganda: they are set into motion by unbearable conditions. When this happens, as it surely will, it is Trotskyism that will lead them in the struggle for peace, freedom and plenty.

# The Effects of Monopoly on War Production

By FELIX MORROW

Roosevelt has answered the widespread dissatisfaction with the condition of war production by "reorganizing" the OPM into the War Production Board as the definitive "solution" of the problem. We confidently predict, however, that the WPB, like its predecessors, will shortly be the object of bitter indictment. It will not and cannot solve the anarchy of production, nor do away with unemployment, nor protect small business, nor curb the astronomical profits of the monopolies. Like its predecessors it will prove to be the pliant tool of the monopolies against the workers and small business — and against production.

Practically all discussion about utilizing to the full America's productive capacity for the war proceeds from the worthless assumption that the problem is one of industrial engineering. It assumes that, given efficient enough planning and organization in Washington and in the factories, all the forces of production can be geared to the war economy. This absurd assumption is, of course, a corollary of the myth of national unity. It is completely disproved by the actual course of events.

The War Production Board is the *fourth* of its kind. The National Defense Advisory Commission was established in July 1940; it was replaced by the OPM headed by Knudsen in January 1941; this in turn was superseded by the SPAB

on August 28, 1941; and this by the WPB on January 13, 1942. Essentially the same personnel constituted all four. The OPM had all the powers it needed, but evaded using it, declares the Truman Committee. But if it didn't have, the SPAB did. SPAB head Donald Nelson was specifically asked by the Tolan Committee at a hearing October 28, 1941, whether the SPAB had sufficient power to carry out its program. Nelson answered: "Given the knowledge of how many implements of war of all kinds we need . . . it is comparatively easy for the President to organize the production set-up and the machinery for control. The SPAB or Supply Priorities and Allocations Board sets major policy. It is appointed by the President with the authority to make decisions — decisions which can be overruled only by the President himself. . ." But now, the alibi is, the SPAB didn't have sufficient authority.

The fact of the matter is that all these loudly-heralded changes in production organization took place here for the same reason that Britain has had a new Minister of Supply every five or six months. An industrial engineer just returned from England, Alex Taub, testified before the Tolan Committee that "failure to coordinate production on the necessary scale aroused so much criticism that popular opinion had to be allayed by changes in the Ministry of Supply

every five or six months." The latest British formula has been to give Minister of Supply Beaverbrook a new title—Minister of War Production.

Popular opinion may temporarily be allayed by Churchill and Roosevelt's changeovers—but the fundamental flaw in war production continues. That flaw is that war production, like peacetime production, is geared not to use but to profit. Whether the customer is the average man or the Army and Navy of the United States, his consumption is regulated not by his needs but by those ways and means whereby Big Business can make the greatest profit.

*Not the War Production Board but monopoly capital controls war production.* And the anarchy of production under monopoly capital in peacetime is transferred to the sphere of war production. Not even for the sake of its own imperialist interests for which the war is being fought can monopoly capital subordinate its anarchic system of production for profit to the needs of the war machine.

## Investigating the Monopolies Again

Proof of our contention is provided by the investigations of the Truman Committee of the Senate and the Tolan Committee of the House which record in their own way the control of war production by monopoly capital.

These latest investigations are in line with an old tradition. Practically every advance of the monopoly octopus has been followed by a governmental investigation, pressed for by the small business interests who have suffered another amputation at the hands of Big Business. The most notable of these investigations were the Trust Investigation of 1900; the Armstrong Committee of 1906 (insurance); the Stanley Committee of 1911; the Pujo Money Trust Investigation of 1912; the Industrial Commission of 1916; the belated exposé of war profiteering by the Nye Committee in the 1930's.

The gigantic advances made by monopoly under the protection of Roosevelt's NRA codes led to the O'Mahoney Monopoly Committee (Temporary National Economic Committee was its official title), which began its work in 1938. The special message to Congress asking funds for this committee suggested "a thorough study of the concentration of economic power in American industry and the effect of that concentration upon the decline of competition."

The earlier investigations were generally led by avowed trust-busters. But World War I so consolidated the power of the monopolies that trust-busting became, clearly, a case of Don Quixote tilting at windmills. The most the New Dealers in charge of the O'Mahoney Monopoly Committee talked about was of "regulating monopolies."

Now the monopolies are so much in the saddle that the Truman and Tolan Committees don't even talk of regulation. All they do is whiningly beg Big Business to leave some crumbs for small business.

The reports of these Congressional committees, especially the Truman Committee, are nevertheless extremely valuable for the information they provide. If we take these rich materials and analyze them, they throw a great deal of light on the starkly reactionary economic and political consequences which are resulting from this "war for democracy."

## War Production: A Monopoly

The astronomical sums being spent on the war machine are being siphoned into a few hands. "During the past year," Assistant Attorney General Thurman Arnold reported for the fiscal year 1941, "three-fourths of all our vast war con-

tracts have been let to 86 concerns." The Vinson (House Naval Affairs) Committee reported January 20, 1942, that 15 large companies received over 60 per cent of all Navy contracts. This included both completed and uncompleted contracts. Analysis of the committee's figures show that on the main naval expenditures—still uncompleted contracts—ten large corporations have over 60 per cent of the contracts.

The Tolan Committee indicates in another way the concentration of war production in few hands: 20 industrial centers received about 60 per cent of all contracts, 71 per cent of the contracts are concentrated in 12 states.

In the years of preparation for the war, the Army and Navy surveyed 25,000 manufacturing plants, bothering only with the large plants (no survey of any kind was made of 160,000 intermediate and small plants). Yet even of those surveyed, the Truman Committee reported, 60 per cent have not had a single armament contract or subcontract.

The latest reports show an even greater intensification of the monopolistic tendency. On February 5, 1942, a special Small Business Committee of the Senate (Senator Murray, Chairman) reported that 56 corporations now have over 75 per cent of all war contracts.

The monopolists of war production are, of course, thereby getting a stranglehold on the future. In November 1940, the Truman Committee warned:

**"We particularly desire that the United States should avoid the bitter experience of England, where 20,000 manufacturing plants were shut down almost overnight when a complete shift from what may be called a business-as-usual program to an all-out war effort program was attempted. As Mr. Odium stated: 'A shut-down plant and disbanded organization will be hard and oftentimes impossible to revive.'**

**"A large number of small businesses are already closing their shops. Still more are discharging many of their employees, and the results of restricting materials are only just beginning to be perceived. Great care must be taken to assure that we do not destroy the American way of life by adopting the wrong methods of defending them. . . . It is of paramount importance that we take now the necessary steps to permit the legitimate interests of small business to be safeguarded."**

Two months later, however, the Truman Committee had to record that its warning had fallen on deaf ears and that the favored few were intrenching themselves not only for war but for peacetime:

**"It is clear that their competitive position in the economy of the nation is being vastly improved by the war, and at a time, moreover, when tens of thousands of small businessmen are being forced to stop production while they watch the value of their plants destroyed and perhaps see their machinery seized and transplanted to the plants of large defense contract holders."**

## Profiteering in the Form of New Capital

To what extent the monopolies have increased what the Truman Committee euphemistically calls "their competitive position in the economy of the nation" becomes clear when we analyze what the monopolies are getting from war contracts.

If what happened during 1914-1918 is characterized as war profiteering, then one must find a new term to characterize what is now happening, for the gigantic governmental sums being absorbed by the armament oligarchy are quantitatively so far beyond its profits of 1914-1918 as to constitute a qualitatively new phenomenon.

The most significant item to understand is not profits, in the ordinary sense, but the *capital* being handed out by the government.

Seven and a half billion dollars has been provided for "expansion of wartime facilities" out of approximately the first thirty billions in war contracts. This figure is as of January 1, 1942 — that is, *prior* to the main war budget. If the same ratio continued up to July 1943, by which time the government estimates a total outlay of 150 billions in war contracts, the armament oligarchy would have added 37½ billions to its capital. Let us, for the sake of ultra-conservative figures, cut the probable capital aggrandizement by nearly a half, down to 20 billions. To grasp the meaning of that figure, it may help to point out that the total railroad system of this country is valued at 20 billions. Such is the reward in capital which the armament oligarchy will be receiving — and this is exclusive of "ordinary" war profiteering on government contracts. Nor do "excess profits" taxes even touch this increase in capital.

To prevent the masses from understanding this grant of tens of billions of capital outright to the armament oligarchy, the grants are disguised in several ways. The disguises are transparent, however, and even the timid Truman Committee declares: "The capital expenditures for plant improvements for defense purposes will ultimately provide the contracting corporations with some of the newest and finest machine tools and factory buildings practically free of charge."

Two main methods are employed, tax amortization certificates and government-financed plants for giving this capital to the armament oligarchy.

## 1. Tax Amortization Certificates

One-fifth of the 7½ billions already provided for new capital — 1½ billions — has been advanced by private capital, which is reimbursed through tax amortization allowance. These corporations will during a period of 60 months charge off their capital outlay in the form of depreciation charges, against taxes due on profits. For example, Bethlehem Steel ordinarily computes depreciation on a steel plant as 2.85 per cent annually; under tax amortization certificates it can charge off 20 per cent annually for five years. This amounts to the government paying for the plant.

The Internal Revenue Code permits five-year tax amortization by issuance of a certificate from the War or Navy Department, certifying that the new plant facilities are "necessary in the interest of national defense," which is supposed to mean that all productive facilities in the given industry are already being utilized for war production and that new plants, being probably usable only in the "emergency," should be paid for by this help from the government. But, the Truman Committee found:

"Just as the habit of the Army and Navy procurement officers was to favor single large manufacturers, so the tax certifying authorities of the Army and Navy were inclined to grant certificates to similar large companies. The result was to discourage the use of existing small plants and to award the privilege of increased tax deductions to companies which had already been given profitable defense contracts."

The method of tax amortization certificates is utilized particularly by corporations seeking to expand and dominate hitherto untrusting industries. One example is aircraft production where, the Truman Committee reports, 19 companies have a monopoly of war contracts while sixty others have been frozen out. The favored 19, thanks to the new plants provided by tax amortization, will absolutely dominate the industry. In addition these companies have benefited from

about a billion dollars of direct government-financing in the form of loans and new plants.

Tax amortization certificates are granted not only for construction of new facilities, but also when corporations "reconstruct, or acquire new facilities." Through these loopholes Big Business can take anything. One example is described as follows by the Truman Committee (which apparently has been forbidden to give the names of the companies involved: the committee remarks in general on such secrets, "Much of our so-called secret information is secret only from the public."):

"Company A applied for a certificate for amortization on a new plant, admitting its new plant would not increase productive capacity, but claiming that a new building was necessary in order to avoid dangers from sabotage existing at the old site. Although a tax amortization certificate was granted to this concern for such construction, a further certificate was also issued to Company B for the purchase of the first company's discarded plant, even though Company B was using that plant as a subcontractor on the very contract for which Company A had stated that a new plant was necessary."

That is, the government is paying for both the old and the new buildings, without any increase in production in the industry.

Furthermore, "industrial replacements, made in the ordinary course of business," are being paid for by the government through tax amortization. That is, new machinery replacing worn-out machinery. This was a little too outrageous for the National Defense Advisory Commission (predecessor of the OPM), which, in opposing amortization for this purpose, had "a considerable division of opinion" with the Army and Navy, the Truman Committee reports. Since then, however, the Army and Navy have received from Congress the sole power to issue tax amortization certificates. One example of what the monopolies can do under this system is found in Bethlehem Steel's financial report for 1941, which subtracts from profits and adds to its charges for depreciation an item of 13 millions, "representing acceleration of amortization of equipment doing war work as allowed in provisions of the Internal Revenue Code" (*N. Y. World-Telegram* financial section, Jan. 31, 1942). Thus Bethlehem is charging off against taxes due an item of 20 per cent depreciation on its *regular* equipment.

Corporations can find ways to collect twice from the government for new "emergency" facilities, the Truman Committee points out — once through tax amortization and a second time through the fact that "It is possible for the corporation to make such charges in its contract with the Government as would reimburse it for the cost of construction or acquisition of the emergency plant facility." To guard against such double payment, the tax amortization statute provided that, before a corporation take advantage of the 60-month amortization benefits, it must prove that its contracts do not already include charges covering the cost of the new plant. *But*, the statute *also* provided, the corporation is not obliged to prove this if there is issued to it a "certificate of nonreimbursement" by the Secretary of War or the Navy, testifying there is no double payment. And these certificates have been forthcoming in abundance. In the discreet language of the Truman Committee:

"The War and Navy Departments have believed that non-reimbursement certificates should be issued with a maximum of liberality, and that it is not necessary to indulge in an extensive review of the taxpayer's cost factors in order to determine whether its contract with the Government is, in fact, reimbursing him beyond the point which the tax amortization statute allows."



The other four-fifths of the seven and a half billions so far allotted for plant expansion have been directly provided by the government, through the Reconstruction Finance Corporation, its subsidiary Defense Plant Corporation, and the Federal Loan Administrator (all three of these, incidentally, controlled by Jesse Jones).

## 2. Government-Financed New Plants

This method, leaving formal title to the new plants in the government's name, is preferred to tax amortization particularly *where monopolies already exist*. Requiring no further expansion for the purpose of dominating the industry, the monopolies build new plants only on the basis that the government advances all funds. If the monopolies find use for these plants after the war, they can "buy" them from the government; if not, they can then turn over to the government the keys to useless factories. We cite but a few examples.

In the strategic aluminum industry, dominated by the Mellon family (Aluminum Corporation of America), the Truman Committee made a thorough investigation resulting in a special report on June 26, 1941. It declared:

"With the completion of the entire program bringing the aluminum-producing capacity to 1,400,000,000 pounds per annum, the Government will be furnishing 70 per cent of the power capacity required. The greatest dollar investment in the facilities for the production of aluminum is represented by the power facilities, and therefore the Government will have the predominant investment in the entire facilities. To the extent that funds invested by private capital are permitted to be amortized over five years against income for tax purposes, as provided by law, the Government will in the final analysis, also provide the funds for the nonpower facilities."

With the government providing the money, "The furnishing of management skill and services is all there is left" for the company to provide. "Under such conditions there is no basis for large profits to private interests," concludes the Truman Committee — meaning there *should* be no basis.

Big and Little Steel now hold 22 contracts for building new plants at government expense, amounting to 260 million dollars. U. S. Steel's subsidiary, Carnegie-Illinois, holds the largest building contract, for 117 million dollars. An even larger contract is pending between Bethlehem Steel and RFC's Defense Plant Corporation; the draft of that contract, published by the Truman report, epitomizes the whole business.

This plant is to be located within the Sparrows Point (Maryland) domain of Bethlehem. The plant is leased to Bethlehem for 35 years, with the government having the right to cancel if the rate of production during five-year periods should fall below 25 per cent of capacity. But such cancellation simultaneously obligates the government to remove the plant from Bethlehem's land. In plain English this means the government provides free of charge to Bethlehem a great steel plant which Bethlehem may or may not use as it chooses, and the only right the government has is to remove the plant, "a right of dubious value as the cost of removing the facilities might well approximate, if not exceed, the salvage value." In short the government's only right is to junk it.

Counsel for the Government's Defense Plant Corporation analyzing this contract — which was drawn up by Bethlehem by agreement with OPM, Army and Navy officials — said:

"Either Bethlehem did not desire to expand and has there-

fore submitted a proposal which it believed would be rejected, or Bethlehem was using the defense program to obtain at government expense, modern facilities which would have a material value in peacetime-operations."

The counsel indignantly added:

"In times of emergency it would be fatal for the government to concede that it is weaker than any of its corporations and that it must accede to their demands, however outrageous, in order to obtain arms and supplies with which to defend itself."

Fatal it may be, nevertheless Bethlehem Steel is sitting tight, certain that the government must consent to this contract. As a matter of fact the contract would probably have been signed already except for the publicity created by the Truman Committee investigation of it. The others in steel, and in all other fields, are only less brazen in form. In content they all come to the same thing.

Consider, for instance, the government-financed plants built by the Big Three of auto. Under the pretext that conversion of the auto plants was impossible, the Big Three had the government pay for entirely new plants for war production. In the Detroit area alone, by August 31, 1941, new plants at government expense were contracted for amounting to over 241 million dollars. Ford was building within its River Rouge domain a Pratt-Whitney plant for 35 million and a Ford bomber plant at Ypsilanti for 80 million dollars; Chrysler was building a huge tank arsenal in the Detroit area and, three months later, a 100 million dollar airplane engine plant in Chicago. By August General Motors alone had obtained 121 million dollars for new plants.

The government retains formal title to these plants, with the companies having the usual option to buy them "after the emergency." What does that mean, concretely? For one thing, the Truman Committee points out, "In the event of inflation, which is at least a possibility, the companies having such options may, by exercising such options, be enabled to purchase the facilities constructed with Government funds at a small fraction of their true value." This, however, is but one of the ways open to the companies for securing formal title to the plants they are actually operating. Not only operated by them, but built and tooled to their specifications, the Big Three, we can be sure, will see to it that these plants are useless to any post-war purchaser except the Big Three, *if* they want the formal title to the plants. What bargaining position is the government in, under these conditions, except to continue to lease or "sell" these plants to the Big Three on their own terms?

What, for example, will the government do with the great airplane plant it "owns" within the River Rouge domain of Ford? All transportation facilities there are geared into and controlled by Ford; no other corporation would dream of trying to operate that plant under those conditions.

Furthermore, most government-financed plants are "scrambled" together with the plants of the corporation involved. That is, the government-financed plant is not in itself an integrated unit for the production of a product, but provides additional facilities for several operations *toward* creating the product. Such is the case, for instance, with the proposed plant in Bethlehem's Sparrows Point yards to which we have already referred. The Truman Committee, dealing with the question why "scrambled" facilities are insisted upon by the companies rather than enabling the government to build complete production units which the government could later either operate or sell advantageously, says:

"One of the principal arguments, which Bethlehem and other companies desiring similar contracts for 'scrambled' facilities

have advanced for not giving the Government adequate rights to protect its investment by purchasing and operating the plants in question, is that the best way to increase production facilities is to limit the new construction to those portions of the plants which constitute bottlenecks and to make the new construction a part of the old existing plants rather than to build new plants for integrated operations. There is, of course, substantial merit to this argument, except that there very definitely is a point at which the steel companies of their own volition should have constructed the additions necessary to remove the bottlenecks that existed in their own plants, and they should be willing to finance at least a considerable portion of such facilities themselves."

But why should the monopolies finance "a considerable portion" when they can get the government to do so, knowing full well that "after the emergency" the government will directly or indirectly turn title over to them?—if they want it.

Such, then, are the rewards of war contracts: 25 per cent of the total spent going to the armament oligarchy as new capital, quite apart from profits in the usual sense.

And the foregoing analysis, let us underline, deals with the methods of aggrandizement employed between July 1940 and January 1, 1942, that is, almost entirely before the declaration of war. The future is certain to see even more brazen looting. Speaking to a private meeting in New York of "many of the principal holders of government war contracts," on January 29, 1942, WPB head Nelson told them:

"If any of you men have war contracts pending which are being held up while you negotiate on terms or while your lawyers are arguing over terms, get into production now and settle the details later.

"To hell with stopping to count the cost. Start turning out the stuff and we can argue the terms at our leisure. Turn it out by inefficient methods if necessary and figure out better ones as you go along—but get the stuff moving, whatever happens" (New York *Herald Tribune*, Jan. 30, 1942).

"To hell with the cost." This blank check from the government will be filled in with astronomical numbers by Big Business, we can be certain.

## Disastrous Effects on Production

Monopoly control of war production does not only mean that the monopolies loot the public treasury of the present and future funds squeezed from the masses; it also means that, amid the talk of "all-out" production a large part of the productive facilities of the country remain idle. We shall outline only the main ways in which production is fettered:

1. UNUSED PLANT. This includes (a) the 60 per cent of the 25,000 large and intermediate plants whose facilities were surveyed by the Army and Navy before the war but which had not received a single contract or subcontract by November; (b) 30,000 other manufacturing plants employing more than 20 persons each and (c) 130,000 other manufacturers employing less than 20 persons each but who, in the aggregate, employ approximately 10 per cent of all persons gainfully employed. These figures are from a Truman Committee report. Between 30,000 and 45,000 of group (c) are engaged in the metal-working industries and hence a considerable number of them have probably already been closed down by priorities since the figures were compiled.

The latest report—by the Senate's Small Business Committee, February 5, 1942—confirms these previous figures: 56 firms have received over 75 per cent of contracts, 6,000 other firms received the rest, leaving frozen out 178,174 plants.

Not all the small manufacturers will perish. The alibis presently being employed against subcontracting are in large part merely opposed to present governmental regulations for subcontracting. Once the government permits subcontracting in the way that the Big Three in auto have always done with auto parts—with the subcontractor at the mercy of the prime contractor and no accounting to the government on what the prime contractor is paying the subcontractor—Big Business will "discover" that it is possible to use small manufacturing plants. The tendency to monopoly has always included in some cases also a tendency by a monopoly in one industry to keep *another* industry disorganized. The classical example is how Steel and the railroads keep coal mining a "sick industry," broken up into small units. The Big Three in auto keeping auto parts atomized is another example. This tendency is now the only remaining limit on the growth of monopoly!

2. UNEMPLOYMENT. The anarchy insisted upon by the monopolies bars from use a large part of the most important of all forces of production—the workers. There were still seven million unemployed on January 1, 1941, and curtailment of civilian production during 1941 kept that figure at least static. The Tolan Committee estimates that two to three million will be rendered unemployed by priorities throughout most of 1942, among them a million construction and building materials workers and most of the auto workers. Few of the unemployed will be put to work through the WPA war projects. The Tolan Committee estimated in December that "less than half the persons eligible and certified for WPA employment are on the project rolls," finding 1,200,000 persons so certified but not assigned. In addition, of course, there are probably two or three times as many who have sought certification but have not been certified—this is an old WPA trick to keep figures down. After citing the above figures on Dec. 17, 1941, the Tolan Committee adds: "The winter decline in private employment will increase this proportion of unmet need."

We cite these facts here solely from one aspect—the tremendous labor forces of production which are going unused during the "all-out effort," thanks to monopoly control of war production.

3. MONOPOLY UNWILLINGNESS TO EXPAND PRODUCTION. The most annihilating summary of this tendency was given in his annual report for the fiscal year 1941 by Assistant Attorney General Thurman Arnold:

"Looking back over 10 months of defense effort we can now see how much it has been hampered by the attitude of powerful private groups dominating basic industries who have feared to expand their production because expansion would endanger their future control of industry. These groups have been afraid to develop new production themselves. They have even been afraid to let others come into the field. They have concealed shortages by optimistic predictions of supplies, and talked of production facilities which do not exist.

"Antitrust investigations during the past year have shown that there is not an organized basic industry in the United States which has not been restricting production by some device or other in order to avoid what they call 'the ruinous over-production after the war.' . . .

"Concentration of defense contracts have aggravated the situation. During the past year three-fourths of all our vast war contracts have been let to 86 concerns. If we are to scatter these contracts there must be a vigorous curb on all the concealed coercions and combinations which have created this problem. The emergency power to impose price ceilings becomes a mockery in industries where costs are raised by artificial restrictions on production."

What Mr. Arnold leaves out of his picture, however, is that while his small anti-trust division in the Department of Justice is investigating the evil-doers, his quarry is in charge of the WPB, the Army and Navy procurement services and, in short, is beyond his reach.

We shall limit ourselves to but a few examples of Arnold's generalization.

**STEEL:** Since the monopoly in this field, like all others, is based on price-fixing through complete control of production, the steel magnates looked upon expansion as a menace to post-war control of prices and production. Hence the notorious Gano Dunn reports of February 22 and May 22, 1941, sponsored by the OPM and solemnly vouched for by Big and Little Steel. Those "authoritative" reports estimated a surplus capacity of steel of 10.1 million tons for 1941, and a surplus of 2.1 million tons of steel for 1942. After a time, however, Mr. Gano Dunn resigned from OPM as the scandalous disparity between the tale and the realities grew. Not until September and November 1941, however, were contracts signed to build new steel capacity — and then only with the government footing the entire bill.

**ALUMINUM:** The catastrophic shortage in aluminum, which is sharply curtailing airplane manufacture, can be directly traced to the resistance of Alcoa to expansion of production in the industry which it monopolizes — a resistance in which it was aided by OPM.

The Truman Committee reported on June 26, 1941:

"For months the Defense Advisory Commission and the OPM had said that talk about a shortage in aluminum was misleading and that it was unpatriotic to talk about the possibility of such a shortage. As recently as December 1940 news releases had been issued calling attention to the adequacy of the supply for all military and civilian needs. . . . During all this time the OPM had apparently completely relied on Alcoa as a source of information as to the availability of aluminum and had discouraged anyone else from going into the business of producing aluminum. Alcoa was at the time the only producer of aluminum. . . . Alcoa had long followed a policy of maintaining high prices and building new capacity only when certain that it could sell at its fixed prices all that would be produced."

The result was that a Truman Committee hearing in May 1941 unearthed a 600,000,000 pound annual deficit in aluminum. The OPM tried to cover up its culpability with a great campaign to collect aluminum pots and pans, which produced scrap equivalent to about four days of the amount of the annual deficit. Expansion of production was arranged for finally — at government expense — on August 19, 1941. The plant expansion will be available for actual production about August 1942.

**AUTO:** The Big Three differs from other monopolies in manufacturing directly for the consumer. Their resistance to expanding war production, therefore, took the form of successfully insisting on continuing regular auto production and holding up war production until new plants could be built at government expense. The pretext was the impossibility of conversion of the regular plants. The Tolan Committee held hearings in Detroit, late in September 1941, and reported that "representatives of the auto industry were unanimous in their argument that the production equipment of the industry was not to any practicable degree convertible to defense production." President Wilson of General Motors told the committee that not more than 15 per cent of equipment was adaptable to war work; auto spokesmen told the War Department in June that "only about 10 per cent of our tools" were useful for armament work. The Big Three had its way, producing pleasure cars for a bull market, using up

enormous stores of strategic materials. This cynical affair is best summed up by the following from an interview with Knudsen in the *Washington Post* of January 6, 1942:

"Knudsen was asked if he believed that more conversion was possible now, with passenger-car production stopped, than was believed a year ago.

"'Of course,' he answered, 'now that there is nothing else to do.'"

**COPPER:** The Truman Committee sums it up:

"Copper production in the summer of 1940 was larger than the demand for copper at that time. This was particularly true of foreign production available to the United States, and it would then have been possible for us to have built up a large stock pile of copper. . . . In addition one of the largest producers of foreign copper attempted in November 1940, to sell a large quantity of foreign-produced copper at a price between 9 and 10 cents per pound, as compared with the present price of 12 cents per pound. But the importation of such copper was opposed by some of the leading producers of copper in the United States, who were interested in protecting their market. The NDAC (predecessor of OPM) concluded that such copper was not necessary or desirable. As a result, the production in foreign mines was reduced, and we lost an opportunity to obtain 100,000 tons of copper at a time when shipping would have been no great problem, and at a cost very much less than we are paying today."

Belated arrangements for expansion will bring new production into operation about January 1943. The monopoly of course remains. "It was informally stated to committee investigators that when the extent of the shortage of copper was realized in July 1941, the necessity for action was so imperative that the OPM did not have time to give attention to the small producers or to the opening of small mines or the reopening of those which had been closed down."

All the facts we have adduced demonstrate that the productive capacity of the country and the actual possibilities of war production under monopoly control are two very different quantities. In wartime, as in peacetime, there continues virulent contradiction between the forces of production (productive capacity) and the social relations of production (private property, now dominated by monopoly). In peacetime — to mention but one example — 200 billion dollars of productive capacity remained unused and therefore lost between 1930 and 1937, according to the conservative figures of the governmental National Resources Committee. To grasp that figure of 200 billions, let us recall that the government estimates that the entire cost of the war will be less than that. The same fetters upon production which during 1930-1937 led to mass unemployment, the ploughing under of wheat and killing of hogs, the NRA codes legitimatising industry-wide agreements for curtailment of production, etc., are operating today under war conditions.

Hence the "solutions" for war production proposed by the small businessmen and the trade union officials — a Small Business Division in the WPB, labor representation in the WPB, etc. — are beneath contempt. Such proposals avoid reference to the basic factor: the rule of monopoly over economy and *therefore* over the WPB, which makes it inevitable that no matter who constitutes the WPB or the government will be a tool of monopoly so long as monopoly rules economy.

Out of the compelling facts, then, and not out of arbitrary theory, flows the transitional demand around which the great masses can be rallied against monopoly capital, even while the masses are still imbued with patriotic illusions and illusions concerning the class character of the government:

*Nationalization of the war industries and their operation under workers' control.*

# Twilight in the British Empire

By A. ROLAND

Roosevelt and Churchill wish to have their alliance known as the United Nations. No doubt there are a number of reasons for avoiding the term "Allies" which was used in the first World War. One good reason is that two of the Allies, Italy and Japan, this time are on the opposite side. Another reason may well be the desire to have forgotten the post-war history in which the Allies fell quickly apart in the scramble of self-interest. It must be a naive person indeed who thinks that in this war the most perfect harmony exists among the new United Nations. Conflicts of interest must be temporarily subordinated, naturally enough. But they do not disappear.

The relations between the United States and the British Empire is the main case in point. The Ottawa agreement was an attempt by Great Britain to protect its trade within the Empire against the encroachments of its powerful American rival. One of the aims of the international restrictive schemes initiated by England, with respect to such commodities as rubber and tin, was to keep control of these materials out of American hands and to have a lever that could be used against this country.

The Lease-Lend Act marked a real turning-point in the history of the British Empire. It constituted clear recognition not only that the British have been bankrupted by the new imperialist war, but that it would be unable to pay back any monetary loans after the war. Indeed, how could it be expected to pay back billions of dollars after this war, when it had already shown its inability to pay back the money loaned to it in the last war.

The acceptance of this fact gives the United States a tremendous lever over the British Empire. The British capitalists have no choice but to accept the bitter pill of charitable help extended by a "generous" America. The American capitalists will not fail to use this power of life and death over the British Empire for carrying out some of their own cherished aims.

## America Vetoes British Exports

The fact of the matter is that they have already used the lever to extract certain advantages. No sooner had lease-lend become effective, than there was a sudden outcry in the American press against British export trade. Here was the United States big-heartedly sending steel and all kinds of metals and other war materials to England for use in the war — and there was the British ingrate, using this very material for export to South America to compete with United States business.

The English waxed most indignant at the charge and swore the exported materials were pure British. They even offered to permit the FBI to send men over to check carefully on the uses of the lease-lend material. But the pressure of United States exporters transmitted through Washington had its way. Churchill was forced to agree to curtail exports for the duration of the war.

This was hardly taken in Christian resignation by the English exporters. The journals and magazines of Great Britain carried on quite a spirited debate on this subject. They pointed out to Churchill that only a few months before the English government had established an Export Council

whose duty it was to drum up as much export business as possible, since England had to find the means in foreign exchange to pay for many necessary imports of the raw materials of war. Now the Board was to become an ornament whose duty would be to keep touch with the old markets by means of a kind of "token" export, a mere trickle of the old volume of exports.

The British capitalists swallowed hard to keep down their resentment. They dared not make a frontal attack on the United States in view of the situation, which included their own helplessness. Nevertheless they came quite close to doing so, if we read between the lines. Articles in their press were headed by such titles as "Must Victory Be Bought at Cost of Economic Subservience?" English business did not feel like ruining itself just to win a war!

A. M. Taylor, one of the manufacturers who participated in the discussion, wrote in the magazine *Great Britain and the East*: "To the oft-repeated statement that we must win the war first, we must say that defeating Germany is not all that is meant by the phrase 'winning the war.' We must also defeat Germany's object, which is to destroy the British Commonwealth of Nations. We have two enemies to fight—Germany and destitution. After beating German arms, must we face defeat by an equally destructive enemy, accompanied by German derision, namely, economic subservience?"

## America's Influence Within the Gates

English imperialism obviously is chafing under the unaccustomed yoke of American imperialism. This is not the only expression of alarm over what is happening. Naturally the English capitalists fear that they will not easily recover, perhaps not at all recover, the foreign markets now being taken away from them. It took years for them to regain a part of their foreign markets after the last war. This time it will take years to reach the point where they can even think of competing with their colossal American competitor. That competitor meantime establishes a dollar block in all South America by means of loans and trade.

English fear is also concerned over the tremendous influence that the United States already exerts within the Empire itself. Take Canada as the nearest example. The United States pledged its military aid to Canada before all else. Not only that, but at Ogdensburg it set up a joint defense board with the Canadians. That defense board, one may be sure, is unlikely to be controlled primarily by the junior partner. Its task is to help coordinate United States defense of the whole hemisphere. Thus it supervises the building of military roads through British Columbia to link the United States with Alaska, that far-flung arm of U. S. military power.

The conservative English magazine, *Round Table*, discussing the real meaning of Ogdensburg — which England was powerless to prevent even had it dreamed of doing so — says: "It is a common observation that Canada is steadily becoming more North American . . . Canada's continuance in the British connection may therefore depend on the capacity of British statesmen to build a new Europe with a reasonable chance of peace ahead of it." Parenthetically we may say that England's chance to build such a Europe will be even less after this war than it was after the last one.

But the conservative organ really clinches the argument when it adds: "A very long war into which the United States entered and which causes it to put forth every ounce of its strength might well burn out American isolationism entirely, but it would almost certainly replace it with imperialism. Any peace that would follow such a war would be an American peace, with Great Britain influential, but far from dominant. The way would then, as has been hinted above, be open for a new English-speaking synthesis about the Republic." That is to say, many of the colonies and dominions of the Empire would move out of the orbit of the British and into that of the United States.

Precisely the kind of war visualized here now faces the world. The war will be longer and more exhausting than was at first thought possible. The United States will strain every ounce of its tremendous strength to snatch the victory from Hitler. The English conservatives face the facts cold-bloodedly. They have no illusions about "Union Now" or about a World Federation of the Republic and the Empire. They know that this means not an equal status but the domination of the world by the American colossus.

American forces will fight on all the continents and in all parts of the world. Before Pearl Harbor answered the question as to exactly where American troops would fight first, there was speculation concerning the likelihood that the first place would be the Near East. There can be no question but that the United States will help England maintain the Mediterranean life-line against Hitler's southern and eastern moves. Churchill and Roosevelt prepare for the eventuality that Hitler may defeat Soviet Russia. Churchill showed this attitude clearly in a message sent in October to the first meeting of the National Defense Council of India. He spoke of Indian troops being engaged in 1942 "on a very long front from the Caspian Sea to the Nile." If and when this happens, American troops will be there to help.

Churchill knows that such help will come at a price to the British Empire. He sees how the dominions and colonies turn more and more to this country. Australia and New Zealand have for the first time sent their own ministers to Washington. This is a sign of independence from London not lost on the English. Secretary Hull, in reporting to his allies concerning the conversations that he carried on with the Japanese, met not only with Halifax, but with Casey of Australia. Curtin, premier of that country, made the most open threat to turn away from England and towards America if England ignored the demands for aid made frantically by the dominion; his later "explanation" of his words cannot conceal the fact.

After the last war England tried to protect itself against America by creating through the Ottawa agreement an Empire trade block with preferential treatment for England. This agreement was quite irksome to the United States which also was in bad need of expanded markets. Just before the United States formally entered the war, there appeared an article in the *New York Times* headed "U. S., Britain Form Post-War Policy." The sub-title stated further: "Plan Economic Concessions to Secure Peace — Draft Accord on Lease-Lend Payments." Just what is this accord? The *Times* tells us, in carefully guarded tones: "In negotiations now going on, mainly in London, to reach a 'master agreement' on the settlement of Britain's lease-lend obligations, as it is understood, the State Department has asked the British Government to cooperate in a post-war plan to remove restrictions on the free flow of international trade and to give all nations fair access to essential raw materials controlled by Britain. This was interpreted in authoritative quarters today as meaning that the U. S. was

asking Britain, as part of the lease-lend agreement, to reconsider her Empire preferential tariff program, as defined by the Ottawa agreement of 1932, in an effort to promote international trade and international peace."

The United States wishes to share the Empire markets with Britain; that is, it wishes to get the foothold necessary to build up its powerful influence in order later to oust England from her own colonies. Nor is it solely a matter of a trade agreement. For the *Times* goes on: "For example, this country has asked them to accept the principle that the United States may use any British naval base that we consider vital to our security, and have agreed to this suggestion." These negotiations involve not only use for the war's duration, but questions of long-term lease, perhaps even cession of Western Hemisphere bases, as has been suggested, as payment for lease-lend.

The sending of American troops to Dutch Guiana shows that the United States will not hesitate to establish itself wherever it feels the necessity to do so.

The *Times* finishes its article on the note that the reason for the negotiations was dissatisfaction here over the phrase included in the so-called Atlantic Charter "with due respect for their existing obligations." This was rightly looked upon as a tricky way for England to squirm out of fulfilling the demands made on her by this country.

The English prolonged the discussions up to the moment of the Japanese attack on Pearl Harbor. The actual entry of the United States into the war then gave the British the opportunity to try to shelve further negotiations till after the war was won. Churchill gave the line to his diplomats by brushing aside all queries on post-war settlements and saying that the only important thing now was to win the war. That formula, however, will hardly end the discussion if the United States can help it.

## The Atlantic Charter and India

The Atlantic Charter proved embarrassing to England in a different fashion. Its vague reference to the democratic right of self-determination caused representatives of India to inquire politely whether this Charter of Freedom also applied to her. The question was put in parliament by a Labor member to Mr. Amery, Secretary of State for India.

Amery's evasion did not put matters forthrightly enough for that die-hard Churchill, who thereupon practically repudiated even the perfectly innocuous wording of his own secretary. Amery had said: "There is a general desire to see India take her place as a free and equal partner in the British Commonwealth. That is a matter of principle in which we have taken the lead (!) before the Atlantic Charter, which introduces no new principle, was ever promulgated. . . ." Churchill intervened to say bluntly that the Charter was not intended to apply within the Empire, that India was an affair that concerned solely the British government and India. This statement outraged even the most reactionary elements in India; even those who support England in the present war were forced by the prompt reaction in India to attack Churchill. Thus the Premier of the Punjab, Sikander Hyat Khan, called Churchill's statement the "biggest rebuff India has ever received."

How little the Atlantic Charter applies inside the Empire is shown by the figures Amery was forced to cite in answer to other queries. He was asked how many people were in jail for political reasons. Amery said there were 12,129 up to July 1, 1941. Of these 28 were ex-ministers and 290 were former members of provincial legislatures.

What is happening in India's movement for freedom? At the beginning of the war the native bourgeoisie tried to force concessions from England for the benefit of native manufacturing. England refused all concessions and thereby alienated the Indian bourgeoisie. During the attempt at negotiations, Gandhi was temporarily ousted as leader of the Congress Party. The moment the Party was rebuffed by the viceroy, Gandhi was reinstated to head a new Civil Disobedience movement.

But when England suffered reverses in the war, the government was forced to reverse itself in part. Despite all their desires, the English had to start building up industries for the war in India. This has brought somewhat of a boom for the native capitalists and they have become far more co-operative as a result. Gandhi has once more been replaced, this time by Nehru who now gives full support to the British in the war. Gandhi himself now comes out with collaborationist statements: "We wish no harm to the British, for their defeat would connote the victory of the Nazis, which we do not and must not desire. Whatever others may think, India does not desire her independence out of Britain's ruin."

The pro-British position of the leaders of the Congress Party has brought a rift. A differentiation has commenced between these leaders and those who want to continue the fight for India's freedom.

The cold fact of the matter is that real independence for India, England's most valuable colony, could not help but mean the ruin of British imperialism. Hence a statement such as Gandhi's means that he does not really want independence, but only more of a share of the loot of exploitation for the native capitalists. This is also shown by his answer to those asking him whether they should sell their textiles for the use of soldiers. His answer was that in selling goods on the market, one does not inquire the caste of the customer.

British concessions have eased the situation somewhat for the native upper class. But hardly for the masses of India. The British are squeezing India as never before to help pay for the war. Then too, the masses are being recruited for the army, to fight the battles of their masters. In the last war, there were two million from India in the British armies. Now the Indian army already numbers more than a million and far more will be used. The well-known English commentator on Indian affairs, Sir Alfred Watson, laments now that India was not in a better position to contribute her strength to the war effort. He says that India could easily have an army of ten million. He complains too: "With her vast population accustomed to work and with inherited traditions in the handicrafts, India could easily out-manufacture Japan, but she lags far behind."

The difference between Japan and India is obvious, of course. The first was never under British domination and was not, therefore, prevented for over a century from employing her resources to industrialize.

The attitude towards labor parties in all the dominions and colonies indicates a significant trend. In Australia a Labor Party government has taken power. This government, under the social-patriot Curtin, is certainly not anti-British. But investigate the real reasons for its coming to power, not the immediate political factors that screen the basic facts. The basic reason was the wave of unrest among the workers, particularly in New South Wales. This unrest showed in the attitude towards increased taxes. The government placed new taxes on the lowest income brackets to cut down buying power of the masses. This was the conservative government's

way of preventing inflation. The government was taking these taxes right out of the pay envelopes. Many workers found that they worked long hours of overtime, only to have the government take away as taxes most of the extra amounts. The result was a movement among the unions to ban all overtime work. This brought the Curtin government. The taxes were lowered.

## Significant Trends in the Dominions

The Canadian Commonwealth Federation recently won elections in the Western states. Here, too, a curious contradiction ensued. The workers voted for social patriots who supported the war, but the issue of the campaign was: who was to bear the burden of the war? The C.C.F. demanded that the government place the burden on the rich rather than on the masses. They demanded some sort of planning by the government for carrying on war production at minimum expense.

The significant thing about this, as well as about the position occupied by the Labor Party in the British government, is that the ruling class is forced to recognize that the attitude of the masses in this war is not the same as in the last one. The masses are no longer naive in the old sense. They do not propose to allow the rulers to take away their standards of living without a fight. The patriotic appeal works only after a fashion. It is the same thing as the CIO supporting Roosevelt and at the same time supporting the coal miners' strike. This attitude was not seen in the last war, and it cannot be ignored.

This is not to be taken as meaning that we see revolution breaking out tomorrow in the British colonies. Churchill is using to full advantage the working-class hatred of fascism. These workers are for the most part of the opinion that the war is being fought to defeat fascism. They do not yet see that their own aim in the defeat of fascism is not at all the same as that of the "democratic" imperialists. Thus they are bound to experience a severe jolt when they discover that Churchill's aim is merely the defense of the Empire against Germany's encroachment. That jolt is sure to come as the war unfolds. The war can bring only misery to the masses everywhere. The bankruptcy of the British government has already been announced by lease-lend before the war was well started. All the so-called planning to stave off an economic crisis after the war will not help. That situation contains the seed of deadly conflict between the working class and the "democratic" bourgeoisie.

If the English and the Americans are victorious, as is most likely, they will find it necessary to police not only all of Europe, as they now plan so openly to do, but they will find it necessary to police England and the colonies as well. The British capitalists will not emerge from this struggle the same as they went into it. The position of the British Empire as a first class empire will have degenerated. The British capitalist class will have to accept its subordination to the United States. This will mean the sharing between two masters of the surplus value produced by the workers of all the lands of the Empire. The British capitalists will try to retain their full share by squeezing more out of the masses to pay the piper in Washington. But the masses already show that they will resist any such scheme. The British Empire is threatened with disintegration from within and from without. The United States will inherit not merely fragments of an empire, but also the class struggle that is piling up inside that empire and that will burst forth the moment the post-war crisis makes itself felt, if not sooner.

# The End of Auto Production

By JOE ANDREWS

In a pamphlet called "New Horizons of Industry" General Motors a few years ago waxed poetical on the auto industry in words that are now ironic:

"Cars . . . millions of them . . . teeming broad  
Highways . . . minding your slightest touch.  
The automobile . . . made in USA!

The Future . . . even more miles per gallon  
A car that parks itself . . .  
Air conditioned.  
Through research to New Horizons!"

Unfortunately the car that parks itself will be long delayed. The war has brought the shut-down of the auto industry; the world's biggest manufacturing enterprise has come to an end as a consumers' industry. The conversion of the industry to war production has destroyed at one blow the object of international awe and envy—motorized America. The full significance of this event has yet to be grasped by the American people.

The army will be put on wheels, but the people of the United States, like those in Europe, Asia and Africa, will revert to the bicycle, the carriage and their feet.

Despite recurring economic crises, a myth of world-wide popularity persisted that the United States was somehow exceptional, that its high standard of living would go on forever. "Proof" of that myth was that depression or prosperity, millions of Americans drove around in automobiles like millionaires.

Along with the symbol of a nation on wheels, the war has buried the illusion that the United States was immune to the laws of our epoch—the laws of the decline and permanent crisis of capitalism. These laws, unlike the legislation governing excess profits, enforce themselves and cannot be circumvented.

The death of the auto industry as a consumers' industry destroys that illusion. This industry will be devoted henceforth solely to military production, to which the science, the technology and the productive power of humanity have been condemned by imperialism.

In this new field of production the same auto barons will pursue the same ends with the same methods as before. Only the plants will be converted, not the bosses. The grueling speed-up and stretch-out will be enforced upon the workers, as usual. The purchaser will be squeezed; the difference being that in the case of military production the purchaser is the government. While millions of people will suffer the loss of the use of motor vehicles, the owners of the industry will lose nothing. They will not only maintain their profits-as-usual, their power-as-usual and their privileges, but will acquire in addition an expanding market, extended properties and guaranteed profits. The auto goes . . . but the auto profiteers remain.

Many illusions still prevail concerning the automotive industry. The belief is general that this industry swam against the stream of world decline and by its continual growth proved that capitalist enterprise still had a future.

Bourgeois apologists since the 1929 debacle have pointed repeatedly to the motor vehicle industry to prove the viability of capitalism. With their favorite child interred by the war,

these economic commentators are deprived of their fondest argument for the system of private ownership of the means of production. But even before the war their glowing picture of the auto industry was false to its actual history.

## The Dynamics of the Auto Industry

Auto was the last major industry to appear on the scene. It became the strongest link in the economic system, providing a new and huge field for the products of heavy industry. Here the technique of mass production reached the apex of development under capitalism.

In a very few years the motor vehicle industry developed into the greatest manufacturing enterprise in the world. Between the years 1900 and 1937 the industry produced and sold almost 30 million cars in the United States—one for every four persons.

No industry ever provided such gigantic profit returns on investment. It is said that steel has been the leader of American industry. To a degree this is true. But when it came to profits, auto was the juiciest plum. In 37 years of corporate life, U. S. Steel earned an average of \$76 million a year. But General Motors, in an industry which came later on the scene, in 29 years of corporate life, earned an average of \$85 million annually (Automobile Manufacturers Association, *Auto Facts and Figures*).

The secret of these huge profits lay in the advanced process of manufacture, in which the most highly developed and rationalized division of labor produced a high rate of exploitation of the workers. Of all industries of comparative size the auto industry was first in value added by manufacture (*Report on the Motor Vehicle Industry* by the Federal Trade Commission, 1940). In the year 1935, for example, the rate of exploitation of labor (value added by manufacture divided by wages) was over 220 per cent in the auto industry, and 150 per cent in the steel industry.

At the turn of the century the steel industry was already reaching stagnation. It had come completely under control of Wall Street financiers, and was already suffering from the disease of "stability." It had become an almost complete monopoly and offered comparatively little field for new investment or expansion.

At the very period in which steel was sinking into stagnation, auto began to grow.

Appearing late on the industrial scene and with all the previous development of productive methods to draw on, auto grew at a terrific pace. It compressed its growth into a few fast and furious years.

"In its early days, at least 1,500 distinct species of automobiles came into the market," wrote Alfred P. Sloan, Chairman of General Motors. "But in a scant score of years this number was reduced to about 35." Thus not only the growth of the industry was unprecedented, its rapid development into monopoly was equally unprecedented.

More than any other industry, auto, as the preceding figures show, got rich quick by means of ruthless exploitation of workers. It developed to an exact science the method of squeezing the last possible ounce of energy from its workers. The tens of thousands of farmers, hill-billies, immigrants, and boys who were herded into the plants were sub-

jected to a productive regime that strung their nerves and their muscles taut in the murderous "stretch-out" and "speed-up."

To explain and justify the murderous hell of the conveyor system, Henry Ford wrote: "Some of our tasks are exceedingly monotonous, but many minds are monotonous . . . many want to earn a living without thinking, and for these men a task which demands no brain is a boon." To assure that these brains would not suddenly appear and assert themselves, Ford organized his Service Department, an army of 5,000 trained thugs, skilled in the science of intimidation.

Frederick W. Taylor, father of the conveyor system and exponent of scientific speed-up, said: "The idea of efficiency in industry is to simplify the work to such a degree that it can be done by trained gorillas."

Ford and Taylor express the social outlook of the industry. The auto barons combined the most advanced application of division of labor with the most barbaric attempt to reduce human beings to the status of trained animals.

By means of this intense exploitation, the auto tycoons made greater fortunes out of less actual capital investment than any potentates the world has ever seen. One original \$10 share of General Motors stock in the 22 years ending with 1929 brought in (including cash and stock dividends) almost \$13,000 to its owner. *Every single hour* in the last fifteen years, the Du Ponts, who control one-fourth of General Motors stock, harvested about \$5,000. (Compiled from GM annual reports.)

As the industry grew rapidly during the first two decades of the century, it was just as rapidly monopolized by Wall Street. In 1920 its income was 18 times greater than in 1908. At the same time it became centralized. By 1911, Ford and General Motors were selling 36 per cent of all cars. By 1921, when the industry was only about fifteen years old, Ford and General Motors controlled 67 per cent of the market. Since 1929 the Big Three, Ford, Chrysler and General Motors, have divided between them 90 per cent of the market, and 98 per cent of the profits.

Thus the development of the new industry, far from proving that in the United States there was room for new independent enterprises and the flourishing of free competition, proved the opposite. By the time the auto industry appeared, manufacturing was under the control of big banking. The real founders of auto, men like Buick, Nash, Studebaker, Chevrolet and Durant, were crushed by the Morgan and Rockefeller banks. Ford, the sole survivor of the original founders, had to become a banker himself, and though he "hates and despises" bankers, is a big financier in his own right, with a major interest in the National City Bank of Detroit, which is part of a huge international banking system.

The fall of American economy after 1929 did not except the automotive industry. In fact, it took only 20 years for the industry to approach exhaustion as a field for investment and expansion.

In General Motors, for example, investment in its division of motor vehicle manufacturing *decreased* more than one hundred million dollars between the years 1928 and 1937. To resolve the problem of auto's stagnation, and to find new fields for profit, the corporation expanded into all sorts of subsidiary fields. It developed ethyl gasoline, on which it has a monopoly; it invested in Nylon, Frigidaires, appliances and gadgets of all kinds. Since this was not enough to keep its huge profits in action, General Motors exported capital

to all countries and continents. All the big auto corporations built plants in Europe, South America, Africa and Asia.

General Motors in 1928 expanded and improved its plant by reinvesting over a hundred million dollars of its profits in the business. This high point was never again reached and has steadily declined, despite minor spurts. In 1939 only \$23 million were reinvested in the business.

The illusion of expansion of auto after 1929 was created not by the growth of the industry as a whole, but by the aggrandizement of the Big Three at the expense of the small independents.

## The Decline of the Industry

The rise in the amount of inactive surplus suffices to prove the stagnation of capitalism's favorite child. In General Motors the average inactive surplus in its reserve fund rose a quarter of a billion dollars between 1928 and 1937.

Since 1928 profits in GM fell from 66.24 per cent to 37.30 per cent in 1937. It never again reached the 1928 high.

Automobile production became "stabilized" in General Motors. The total production remained stagnant from 1929 to 1940, save for minor fluctuations. In 1929 the net sales reached \$1,532,213,000. The average annual net sales since 1929 have been about one billion dollars. The market was saturated; the industry could no longer expand.

The Ford Motor Company history even more graphically illustrates this decline in the automotive industry. From the early 1900's to 1922 Ford grew by leaps and bounds. The Flivver King added hundreds of millions of dollars of capital investment to his plant. But from 1922 to 1937 the amount of profits reinvested by him annually in auto production declined from \$102 million to a scant \$8 million.

Ford's inactive surplus mounted from \$167 million in 1920 to \$608 million in 1937.

Ford profits fell to unbelievable depths. He had built up a plant which turned out the automobile almost from beginning to end with Ford machinery and Ford labor. He had invested in mines, oil fields, fleets of ships, and made a high proportion of his own parts. But he had thereby over-capitalized. The result was that since 1927 the average annual rate of return on capital investment has been only 0.04 per cent, a fall of over 13 per cent since 1929.

Despite the huge total profits and seemingly great production of auto, the industry has used less than one-fifth of its productive capacity. E. D. Kennedy, in his book, "The Automobile Industry" (1941) says: "Had the auto maker gone in for maximum production he would have turned out 24 million cars a year." Never, however, has the industry produced more than five million cars—one-fifth of capacity. Capitalism has made it impossible.

A system which in such a short period of time dooms an industry to stagnation is obviously outworn and sick unto death. This industry, touted as the young champion of capitalism, has been able to breathe in recent years only by means of artificial respiration. Three out of every four cars were sold on time payments, and most of these by means of trade-ins. And every year the number of used cars increased and further glutted the market. General Motors, Ford and Chrysler were forced to go into the finance and used-car business, to pump the sale of cars into a saturated market.

The auto barons attempted to hold on to the consumers' market as long as possible, despite the war. The employment of many workers in military production created an enlarged consumers' market which the auto barons could not resist.



They had a chance to chalk up a huge record of sales and profits. This they did in the first nine months of 1941 when they sold \$430 million worth of cars, more than in the entire year of 1940.

### Grabbing the Last Drop

During 1940 and 1941 the auto barons consented to operate in the field of military production only if the government built and paid for new plants for this purpose while regular auto production would continue. On those terms, with Knudsen's help, General Motors, Chrysler and Ford went into the armaments business. But auto is the industry which draws most heavily upon the product of heavy industry. It drained the supply of steel, rubber and oil, of which it was the largest single consumer. It also consumed more glass, malleable iron, nickel, lead, gasoline, etc. than any industry. It used 12 per cent of all available lead, 10 per cent of the zinc, 65 per cent of the leather and crowded the railroads with shipments which demanded one out of every eight freight carloads. These figures are for earlier years; in 1941 auto used even larger amounts of strategic materials. Despite these well-known facts, and with the above listed products among the major needs of military production, the auto barons insisted on "business as usual." The government did not step in until the last desperate moment after Pearl Harbor. The needs of

plutocracy were more important than the needs of "democracy."

Capitalist America used to point to auto as the keystone of the economy. Now, in the war crisis, it became the wrench in the works.

The wiping out of auto production also demonstrates more than anything else how modern war must cut down the production of consumers' goods or eliminate them completely, and consequently wreck living standards. This dying system can utilize the science and technology of society only for destructive purposes. Auto's blackout is the blackout of a tremendous industry which immediately affects the average American. But this is only a particularly dramatic case of an all-enveloping process. Every day the making of things which are the sustenance of the American people will be sacrificed to the manufacture of the means of mass murder.

Far from proving the viability of capitalism, the fate of automotive production proves that Wall Street to save its property and its profits must destroy piece by piece the industries upon which the American "high standard of living" has been based. This "high standard of living" has been among the first victims of the second World War. So long as a handful of parasitic capitalists control the major productive resources of the country, industry will be used for the aggrandizement of a few and perverted for imperialist slaughter.

## The Liberals and the War

By WILLIAM F. WARDE

The *New Republic* of February 2nd publishes a special 24-page supplement, written by one of the weekly's editors, George Soule. It is entitled "The Lessons of Last Time," and offers "tentative suggestions" for "mapping the future." It is so typical of the outlook of the American liberals that it is worth analyzing in some detail.

The *New Republic* frequently criticizes the big commercial publications for their captivity to capitalist interests, but it differs from them only in the degree of its subservience. The *New Republic* is itself a pet of finance capital, only it is held on a longer leash. Originally subsidized by the late Willard Straight, a Morgan partner, it still depends upon the bounty of his widow, now Mrs. Leonard K. Elmhirst. Daughter of William C. Whitney and member of America's Sixty Families, Mrs. Elmhirst keeps close watch upon the editorial policies and funds of the *New Republic*. After the war broke out in Europe in September 1939, the *New Republic* maintained its semi-isolationist point of view; then it sharply switched over to rabid interventionism. It is reported that Mrs. Elmhirst's own intervention was responsible for this change. In any case, however, the editors of the *New Republic* have so profound an attachment to the capitalist regime that they would have volunteered their services for the duration, even if it were not a question of their bread and butter.

"The Lessons of Last Time" outlines a program for "avoiding the mistakes of the last war."

The *New Republic* ardently embraced the First World War. After it was over the *New Republic* repented and confessed its "mistake." And Soule now continues to condemn the war of 1914-1918. "Neither the war nor the succeeding peace achieved the aims to which millions of Ameri-

cans dedicated their lives and for which thousands lost them."

But Soule now carefully refrains from discussing the causes of the First World War. This is all the more untenable since liberal journalism and scholarship were busy between the two wars investigating and exposing the economic roots of the imperialist rivalries which produced that conflict. The *New Republic* was not the least among those busy with this task. Why, then, does Soule deliberately suppress consideration of this vital question?

The answer is close at hand. The Second World War so resembles the first that they must have common causes. And if the First World War was caused by imperialist conflicts, then its sequel cannot escape the same characterization — and condemnation.

Soule informs us in another connection that "domestic economic organization . . . chiefly determines what is done, and what may be done, in the international field" and that "the international counterpart of domestic monopoly is imperialism." According to the reports of authoritative government commissions, our domestic economy is dominated by monopolists — what then must monopoly's foreign policy be? Mr. Soule shrinks from drawing the necessary conclusions from his own propositions.

To avoid dealing with the causes of the First World War, Soule performs a sleight-of-hand trick. Instead of considering the fundamental forces that precipitated the war, he concentrates upon the technical-political question of how the people were induced to participate in the war. At this point Soule leaves the earth where economic interests and class struggle prevail to ascend into the cloudy sky of pure idealism. "It was the ideals expressed by Wilson that led us to accept the war." Furthermore, to believe Soule, these ideals proved to be more potent than American money, troops,

supplies or battleships in winning the war. They moved the American people to keep on fighting and ultimately they persuaded the German people to stop fighting. Wilson's 14 points was "the secret weapon" which brought about the downfall of Kaiserism.

If the 14 points were mighty enough to win the war, Soule is unable to explain why their potency ended forthwith and they turned out to be ineffective in winning the peace for the people. None of their promises were realized. Instead of the peace of reconciliation, there was the dictated Treaty of Versailles; "indemnities, barred at the front door by the 14 points, came in through the back door under the name of reparations"; instead of universal disarmament, there was increased armament by the victors and disarmament of the vanquished; instead of national self-determination of peoples, Europe was arbitrarily carved up into small states to safeguard the domination of France and Great Britain, etc.

### Why He Whitewashes Wilson

Soule absolves President Wilson of responsibility for these post-war catastrophes. Wilson remains to him the stainless "political idealist." He sets aside as trivial the facts that this "idealist" knew about the secret treaties before entering the war; that he agreed to the mangling of Central and Eastern Europe; participated in the dictated peace; determined the reparations, etc.

Why is Soule so concerned with whitewashing Wilson and portraying him as a lamb fallen among wolves? To a certain extent Soule does so in self-justification. Just as the Second World War is the continuation of the first, so the current propaganda work of the *New Republic* editors is an extension of their activities in the last war when Walter Lippman, then a *New Republic* editor, helped draft Wilson's 14 points.

But the main political aim behind Mr. Soule's rehabilitation of Wilson is to throw a smoke-screen around the program of his Democratic successor in the White House. Roosevelt's 8 points, a warmed-over rehash of Wilson's 14 points, serves the same political purpose. Once the war is over, these promises will be just as cynically discarded as they are now disregarded. The lack of enthusiasm with which the President's 8 points have been received everywhere outside of official circles demonstrates that the masses are suspicious of these claims. Were they not told all this and far more by Wilson in the last war? Was not that war "to end all wars" and "to make the world safe for democracy"? The instinct of the people is correct. Roosevelt's shriveled caricature of Wilson's program has turned out to be lifeless at the moment of birth.

Hence Soule is now seeking to infuse some life into this stillborn program. He urges us to accept the Roosevelt-Churchill Atlantic Charter, not only at face value, but on an inflated basis as "the germ of a program which is capable of transforming our economy" and the whole world for the better.

To do so, Soule must first lay the ghosts of the last war and the last "peace" which haunt him on every hand. He condemns the defunct League of Nations. It was, he says, "an instrument of imperialist capital," designed "to support the status quo." It was "chiefly a mask of the power politics of the great nations controlling it" and "the ruling powers were more afraid of the leftward revolutionary forces in Europe than they were of aggressive, nationalist warmakers."

These same rulers remain in power. Yet somewhere along the line they changed into lambs. If Soule evades discussing the causes of the First World War, he has very positive patriotic opinions concerning the causes of the present war. The culprits are, of course, the Axis powers, and especially the Nazi regime. According to him, these governments have not been propelled into another struggle to redivide the globe by the imperialist drives of monopoly capital, but by their peculiar diseased national dispositions. Thus, Soule accepts and inverts Hitler's own racial theory, except that he uses the word "national" instead of racial: "Hitler was the mirror-image of the German national neurosis."

### Soule's Racial Theory of the War

Soule once used to know that, far from being "the mirror-image of the German national neurosis," Hitlerism had to club down the great masses, smash physically the workers' parties and trade unions of thirteen million proletarians to consolidate his power when Hindenburg made him Chancellor. Soule was aware of this in 1934 when he wrote his book, "The Coming American Revolution." He knew then that fascism is not a national but a *class* instrument of decaying capitalism. He wrote then: "Essentially, both the Italian and German brands of Fascism represent a reaction; a swing to the right during a revolutionary period . . . they seem one of the most repulsive spasms of dying capitalism." He knew then that "Fascism in power still tolerates the fundamental contradictions of capitalism." It is precisely the intensification of these very contradictions which renders the situation of the fascist regimes intolerable and propels them into wars of conquest. He knew then that fascism and wars arise not, as he says now, "from something latent in human nature," but from the desperate attempts of monopoly capitalism to overcome the crisis in its decaying system. But Soule has to "forget" what he once knew in order to support this war.

Having fixed the major responsibility for the war upon the Axis powers, Mr. Soule can afford to assign minor shares of blame to their opponents. He points out that "the conditions which render possible German acceptance of leadership by Hitler . . . are in large measure traceable to the victors in the First World War." He recalls "the frustrating character of life under the Weimar Republic" and how "Hitler and Mussolini won the approval of British and French conservatives as they had won the support of reactionary forces in their own country, because they proclaimed themselves to be a bulwark against Bolshevism."

Even the United States is not without blemish, he concedes. The economic policies pursued prior to 1929, high tariffs, insistence upon payment of war debts, etc. helped produce the crash which "gave Hitler his real chance for a rise to power." When Soule comes to Roosevelt's direct betrayal of democracy in Spain by throttling the Loyalists by embargo, he utters the feeblest of all his apologies: "Our shabby and short-sighted betrayal of Loyalist Spain when she was destroyed by Nazi and Fascist intervention was no worse than that of the other democracies." When the Spanish example will be duplicated on a world scale, Soule will doubtless offer an equally sorry epitaph.

Soule seeks the causes of these betrayals of democracy by ineffectual excursions into psychology; the weakness and complacency of "liberals, laborites and leftists" on the one hand, the wickedness and blindness of reactionaries and conservatives on the other. For centuries Catholic theologians have tried to explain the course of history by recourse to

"sinful, weak, vile, self-seeking human nature." The enlightened liberal tells us in essence nothing more.

In 1934 Soule wrote a book full of extremely radical phrases, "The Coming American Revolution." Capitalism had just passed through its greatest crisis since the First World War. Left-liberal intellectuals like Soule were still uncertain of capitalism's ability to survive. Before returning to the bosom of capitalism, these petty-bourgeois intellectuals reflected for a short time the sentiments and ideas of the proletarian revolution. Thus Mr. Soule wrote then: "Just as feudalism was compelled in the end to give way to the rise of the middle classes and capitalism, so capitalism must in the end give way to the rise of the working classes and socialism." He was even more precise in his prediction: "It is not at all unlikely that, after another major war, revolt against capitalism will become so general that a genuinely revolutionary crisis would begin, even in the United States."

That major war is now here. The revolutions that Soule anticipated are also in the making. Now frightened at the prospect Soule hastens to divert these growing revolutionary sentiments into the channels of capitalist "democracy." "Hitler, Mussolini and the Japanese militarists have proclaimed that *the war is a revolution* to establish a new order. This declaration is a propaganda device to mask sinister designs of conquest and exploitation. But it is successful in large measure because peoples everywhere feel a real need for a new order." But the Axis has no patent rights on this kind of propaganda. "*The Second World War is . . . already a revolution,*" Soule echoes. Of course the "revolution" of the Allied Powers doesn't "mask sinister designs of conquest and exploitation." According to Soule, the U. S. and Great Britain have entirely different and democratic aims. The "revolution" they are now waging will "establish a democratic, rationally managed, fully productive world order." What these powers failed to accomplish during peace, they are about to effect by means of the most destructive of all wars!

Thus Soule, in order to camouflage its reactionary aims with radical phrases, identifies imperialist war with revolution. Here "democratic" demagoguery duplicates the Fascist.

## Soule's Program for the Future

According to him, there are good imperialisms and bad imperialisms. The new German imperialism which "seeks to establish a more terrible form of monopoly" is as intolerable to him as it is to Messrs. Rockefeller and Morgan. The old-fashioned imperialism of the British Empire, however, "has been much modified for the better." Therefore, "if forced to choose between them, we must choose the modified and softened form." The "we" presumably includes the 375 millions of India, the masses of Burma, Malaya, the British colonies in Africa, etc. But Soule knows very well that these great masses don't appreciate how "modified and softened" their British overlords have become.

Soule assures us that "the present war is not a war for colonies" on either side. "Germany wanted primarily not distant and scattered possessions but expansions of her rule indefinitely over contiguous territory." But territories conquered and held for exploitation become colonies whether they are located in Europe or Asia. On both sides the stakes are not simply mastery of the more backward countries but mastery of the whole world.

Soule admits that the United States might itself succumb to imperialist temptation. "If nothing is done to prevent it,

and if no better solution is offered, nothing is more likely than that this country will employ the great power it will have after a victory over the Axis in order to try to exploit for its own profit the more backward and undeveloped regions of the earth."

How does Soule propose to curb the irresistible imperialist impulses of our monopolists? The governments of the Allied nations are going to "create and direct a world economy . . . for the benefit of all." In fact, they are already working in that direction during the war. With the proper economic and "emotional adjustments" suggested by Soule, "the clause in the Roosevelt-Churchill Atlantic Charter promising economic security . . . may become the germ of a program which is capable of transforming our economy." Soule's post-war Utopia is to be realized through such agencies as an International Investment Corporation, an International Commodity Corporation, and an International Labor Organization. "Thus, for the first time, the world would have a positive and socially controlled substitute for financial imperialism of the old-fashioned, dangerous and played-out variety."

But the capitalist world after the last world war had no lack of international conferences, international banks, international pacts, etc. Yet they led neither to abundance, security nor peace. The capitalist organism, weakened by another and far more destructive world war, will provide even less solid foundations for such institutions. So long as capitalist property is preserved and the monopoly capitalists remain in power, such international organizations are simply tools in the hands of the capitalist cliques who control them.

Soule's "socially controlled" substitute for "old-fashioned financial imperialism" is merely a re-edition of the League of Nations controlled by the Anglo-American bloc. Soule makes it clear that the post-war world is to be governed by the "benevolent" dictatorship of the United States and Great Britain, in league with a Stalinized Soviet Union. "The released nations and the defeated Axis countries must be policed . . . the British and American authorities will in fact have the power of life and death over any new regime." Thus he amplifies Secretary Knox's declaration that the United States must police the world for the next hundred years.

For defeated Germany, Soule recommends in essence a return to the Weimar Republic, although disclaiming that such is his intention. "We should expect relief and reconstruction to be carried on in Germany so far as is necessary . . . we should also expect the International Trustees to reserve control of the currency, foreign trade and arms manufacture . . . it would be their first duty not to permit Germany to rearm or to exploit other people." But out of the Weimar Republic emerged Nazism, and out of Nazism came the initiative for the Second World War.

Will peace be guaranteed by Soule's World Federations? Soule is himself dubious. "If a new Hitler should withdraw Germany from the European Federation and begin to arm, or an aggressive Japan should try to exploit colonies, then we should have to intervene as before." Thus he brings us to the threshold of the Third World War.

Soule threatens capitalism with extinction unless it mends its ways, abandons imperialist exploitation, and "achieves a continual expansion of production and increase in the standard of living throughout the world . . . if the western world does suffer new and more severe depressions and imperialist wars, it is lost in any case."

The Soviet Union presents the most ticklish of problems

for Mr. Soule. Here Mr. Soule touches, if not the authentic flame, at least the glowing coals of the Communist world revolution. "The threat (of world revolution) was temporarily allayed by the victory of Stalin over the Trotskyists . . . nevertheless, the accompanying emergence of the Soviet Union as a great military power kept the uneasiness alive." Soule seeks a solution to this problem along the lines of Roosevelt's and Stalin's present policy. He proposes that after the war the Soviet remain a satellite of the democratic powers, under the guise of "entering a new International Federation."

But the Soviet Union cannot remain fixed in the place allotted to it by the conservative outlook of Mr. Soule, who wishes to regulate the march of history and of the interna-

tional class struggle in concordance with the designs of the Anglo-American imperialists. Either the Soviet Union, despite Stalin's regime and against it, will participate in extending the base of the proletarian revolution throughout Europe and Asia or else it will be crushed by imperialism.

Soule's "new order," it becomes clear, in all its major features resembles the capitalist anarchy that led to the Second World War. Instead of enabling the American people to avoid "the mistakes that followed the last war," his advice can lead only to their repetition on a larger and more catastrophic scale. One of the first "lessons of last time" that the masses must learn is to distrust liberals like Soule, who are setting new traps for them with the old poisoned bait.

# Europe Under the Iron Heel

By MARC LORIS

This article proposes primarily to provide information for the non-European reader on the situation now existing in the continent which was for centuries the guide of mankind. We reserve for another article an examination of our perspectives and of our political tasks. The information transmitted here is derived from bulletins and from special reviews,\* from conversations of the author with individuals arrived from Europe and finally from private communications received from Europe through underground channels.

If one leaves aside for the moment the USSR, Europe has about 380 million inhabitants. Germany, with Austria, has 77 million. Her allies (Italy, Hungary, Finland, Bulgaria) have 60 million. The neutral countries (Sweden, Switzerland, Spain, Portugal) have 42 million. The British Isles—51 million. Remaining are 150 million humans oppressed by Germany. Their countries are: Norway, Denmark, Holland, Belgium, Luxemburg, Poland, Czechoslovakia, Yugoslavia, Albania, Greece. The most important part of France is occupied and the rest directly controlled. As for Rumania, half conquered, half allied, it is in the position of an occupied country through its internal situation.

During the first imperialist war of 1914-1918, Germany also occupied several territories in Europe (Belgium, Northern France, central European countries). The quantitative difference between the two wars is evident. But there is another distinction. In World War I the occupied territories were almost completely emptied of men of military age. Old men, women and children remained. Moreover, the fronts in western and central Europe were constantly moving. Industrial and agricultural production practically ceased.

The present occupation is not only much more extensive, but also includes the mass of the population (except for prisoners of war in Germany) and there are no fronts in western and central Europe. But these advantages of the Nazis have also evoked resistance from the conquered population far beyond that of World War I.

All the forms of resistance which we are now witnessing existed in the previous war (in Belgium particularly), but they have now taken on enormously increased proportions.

\*Among the publications utilized are: *La France Libre*, *France Speaks*, *News from Belgium*, *Belgium*, *News of Norway*, *Vry Netherland*, *Poland Fights*, *Free World*, *The Inter-Allied Review*, etc., etc. We give them here a general acknowledgment. Naturally I have taken nothing at face value from these propaganda organs. What I have taken I have checked with other information from other sources.

A Belgian newspaper published illegally in Brussels, *La Libre Belgique*, reported last August that more Belgians have been imprisoned in a year of occupation by the Germans than during the four years of 1914-1918.

## Violence and Executions

To give an idea of the situation in occupied France we reproduce from *France Speaks* some passages from a letter written in November 1941:

"The assassinations and sabotage now being committed in the occupied zone as well as the repressions that have followed, are creating a great stir in France, in all France. This wide official publicity is entirely new. The assassinations and the sabotage are an old story compared to it. Anyone who has lived in Paris and the occupied zone in 1940 and 1941 knows that if, in the capital, relations with the occupying force were peaceful, the same could not be said for the provinces. Beginning with the suburbs of Paris, there began to be signs of embittered relations. Many German soldiers were shoved into the canal near Saint-Denis. The farther away from Paris one went, the more those relations lacked that famous 'correctness' that was so emphasized in the official press. Dozens of large and small towns, villages and hamlets have seen on their walls the red posters announcing the executions of Frenchmen for 'assassinations' and 'assaults' perpetrated against the occupying force. Nearly all the towns of the occupied zone have had to pay fines as high as several million francs; have had to run the gamut of punishment, from earlier curfews to the closing of cafes, bans on going out on Sundays, etc. The acts for which they are punished range from individual assaults to destruction of telephone lines—a very frequent occurrence. The prison camps and jails are jammed. Those given light sentences of from two to three months have had to 'wait their turn.' They go to the camp or the jail upon being called there, when there is room for them. Once inside, they are in danger of incurring a 'supplementary sentence,' meted out under various pretexts. The most frequent is the perpetration of 'an insult to Hitler,' a crime of which the jailers alone are the judges.

"It is only since July and August 1941, a few weeks after the opening of Russo-German hostilities, and especially since the demonstration of Russian resistance, that the assaults and acts of sabotage have received wide publicity and the repressive measures have progressively increased, up to the climactic point of the Nantes and Bordeaux mass executions of October, widely publicized throughout the world. Why? Have the sabotage and the assaults been much more numerous and grave than they had been previously? They have been more spectacular, certainly—the victims having included two high German officers (one of them, Hotz of Nantes, a man particularly odious to the populace). Thus they have a wider political and public meaning. The acts of sabotage,

too, have multiplied. . . . A number have been detailed by the press and the radio, but the majority and the most important of them have received no publicity.

"It appears that the violence of the repression has had as its primary aim the prevention of the generalization and aggravation of the hostile acts against the occupying force. Moreover, and perhaps above all, Paris and Vichy have been worried over the spread of that state of mind which has given rise to these troubles and has nurtured them. The first shot and the first train wreck brought into the public eye the hostility which previously had been hidden. Opinions began to be divided after the seizure of hostages and the first mass executions. But condemnation in principle of the saboteurs is seldom heard. Still less is credence given to the thesis that 'sabotage isn't French,' set forth in some communiques and some big bill posters which show, behind the gunman, the sinister shadow of Stalin—the latest edition of the man with the knife between his teeth.

"Despite all the rewards held out to informers, none has yet come forth to inform on the various assaults: If those who shot a German officer in the Paris subway were able to 'vanish' in the crowd, it was because the crowd wanted it that way."

What characterizes those assaults which are reported in the large newspapers is, above all, the extreme audacity with which they are executed, most often in broad daylight in the street. It should be noted also that they are very often crowned with success. Finally, their authors remain unpunished. For all the "serious" assaults committed in France against high officers of the German army not one guilty person has yet been caught. Numerous hostages have been arrested and shot but the authorities have been unable to lay their hands on any presumed malefactor. Efforts in that direction, however, have not been lacking: Pucheu, Petain's Minister of the Interior, came to Paris personally to direct the investigations. So consistent a state of affairs can be explained only by the attitude of the population, the lukewarm enthusiasm of the ranks of the French police and the difficulties of the Gestapo in operating in a strange milieu.

The assaults are in general the work not of an isolated individual but of a group. (An exception was the revolver attack upon Laval and Déat, the act of an isolated petty-bourgeois provincial.) Who are these groups? At least in France we must list in the first place the Stalinists. In their press and leaflets they advocate terrorist acts. A supplementary proof of their organized participation is the murder of Marcel Gitton and the wounding of Henri Soupé, former Stalinist leaders who broke with the party at the time of the Hitler-Stalin pact, and who later became fascists. Besides the Stalinists there are in the European countries various secret patriotic groups, originating from the petty bourgeoisie, who systematically practice terrorism.

As the letter quoted above reminds us, the assaults are by no means confined to the cases published in the press, which occur in the large cities. Immediately upon quitting the central sections of the big cities the Germans feel themselves less secure. Elementary hate spews forth upon the least occasion. In Northern France and Belgium rows often occur in saloons between German soldiers and the inhabitants (this region is predominantly working-class). If a German is killed, repression follows swiftly: usually ten young men, taken from the street where the incident occurred, pay with their lives.

In the countries of western Europe, not to speak of countries like Poland or Yugoslavia, the victims of German firing squads are already counted in thousands. The various totals published in the press—the *New York Times* for instance spoke recently of two hundred in France—are the official

figures, German in origin, and have absolutely no relation to the reality.

Sabotage is one of the most widespread forms of resistance. It assumes the most diverse aspects and it is not always easy to say where it begins and where it ends.

General statistics of production do not exist. From the few fragmentary figures made public it is difficult to measure the extent of sabotage, since one must make allowance for the lack of raw materials, for "ersatz," and especially for the enfeeblement of the workers due to lack of nourishment. But the condemnations published in the German or the "collaborationist" papers of each occupied country prove that acts of sabotage are discovered daily. The most violent forms of sabotage, such as the cutting of telephone lines or derailment of trains, have perhaps a tendency to diminish, or at least not to increase, because of the immediate retribution levied on the hostages. In Belgium, for example, the Nazis place in the train itself hostages responsible for the success of its trip. The Germans also draw upon the local population to mount guard around depots and railroads, naturally under pain of death in case of accident. Burnings of crops and stores of grain have been frequent at the end of summer and in attempts to stop this the Germans have often prohibited the peasants from leaving their quarters at night. In the last two or three months one notes rather numerous explosions in power stations and conflagrations in factories, especially in Belgium. The most active centers of sabotage are Northern France, Belgium, Norway, Czechoslovakia.

## The Various Forms of Sabotage

In the factories, the least we can say is that no zeal at all is shown for working. As a primary form of resistance the workers "play dumb." Absolutely everything is utilized which can retard production without breaking the surface discipline. This state of mind has spread throughout all the occupied countries, independently of the propaganda of any party whatsoever. The Czech workers circulate this slogan: "Our production should be the poorest in the world." Their emblem—they put it on walls, on their products, etc. is a tortoise with a P, first letter of the word "Pomalú" (slowly).

Who organizes the sabotage and under what forms? That is naturally rather difficult to determine exactly, especially from the outside. Leaving aside strictly individual acts, spontaneous outbursts of anger and hate, it is probable that a large part of the sabotage is executed by local or regional groups, in every case of rather small size. There do not seem to be any national bourgeois organizations actually organized to undertake and direct sabotage on a national scale in each country. The only organizations working on a large scale are the Stalinist parties, and even there local initiative must be extremely important. Who are the saboteurs? We can say that large strata of the population are represented among them. Here for example are the professions of 11 Norwegians recently shot for sabotage in the small city of Stavanger: a doctor, a bookkeeper, an office worker, a sign painter, a business man, a customs officer, a watchman, a warehouse employee, a salesman, a manager, a smith. Within the factories there are naturally the workers themselves. But these participate also in other acts of sabotage such as arson, derailments, etc., particularly in Belgium or in Northern France. In what measure do these workers act on their own initiative or under the influence of the Stalinist party? That is difficult to determine. But it is beyond doubt that a certain part of the acts of violent sabotage, outside of the fac-

tories, are organized by independent groups of workers, without the direct influence of any party.

With the suppression of the most elementary democratic rights have appeared all the forms of underground expression. One repeats to another, mouth to ear, innumerable and virulent anecdotes against the Germans. Chain letters are also very widespread, but naturally it is the illegal press which has most importance. In each country of Europe there is now in circulation a quantity of small underground newspapers. Even in Hungary, allied to Germany, an illegal anti-Hitler paper now regularly appears. These newspapers are put together by every imaginable method, but with time their technique improves. At present a rather large number are printed and certain of them are even printed quite well. The countries where they are most numerous are France, Belgium, Norway and Poland.

## The Illegal Newspapers

In France the Stalinist organ *L'Humanite* appears regularly each week in printed form and is reproduced locally by mimeograph when necessary. *La Verite*, published by the Trotskyists, appears in Paris, printed, every two weeks. These are the only two known working class papers; there is no socialist or syndicalist journal. All the other illegal papers have a national-bourgeois character. Here are some titles: *La Voix de Paris* (*Voice of Paris*), *Le Feu* (*The Fire*), *Pantagruel*, *Liberte* (*Freedom*), *Le Peuple de France* (*The People of France*), *Les Petites Ailes* (*Little Wings*), *La France Continue* (*France Goes On*), *Valmy*. This last seems to be edited by some right-wing trade unionists of the old C.G.T., but it declares itself purely national. It calls itself: "organ of resistance to oppression" and declares "Our motto: one single enemy—the invader."

The general attitude of the national-bourgeois journals is to declare themselves above the former political divisions and to unite all men of good will coming from all the former parties. They are extremely reticent on what will come after the "liberation." All publish abundant facts on German looting, violently attack Darlan and the Paris collaborationists. Concerning Pétain, opinion is somewhat divided. The majority attack him, but some evidence reserve tinged with a certain sympathy. Some articles do not lack political perspicacity, as one can judge by this quotation from *La France Continue* (June 1941): "Just as the regime of Blum sooner or later had to engender a dictatorship, so the regime of Vichy will inevitably engender the revolution." And the journal opposes Pétain precisely because his regime breeds revolution.

Certain newspapers (*Liberte*, for example) pose as the organ of an organized group. They speak of their "cells" and call upon their members to hold themselves in readiness for the day when their "leaders" will give the signal for "action."

During the first months of the invasion (that is, well before the attack on the USSR) the Stalinist organ *L'Humanite* preserved the most ambiguous attitude toward the Germans, declaring itself against Vichy and denouncing the democrats of yesterday (Daladier, Blum, etc.) as agents of English imperialism. Naturally all that is changed now. Recently *L'Humanite* announced that in occupied France an illegal conference had been held of "Frenchmen and Frenchwomen of different points of view and beliefs, united by the will to struggle implacably and pitilessly for the liberation of France from the Hitlerian yoke." This conference de-

clared itself a constituent assembly of the "National Front for the Independence of France" and addressed an appeal to all organizations to adhere to it.

In the illegal national-bourgeois press a great polemic is being waged on collaboration with the Stalinists. In this connection we quote some lines from a national journal entitled *Verites* (*Truths*):

"Among us are no political sectarians, whether of the left or the right. When it came to defending our soil, Thorez deserted, and his propaganda was tied up with that of Goebbels in the attempt to demoralize France. That we don't forget. Today his effort consists of exploiting the purest patriotism for the greater good of the Soviets.

"Of course we admire the fierce resistance of the Russian soldier, but only to the extent that he is killing the Boche. He is defending his country against the foreigner. It is up to us to defend our country against the foreigner, be he German or Russian.

"Let anti-German Frenchmen watch out. They are in danger of being odiously deceived.

"Let them never join the 'national front for the independence of France.'

"Frenchmen we are. Frenchmen we shall remain."

Other national groups declare themselves for collaboration with the Stalinists in order to use their wide experience in illegal work. One paper writes: "The communist organization brings today the help of a unique experience of illegal action."

In Belgium we note more than forty illegal papers appearing regularly. The best known is *La Libre Belgique* (*Free Belgium*), which also appeared during World War I. It has at present several local editions. There are also several socialist journals and not less than five regular Stalinist publications.

In Norway these are the titles of some of the journals appearing regularly: *We Want Our Own Country*, *The Royal Courier*, *The Courier of V*, *The Sign of the Times*. Appearing in mimeographed form, *The Sign of the Times* (*Tidens Tegn*) is the continuation of the oldest of the Oslo newspapers which, after having appeared for more than a year under German occupation, voluntarily ceased publication in 1941, since its editors were not willing to submit to the growing pressure of German censorship. Frequently these papers publish blacklists of individuals associating with Quisling's party.

In Poland the illegal press flourishes abundantly. The struggle for the independence of Poland is mainly carried on by the workers' movement and numerous journals are published by groups of left socialists, the Jewish Bundists, etc., often anti-Stalinist. Pamphlets and manifestoes are also rather frequently published.

Sympathy for England and for all things English is widespread and is the immediate reaction to the oppression. English aviators who are forced to abandon their planes by parachute are often concealed by the local population. Their military apparel and their parachutes are immediately burned and by slow stages they come to safety after long months. The death penalty is the rule for whoever is connected in any way with affairs of this kind, but the frequency of executions on these grounds shows that the risk is cheerfully accepted.

The funerals of English aviators killed in action are often the occasion of long processions and sometimes, as in Belgium, are transformed into anti-German demonstrations.

The great number of convictions for espionage—most often followed by executions—show that espionage on behalf of England is widespread throughout the most diverse layers of the population. Naturally the Nazis justify many execu-

tions on the pretext of espionage, nevertheless it is clear that British agents get a great deal of help.

## The Churches

In Belgium and Holland the Catholic cardinals have refused collaboration and taken an attitude of opposition. In France the Catholic Church is somewhat divided. It seems that the opposition is sharpest where the Church has some base in the masses. That is the case in Belgium. That is also the case in Northern France and in Brittany and we see in these two regions instances of parish priests shot by the Germans. In Paris where the strata of population have long traditions of atheism, the church and especially its heads are "collaborationist." In Norway the great majority of the Protestant Church has gone into opposition. This opposition manifests itself in pastoral letters, sermons, refusal of the sacraments to local fascists and, in Belgium for example, by the singing of the national anthem and the display of the national flag inside the churches.

The general character of the hate for the Germans is shown in the attitude of children: Throughout all Europe one observes demonstrations of children against the oppression: in Czechoslovakia, in Norway, in Holland, in Belgium, in Luxemburg. They beat up the sons of fascists, they mock the German officers in the street, they refuse to participate in the collecting of bones or old rags, etc.

## Native Fascist Groups

In all the invaded countries Hitler found, when he arrived, fascist parties whose program was subordination to Germany. The history of these groups since then is altogether one of stagnation and disintegration. The population surrounds them with hatred and contempt, perhaps even greater than the feeling toward the Germans. In fact, the fascists are treated as lepers: the people avoid any contact with them, boycott their stores if they are in business, circulate blacklists of their names and relatives and friends break with them.

The papers of these fascist groups complain in the most ridiculous and puerile way about these persecutions. Many demonstrations against them by the population are reported through underground channels. Leaving for the Russian front, a detachment of Belgian fascists paraded in Brussels a few weeks ago. They marched between two lines of German soldiers, behind whom the population booed and insulted the pale and silent fascists. In Belgium also a group of Flemish fascists was recently attacked in a workers' neighborhood; chairs, bottles, glassware were hurled at them and a good many of them had to be taken to the hospital. Such incidents are not infrequent not only in Belgium, but also in Holland and Norway.

Generally speaking, the Nazis have little confidence in these groups, especially since they are frequently divided and have extremely violent internal fights. The Germans use them mainly for petty police tasks, for instance to stop cars on the main roads in search for smuggled foods.

With the war against the USSR, the Nazis have made great efforts toward sending to the Russian front Norwegian, Danish, Dutch, Belgian and French contingents recruited through the native fascists. The success has not been very great; a few thousand men altogether, in spite of extremely high pay. Once arrived on the Russian front, difficulties between them and the German staff flared up.

Generally, for the administrative tasks, the Germans prefer to use old functionaries who agree to fulfill their "technical" functions for the sake of preserving order. Thus they make use of secretaries of ministries, judges, policemen, mayors, etc., who formed a great part of the state apparatus of the "democracies." Without the collaboration of these individuals, the Germans would find themselves in tremendous difficulties in the occupied countries, and here they find their principal help, rather than among the fascist groups.

## The Occupying Troops

The main preoccupation of the German General Staff is to avoid too intimate contact between the German soldiers and the local populations. Naturally, officers are billeted in private houses. But simple soldiers live collectively in barracks, camps, etc.

Persons who have been in contact with the German army report the lack of enthusiasm of the German soldiers, once the excitement over the victories of May-June 1940 had passed. Generally the soldiers manifest a great desire to return to civilian life, to see again their wives and their children. They show great fear of British bombings of their dear ones at home. Since the war in the USSR the occupying troops have greatly decreased in number and are completely changed in composition. The Germans now use older soldiers and even wounded ones.

Acts of insubordination have been reported in the German army, but it is very difficult to verify the authenticity of such reports. The incidents are generally of the following type: a German soldier coming back from leave at home described to his comrades the conditions there. The officers proceeded to stop the discussion, the soldiers protested and expressed their weariness of the war. One or two were shot. Recently the news came, with a great deal of detail, of a rebellion in France where one hundred soldiers were shot, as well as four officers of the Paris garrison. But such reports must be taken very cautiously.

Those in France or in Belgium who have seen German soldiers back from Russia report that they return completely terrorized by the savagery and bloodiness of the fight. They describe the front as hell.

## The Economic Situation

We will indicate here only the most apparent aspects of the situation. The Germans are guided by one rule: to draw the utmost from the occupied countries in order to prosecute the war. This factor determines the economic activity of the invaded countries and gives to it an extremely uneven character. The industries which are able to provide for the needs of the German war machine are working overtime. Those intended to satisfy the needs of the local population are in complete decay. This division corresponds more or less to the one between heavy industry and industry devoted to consumer needs. This fact is especially apparent in France and Belgium where the leaders of heavy industry are for collaboration. In France at least two ministers of Pétain are representatives of big business: Pucheu, former manager of the big Japy metallurgical plants, and Lehideux, son-in-law of the big auto manufacturer, Renault.

At the arrival of the Germans, the rate of exchange established between the mark and the various national currencies produced a kind of inflation: German soldiers felt rich with their marks and they bought everything they could send to Germany — stockings, perfumes, etc. For a few

months a kind of prosperity rocked certain trades. But it ended soon. When their stocks were exhausted it was impossible to renew them, and the bonanza period ended.

In spite of the general disorganization of the economy, unemployment, although existing, remains limited. The reasons are numerous. Germany still keeps many war prisoners, the strongest adults; there are still 1,400,000 French war prisoners in German camps. Numerous workers have gone to Germany to work: more than 2,000,000. Among them are 250,000 Belgian workers, or one-fifth of all the active workers of Belgium in ordinary times; 150,000 Dutch workers, etc. The recruiting of these workers takes every form, from mere violence to "free" contract. In Poland, the Germans resort to real man-hunts to get workers and send them to Germany, where they live in barracks. In western Europe the unemployed are threatened with the curtailment of their dole if they refuse to sign contracts for work in Germany. If the worker is really highly skilled he can get in Germany a standard of life almost equal to that of the German worker. But for the great mass, the standard is markedly lower and can go down to forced labor. One more reason for the apparently slight unemployment in the occupied countries is the fleeing of the workers to the countryside. An unemployed worker can simply not live in the city after a few months. He leaves then for a country village where he has some relatives or friends. Pétain favors this decomposition of society and calls it a "return to the soil."

In the primitive conditions of present Europe, life in the country is relatively easier than in the cities. The peasant family can always conceal some food from the administrative control. He can find wood when coal is lacking. He can always sell some of his products on the black market. Of course this situation has its negative side as well. With the money he gets he is unable to buy in the city such small things as nails or cord. Requisitions are not infrequent; the Germans come and take his horse or his steer and they give him in exchange a wad of newly printed marks which he keeps because he cannot buy anything with it. In some cases the peasants resist requisitions and shooting starts. Several cases have been recorded in Belgium and Holland. Finally, the profits from the black market go mainly to the big farmers who can deal directly with the profiteers. The small farmer does not get much of it.

The black market reigns all over Europe and is now a recognized institution. The German authorities of course know all the details of its functioning but tolerate it and even make abundant use of it. In most countries the legal food rations are quite insufficient and for the mass of the population do not amount to more than one-fourth or one-third of the food they need. So everybody has to resort to the illegal, or black, market. This business is highly centralized in the hands of big profiteers. A whole new caste of *nouveaux riches* is rising. Smuggling of butter, bootlegging of edible oil, counterfeiting of food tickets bring big money. Here we quote a letter from Paris in July 1941:

"From the 'wholesaler' to the retail merchant, there is a wide range of clandestine vendors. Day after day the newspapers write about the fight against their activities against lawless skyrocketing of prices. But to no avail; collusion and favoritism go on.

"The reign of gold is over,' according to the Nazis. But money floats in wide streams. Some people are having plenty of good times. Never before were there in Paris so many night clubs, bars, speakeasies, taverns and other places where money can be spent for amusement. Many liquidated places are re-opening and are decorated more luxuriously than ever. And new ones

are constantly springing up all over the city. In these places the 50 franc maximum menu is not obligatory; rationing cards are unknown. Bands, gypsy or Russian, international singers and performers contribute to the excitement of the atmosphere which does not remind the Frenchmen of their national mourning, or the Nazis of their Spartan spirit, so much exalted by Hitler. Well after midnight, when the rest of Paris is asleep, the new Paris, made up of Germans and those few Frenchmen of both sexes who get along well with the Germans, comes to life and has a 'good time.' Leaving the night clubs, the revelers see the first queues being formed outside the stores, where the sale of potatoes will begin several hours later."

In most of the big cities such as Brussels, Antwerp and Oslo, the Germans have insisted upon the opening of new cabarets and night clubs. Everywhere prostitution has increased enormously. The small minority of the national population which has money enough can still find everywhere in Europe everything they want and have regal meals.

But for the great mass of the population the situation is quite different. In France, which is not among the worst countries, one never ceases to be hungry. The queues for the rationed public start in the very early hours of the morning and last until eleven o'clock. Many women faint. Sometimes the stores close before the end because their stocks have been exhausted. The search for food is a constant strain, and takes a great part of everyone's time.

The prices on the black market are on the average four, five or six times higher than for rationed products. In France a goose sells for 1,200 francs. The weekly pay of a fairly well-paid worker is 300 francs, and the daily dole of unemployed workers is 12 francs. That means that a worker would need an entire month's pay to buy a goose, and the unemployed worker would have to save his entire allotment for 100 days. Eggs are sold up to nine francs apiece. That means a worker could buy about five eggs with one day's pay. Sugar sells at 50 francs and butter at 120 francs per kilo (2.2 pounds). A packet of 20 cigarettes, of such a quality that an American would never smoke them, can be bought from street vendors for 125 francs. And, we must not forget, France is still the most privileged part of all the occupied territory.

There have been many reports of food riots, generally initiated by women, especially in the big cities of Belgium, such as Antwerp and Liege. Everywhere tuberculosis is making tremendous progress. Recently some Swiss medical authorities had the opportunity of examining French war prisoners. They reported that one-fourth of these men, the strongest section of the population, were tubercular.

In southern France, that is, in a relatively privileged part, the rate of child mortality compared with pre-war times has tripled. The number of premature births has doubled. More than half the mothers are unable to give natural milk to their babies. Forty per cent of the children are, on the average, unable to attend school because of illness, debility or want of clothes.

## Recent Trends

Sufficient news to give a general idea always takes a certain time to arrive in New York. But all indications from Europe in recent weeks—that is, since about December 15th—show an aggravation of the situation. The reasons are clear; the continuation of the war, the Russian successes and also winter, always harder than the summer for the masses. The paper of the Norwegian fascists wrote in the middle of Janu-



ary that a genuine "civil war" was reigning in Norway. Almost everywhere the executions for sabotage show a definite increase. During January, food riots were reported in several big cities of France. According to rumors, the Germans are

looking for new devices of administration in the occupied countries. We can be sure that the new will be no more successful than the old in creating the "New Order."  
*January 28th, 1942.*

# Nazi Destruction of Soviet Economy

By JOHN G. WRIGHT

It is of course far too early to draw the final balance sheet of the Soviet-Nazi war which has entered its eighth month. Nevertheless it is possible to make several important preliminary estimates especially in the vital sphere of the country's economy.

What is happening to the achievements of the three Five Year Plans which the Stalinists used to palm off day in and day out in peacetime as "the irrevocable triumph of socialism"?

An important sector of the conquests of construction, industrialization and collectivization has either been reduced to smoldering ruins or remains under Nazi control. This is a sad fact, but true.

## Soviet Losses

During the first five months of the war the Soviet Union lost almost 600,000 square miles of her most densely populated and most productive territories. The Kremlin has recently admitted that the German offensive had rolled to within 10 miles of Moscow itself. The Tula province together with the city of Tula, one of the key armament producing centers, had likewise suffered attack and had even fallen into German hands. This means the heart of European Russia has been ravaged by the war. The Nazis still hold the greater part of the Ukraine, Byelo-Russia and Crimea.

The "scorched earth" policy dictated by the circumstances of the struggle could naturally only add to the havoc of war. The Germans in retreating have supplemented the devastation by measures of their own. It can be said without any fear of exaggeration that the scope of the destruction on the battlefields of Russia is without precedent in history.

## The Stalinist Lie

Prior to Soviet victories, the Stalinists dared not deny this. For example, last October William Z. Foster in his pamphlet "The Soviet Union" wrote, "Let us remember Stalin's warning that the Soviet Union faces a 'grave danger.' Hitler has overrun a large section of the USSR, he has ruined a considerable percentage of Soviet industry, and has caused heavy casualties in the Soviet's armed forces."

Meanwhile the Kremlin has been crawling out of its skin to minimize the terrible losses incurred under its leadership. Emboldened by the recent successes of the Red Army, Moscow has begun circulating the incredible claim that not a single basic industry has been lost to the Nazis. Not even so much as a single large-scale factory!

In a speech delivered by one Scherbakov in Moscow on the occasion of the eighteenth anniversary of Lenin's death it is stated flatly:

"Even in districts which the Germans succeeded in temporarily occupying THEY FOUND NO LARGE SCALE FACTORIES BUT ALL THE BASIC INDUSTRIES IN THESE AREAS WERE EVACUATED IN GOOD TIME DEEP BEHIND THE LINES. Established in new cities they are operating successfully, providing the front with an increasing amount of output" (*Daily Worker*, Jan. 27, 1942).

Colonel T., a military expert in Stalin's employ, tries to dismiss the losses brazenly as follows:

"The Germans got little except a lot of guerrilla-infested land to police. Much of what could be destroyed was destroyed. All that could be moved east was moved" (*New Masses*, Feb. 3, 1942. p. 14).

Colonel T. no doubt wrote his article before Scherbakov made his speech. In the next issue of the *New Masses* the editors will be in position to correct the Colonel and to pass on this official report of Scherbakov to the effect that in the space of five months, while the enemy was advancing along a 2,000 mile front and penetrating 600 to 700 miles into the heart of the country, the Kremlin not only moved "all that could be moved" but evacuated "all the basic industries," and in addition had them "operating successfully" deep in the interior.

## The Bitter Truth

What did the Nazis get? "A lot of guerrilla-infested land." What did the Soviet economy lose? To give an inkling of the losses, we cite another authority whose book is still being widely circulated by the Stalinists. "Hitler covets the Ukraine," wrote the Very Reverend Hewlett Johnson. "And understandably so. The land is surpassingly rich. The Ukraine is a granary to the Soviet Union, producing more than a fifth of the Soviet wheat, a third of Soviet barley, a quarter of Soviet maize, and nearly three-quarters of Soviet sugar-beet . . . Not wheat alone attracted Hitler. He coveted the coal of the Donetz basin, 66,000 million tons of it; and the iron ore at Krivoi Rog, 800 million tons; the mercury at Nikatovka, the lead-zinc ores and gold, and the phosphorites and labradorites, marbles and dolomites" (*The Soviet Power*, p. 260).

To this enormous natural wealth must be added the vast industrial plants, the power stations, the mines and railways, the ship-building industries and other technological equipment representing investments of hundreds of billions of rubles and almost two decades of untold sacrifice and toil. In terms of production, the losses in the occupied areas range from 30 to 50 per cent, and even more of the total Soviet output in the following branches of industry: electric power, all kinds of machinery (tractors, locomotives, railway cars, tanks, engines, planes, etc.), chemicals and dyes, salt mines, aluminum,

coal, iron, steel, rolled steel, armored plate, manganese, etc., etc.

For years the Kremlin used to point precisely to the territories lost to the Nazis as the irrefutable proof of the building of "socialism in one country." Today, they pretend that nothing substantial has really been lost. People who swallow this Stalinist lie should have no difficulty at all in accepting the less fantastic but no less fictitious reports from Moscow concerning the rehabilitation of the areas reoccupied by the Red Army.

Two weeks after the liberation of the Kerch peninsula in Crimea, the Kremlin announced:

"The Kerch port . . . was nothing but a heap of ruins . . . . Not one building or installation survived . . . . The electric plants have resumed operation, the tramline functions, regular studies have been resumed, all the shops, flour mills, bakeries, etc., are open. Kerch industry is coming back to normal" (*Daily Worker*, Jan. 22, 1942). Similar claims concerning other regions have been adduced to any number.

## Grave Labor Shortage

At the same time, the Kremlin has to acknowledge an acute labor shortage. This is understandable. Even prior to the outbreak of hostilities, Soviet industry suffered so acutely from lack of manpower that Stalin by ukase introduced child labor. The loss of almost 70,000,000 inhabitants in the Nazi-occupied territories, the demands of the front, the enormous casualties suffered, have monstrously sharpened this already aggravated condition.

A Kuibyshev dispatch dealing with the conditions in the reoccupied territories reported that "most of the work is performed by women since practically all the men are fighting with the Red Army or guerrilla detachments" (*Daily Worker*, Jan. 20, 1942).

One week after the outbreak of the war, *Pravda* stated officially that "more than 11,000,000 women are working in enterprises and offices, and more than 19,000,000 are working in collective farm fields" (*Pravda*, June 29, 1941).

Scherbakov, in the speech that we have already cited, devoted special attention to the role of women: "Special note should be made of the part played in the struggle against the enemy by Soviet women patriots. Many women have today entered industry and many thousands have mastered new professions and are successfully replacing the men serving the colors. Thousands and thousands of village girls have become tractor drivers and harvest combine operators" (*Daily Worker*, Jan. 27, 1942).

## The Stalinist Solution

But this mobilization of women into industry and agriculture has far from solved the labor shortage. In July, 1941, i. e., the first month of the war, it was decided to employ child labor below the age of fourteen. With its habitual hypocrisy, Moscow has tried to represent this move as having originated spontaneously with the school children themselves. "Collective farm children have started a movement for children to work on state and collective farms. They have been joined by tens of thousands of city children, including those who have been evacuated from cities" (*Daily Worker*, July 20, 1941).

These "tens of thousands" of children worked in harvesting last year's crops and a far broader mobilization is

scheduled for the current year. Eric McLoughlin, correspondent of *The Sydney Morning Herald* was permitted to report this in a censored dispatch from Kuibyshev. "School children," he wrote, "participated in the harvest just completed . . . . Worked out jointly by educational authorities and officials of the Agricultural Commissariat, the scheme envisages . . . practical training weekly for every child of school age. The younger children will be taught the cultivation of vegetable, berry and fruit plots. Boys and girls of 12 to 14 will learn how to handle tools and care for stock while youths from 14 up . . . will undergo a course of tractor and combine operation" (*N. Y. Times*, Jan. 7, 1942).

To spur the children in the performance of these adult tasks, they will be paid the same wage as adults. "When the children," reported McLoughlin, "start work—probably when the Spring sowing begins—they will be paid on the same basis as other agricultural labor" (*idem*).

If we leave all other considerations aside, the question still remains: Can children successfully operate modern, large-scale, mechanized farming? To ask this question is to answer it. The measure is clearly one of desperation.

But to believe the Stalinists, children are capable of operating not only modern agriculture but also modern industry. Great successes are being claimed by Moscow in the employment of kids of fourteen and over in industry. They were drafted into "labor schools" in October 1940 and it is now announced "have become component parts of the national war effort" (*Daily Worker*, Jan. 24, 1942). The same report declares that many of them "are now real Stakhanovites at their jobs." The Russian press is tireless in reporting overfulfillments of norms by 200 per cent, 300 per cent, etc., by school children. These claims testify not to the fact that children are capable of running large-scale plants but on the contrary to the fact that the productivity of labor remains on such low levels in the USSR that even children can in certain exceptional instances match and surpass the norms for adults.

## The Low Productivity of Labor

The Achilles heel of Soviet industry is its low productivity of labor. Despite the most modern equipment, it takes two, three and in many cases even ten Soviet workers to attain the output of a single individual in the advanced capitalist countries. This is what renders the problem of labor force so acute.

The greatest obstacle in the struggle to raise the productivity of labor was and remains the bureaucracy and the regime it imposes on Soviet society in general and Soviet economy in particular. Years ago, Leon Trotsky pointed out: "Any hundred Soviet workers transferred into the conditions, let us say, of American industry, after a few months, and even weeks, would probably not fall behind the American workers of a corresponding category. The difficulty lies in the general organization of labor. The Soviet administrative personnel is, as a general rule, far less equal to the new productive tasks than the worker."

It is unquestionable that the Soviet workers are straining all their energies to provide the necessary armaments. They are not sparing themselves and have accepted the prolongation of working hours without any complaints. But as against this there remain the inefficiency, ineptness, arbitrariness of the administrative staff. The *Pravda* itself has been compelled to admit that vital defense orders have been side-

tracked by factory directors merely out of personal considerations.

A change in the regime is an indispensable condition for raising the production of Soviet industry. The further conduct of the war depends upon an enormous expansion in production. Under the most favorable conditions, child labor can play merely the role of an auxiliary force. Instead of raising the productivity of labor the attempt to introduce children into industry as a "component part of the national war effort" can only result in lowering it still further.

### The Stalinist "Increase"

"In order to achieve complete victory," said Scherbakov, "we shall have to double and triple our efforts." One can readily agree with this estimate that the output of industry must be doubled, trebled and even quadrupled in the immediate period ahead. But what has been actually accomplished in the eight months of the war effort? Amid great fanfare the Kremlin has just announced that Soviet production in January 1942 had increased 40 per cent over the total for . . . June 1940! By next spring, this increase, it is predicted "will have jumped to 60 per cent." The Reuters dispatch which broadcasts this news contains the following comment: "There are no ifs or buts about this figure. It is the total Russian production, not just a local increase for the Urals" (*N. Y. Times*, Feb. 2, 1942).

Let us analyze this report a bit more closely. We begin by taking the Stalinist "statistics" at their face value. The 40 per cent increase is still far below the levels of production which are officially acknowledged as indispensable. Doubling and trebling production, in terms of percentages, means increases of 100 and 200 per cent. In other words, Soviet industry is now operating from 60 to 160 per cent *below* the necessary levels. At the reported rate of increase these levels (doubled and trebled output) will not be achieved in 1942 in time, either for the envisaged German offensive in the spring or the military activities in the summer and autumn of this year. Translated into ordinary language this signifies that the Kremlin itself has no hopes of attaining "complete victory" in 1942.

But what is the real meaning of an increase of 40 per cent over the output of June 1940? As we shall see, it really denotes a grave condition of Soviet industry.

In June 1940 and throughout the subsequent months up to June 22, 1941, the Soviet industry was operating under the Third Five Year Plan. Most of the plants were not at the time producing armaments as they are today. Since the outbreak of hostilities the greater part of industry has been—or should have been—switched over to war production. Because of the centralized character of Soviet economy this switch from planned production in peacetime to all-out war production can be and should have been achieved far more quickly and efficiently than in any capitalist country. Yet in eight months time, despite this shift in production, the Kremlin cannot claim more than a 40 per cent increase in armaments.

But that is not all. How was Soviet industry operating in June 1940? The answer to this question exposes the typical Stalinist fraud in manipulating statistics. In June 1940, Soviet production had declined to catastrophic levels. At the Eighteenth Party Conference in February 1941 it was officially revealed that Soviet plants had been operating at two-

thirds, one-half of their capacity, and even lower. As a matter of fact, the keynote of Malenko's report at this conference was: "The impermissible utilization of the productive capacities of our enterprises" (*Pravda*, Feb. 16, 1941). (For a detailed analysis of the situation I refer the reader to my article, "How Stalin Cleared the Road for Hitler," in the November 1941 issue of the Fourth International.)

### The Real Situation

What could a 100 per cent increase in January 1942 in output mean for a Soviet plant which operated in 1940, say, at 50 per cent of its capacity? It would mean that such a plant would still be operating today only *at its normal peacetime capacity*. At first sight this may appear inexplicable. Percentages can easily be manipulated to confuse people, and this, incidentally, is the reason why the Stalinists resort to them. But the matter is really very simple. A plant operating at one-half (or 50 per cent) of its capacity would have to *double* its output in order to attain full capacity (or 100 per cent). Now in terms of percentage such a doubled output would likewise read as an increase of 100 per cent. So that if the Kremlin had been able to report in 1942 that 100 per cent increase had been achieved over the 1940 output this particular plant would now be operating at its full capacity, while those plants which had been producing at less than one-half capacity (i. e. 40 per cent, 30 per cent, etc.) would still be operating *below* their full capacity, despite even a "100 per cent increase." But the Kremlin itself does not dare report 100 per cent increase, not even over the 1940 output. And we may rest assured that they deliberately chose the month in the past which had the lowest production (June 1940) and the month since the outbreak of the war with the highest production (January 1942) in order to obtain the most imposing figure possible (40 per cent). So that the reported increase of 40 per cent over June 1940 production denotes that Soviet plants are still operating at far below their full capacity. Only a Kremlin bureaucrat could try to pass this off as an achievement.

The first workers' state has already paid a staggering price in terms of disproportionate losses of manpower and economic resources during the eight months of isolated struggle it has been compelled to conduct under the leadership of the Stalinist bureaucracy.

Obviously, the Stalinist regime intends to pursue throughout the war the very same methods which disrupted Soviet economy in times of peace. But every difficulty, every contradiction in economic life finds today its repercussion on the military arena. Eight months of warfare have already placed a far greater strain on Soviet industry and agriculture than on those of any other major warring power. Greater strain lies ahead. The danger of an attack by Japan on the east is increased by the Japanese successes in the Pacific.

To be sure, because of its socialist foundations, the USSR can withstand far greater burdens than any of the most advanced capitalist countries. But this superiority is not at all absolute. Far from being inexhaustible the resources of the Soviet Union can be drained. Unless the Stalinist regime is removed in time and replaced by the resurgent Soviets of Workers', Peasants' and Soldiers' Deputies, a protracted isolated struggle threatens complete economic collapse.

# A Letter from Mexico

By PIOCHO

*Mexico, D. F., January 1, 1942.*

Hemispheric front against the Japanese militarists. Costa Rica, Nicaragua, Cuba declare war. Mexico, Columbia break relations with the Axis. In the days that followed the Japanese attack on Hawaii there seemingly followed a wave of pro-Yankee patriotism in Latin America. The Good Neighbor Policy has worked? It might appear so. At least the public figures are "defenders of democracy." But the question remains of precisely who is so enthusiastic about defending North American "democracy" in South America—and who is not.

## *The Good Neighbor Policy*

It is always dangerous to generalize on the situation in Latin America from personal observations in one country no matter how carefully they are made; but it is even worse to generalize on very scanty observations in many countries as has, for instance, John Gunther. And since Washington has considered Mexico sufficiently important to concentrate much of its "Good Neighborliness" here, perhaps we are justified in arriving at some general conclusions about the policy in its first and most critical test—that of war.

It was pointed out in days long past that practically all the New Deal policies could be shown to be preparations for the change to the War Deal. The agencies for control of production, for planning, for managing large masses of unemployed would be invaluable in organizing the American economy for war. The same can be said for the Good Neighbor Policy; and it can be said with increasing emphasis for the period following the actual outbreak of hostilities in 1939 and the Axis triumphs. Washington's job in a hostile and Yankee-wise Latin America became the very difficult task of securing as much public support as possible—and that failing, to at least insure friendly governments in the principal centers.

It was and is a hard struggle. Mexicans, and Latin Americans in general, harbor a strong dislike for anything that sounds or smells like Gringo. For them the term Yankee is more meaningful than imperialism: Yankee imperialism has significance—Nazi imperialism has not. Thus one sees things that are almost unbelievable. For instance it is not uncommon to see a small swastika banner displayed in a bus by some driver; the basic failure of American propaganda and the greater success of the Nazi is typified in the fact that to many oppressed Mexicans it seems that Hitler and Nazism are fighting a justifiable war against Yankee and British imperialism! Large masses enjoyed seeing the Japanese strike some hard blows at the U. S. fleet in the opening days of the war. One chap said to me with a hopeful gleam in his eye,

"Do you think Japan will win?" The Latin American enjoys seeing some of the conceit taken out of the Gringo and therefore it is clear that the Axis propaganda is able to make demagogic appeals that are much closer to what he wants than are the appeals of the "democracies."

## *Middle Class Politics*

To understand the political phenomenon of a Latin American country such as Mexico, one must understand the nature and role of middle class politics. Much has been written about the inability of the petty bourgeoisie to have a political program of its own; it must capitulate and follow one of the two main classes in modern society. In Mexico and similar countries where the ruling class is more petty-bourgeois than bourgeois, the politics may best be described as those of capitulation. The trade union leaders capitulate to official policy, the sole party capitulates to the group in power, the latter capitulates to Washington.

Thus it is quite true that there exist "fifth columnists" in Mexico if by this we mean political elements who want Mexico to accept the political program and domination of one of the imperialist camps. But when the union bureaucracy or the government undertakes anti-fifth column measures, they are only serving the Anglo-American bloc against the Axis. The results of such activity are twofold: first under this slogan, working-class elements opposing submission to the "democracies" are classed as fifth columnists and subjected to repressions in the name of defense of democracy; secondly, the pro-Yankee character of the ardent anti-fifth column campaign plus its repressive effects on the working-class opposition create sympathy among the poorer classes for the real Axis agents of whom there is no lack. The trade union leadership thus plays into the hands of those whom it claims to be fighting.

The union movement received its greatest impetus by grace of the Cardenas government. In Mexico we have the paradoxical situation of a country where the tradition of bloody acts against the workers and especially the peasants is very strong; but where the trade union movement during its speediest growth was established not so much through militant struggle as through the initiative of the petty bourgeoisie to be used against foreign capital and some of imperialism's native representatives. It is no accident that the Stalinist ideology and policy of serving one section of the exploiting class fitted very well into the necessities of a section of the native bourgeoisie. The latter developed so late in Mexico that alone it could not struggle against foreign capital; it was too weak numerically, economically and programmatically. What it needed was a

controlled labor movement whose power and program it could pervert and use as a threat against foreign capital.

## *The Trade Unions*

But the time has come for the native rulers to come to terms with the "Good Neighbor" to the north. And precisely because of its inherent policy of coming to terms with its strongest class enemy, Stalinism has prepared the labor movement for its new role of supporting the native bourgeoisie's agreement with Washington. This does not mean that the Stalinized leaders may not be purged in the process. Having done their job well of deceiving the working class as to the true nature of the Mexican petty-bourgeois "revolutionist," the Stalinists now find themselves being pushed aside by the reactionary wave that is accompanying the progress of the Good Neighbor Policy. Already they have been very much cleaned out of the Education Department, a former stronghold; in addition they have had to run for cover in the Department of Public Works since Maximino Avila Camacho, the president's reactionary and ruthless brother, was appointed chief.

On the one hand, then, although the working class tends to oppose aid to the Yankee war effort, it is a working class organized in extremely bureaucratic unions where it has nothing to say; it is disgusted and greatly demoralized by the corruption of its leaders, disillusioned about the values of unionism and unable to orient itself in the midst of the wave of reactionary acts that is rapidly engulfing it. Those sections that recognize the danger of a fascist reaction at home do not know how to combat it and are quite terrified—to the point of fearing for their lives if they open their mouths against the official government and trade union policy.

The leadership of the CTM (Confederation of Mexican Workers), on the other hand, has been demanding a break of diplomatic relations with the Axis countries for some time and greets the Mexican action with glee. It has been demanding action against all whom it calls "Fifth Columnists." Shortly after the beginning of the Pacific War, this leadership offered to supply 300,000 men for military purposes. Just how closely such policies coincide with mass public opinion is seen by placing in contrast the reaction to the recent rumor that levy was being carried out again. Levy was the method used during the revolutions of forcing young men into one of the armies. A false rumor that this practice had been re-instituted by the government was sufficient to cause deserted streets and cabarets in the early evening. The situation was serious enough to necessitate a formal statement by the chief of police in the Federal

District to the effect that there was no danger, that the rumors were false and that anyone circulating such a rumor would be prosecuted as an enemy of the people.

It must be clearly understood, however, that the immediate effect of combined government-union propaganda and repressive actions will be to paralyze the expression of any mass opposition to participation in the war.

### *Washington's Gains*

Next to enthusiastic mass support, which it cannot hope for, Washington could not ask for a more advantageous situation. If it can assure itself of political support in the present battle to expel its German—and English—rivals from Latin American life, Washington has won its difficult struggle in creating what Trotsky called its "springboard" to world domination. This is the explanation for its present policy of economic encouragement to strong pro-"democratic" governments in Latin America. This encouragement may mean economic concessions that are unsatisfactory to some sections of the American bourgeoisie. But those sections, as for instance the oil companies who protested against the agreement on the expropriated oil properties, must give way to this broader imperialist policy. The agreement was signed during the deadlock in the U. S.-Japanese negotiations, less than a week before the U. S. ultimatum note of November 26 was delivered to Japan. In other words, when the U. S. government knew that war was upon it. In exchange for this concession, Washington got more than value received in the form of enthusiastic support from official Mexico, from the Mexican union leaders, and laid the basis for propaganda in all of Latin America about the "change" in United States policies under Roosevelt.

As an auxiliary to the Mexican trade union policy and as an instrument in an attempt to spread its pro-democratic war policy throughout Latin America, the CTAL (Confederation of Latin American Workers) was organized with former CTM leader Lombardo Toledano as its president. This thoroughly Stalinized, self-styled "leader of the Latin American proletariat" continues to be the most publicized labor figure in Mexico, in spite of the fact that he ostensibly ceased his control of the CTM in the last Congress when he relinquished the presidency to Fidel Velazquez. Less than a month before the outbreak of the U. S.-Japanese war, the CTAL held its second Congress here in Mexico City.

It sent a message of greeting to Roosevelt. In his report to the Congress, Toledano said: "Roosevelt, as the leader of his country, represents a new international, and above all Latin American, policy whose fruits we will not allow to be lost when Roosevelt leaves power." And, significant of what he considers the CTAL's contribution to be, Toledano added: "We must help

this man to defeat those who oppose the intervention of the United States in favor of those who fight against fascism in Europe..."

The CTAL Congress declared that the Good Neighbor Policy was "the first step for commercial relations of the countries of the continent." In recognition of the mistrust that all Latin Americans feel for Yankee champions of "democracy," the CTAL was forced in the same breath to add that in the economic field, there must be avoided "the brutal exploitation that the financial trusts and their partners exercise over the peoples of Latin America." The Congress approved the granting of military and naval bases to the American army and navy and promised to fight so that these bases do not "place in danger the sovereignty of the Latin American peoples!"

One of the problems that will have to be given serious consideration by the South American workers' movement is that of military training. Evidence of the imperative need for a proletarian military policy, similar to that undertaken by the Socialist Workers Party for the United States, is the vague and distorted proposals of the CTAL and especially of the CTM in Mexico. The CTAL congress declared itself "in favor of military preparation of the working class in democratic form." No elaboration was made on this declaration. In speeches, Fidel Velazquez spoke of the national proletariat constituting itself "into an army that is a more efficient auxiliary to the National Army"; Toledano spoke of augmenting "the units of the National Army itself." In its manifesto on the war, December 17th, the CTM proclaimed: "The cooperation of the proletariat and of all the people of Mexico in the military defense of our country lies essentially in the military preparation of all able individuals in order to collaborate with the Army of the Republic in the form that the Government determines." Such statements which comprise the sum total of the treatment of so important a problem reveal the burning need for a carefully thought out and elaborated policy for military training of the workers under their own control.

The nub of the question is meticulously avoided in the official trade union statements. If it be true that the army officer caste of France was incapable of conducting or even permitting a defense by the French people, if it be true that in the United States the officers corps is composed of reactionary officials sympathetic to fascist methods of crushing working-class organizations and rights, how much more is this true in Mexico and in all of Latin America! The officer caste in this country is largely the group of landowners or would-be landowners who rose to influence during the revolution. They have only fear and hate for the workers as a class and resent the efforts to draw the farmer-workers closer to their city brothers. (Even the liberal Cardenas took care to separate

farm and factory workers into two separate union federations.) These army leaders are utterly unable to take even the preliminary steps—military or social—to defend the workers and their organizations against fascism. As a matter of fact, it is precisely these officer circles that form the nucleus of domestic fascism. The contempt that this caste holds for the worker's life and organization was tragically illustrated in the slaughter of an undisclosed number of demonstrators before President Camacho's house last September; nothing more is heard of the "investigation" being made of this shameful affair.

In a country possessing such a corrupt and inept military leadership, in a country which is extremely backward as are most Latin American nations—so backward that no hope of technically advanced machines of war can be hoped for—in such a country the class and political instruments of defense of the working class assume perhaps even more importance than in an industrial nation such as the United States. But not a hint of direction is given the young proletariat of these lands. On the contrary the statements by the responsible leaders pretend that the only problem is "augmenting" and "cooperating" with the existing officers corps.

### *The Correct Policy*

Thus there is an immediate and special need for a correct military policy for the Latin American workers. In Mexico the official trade union movement has called for universal military training of workers and this policy will no doubt be followed in other parts of Latin America, for the CTAL has promised to advocate a similar policy in other sections; indeed, in Mexico, many unions have militias which are drilled and probably also slightly trained in weapons. The propaganda of Fourth International groups must center around two points: first, the trained workers must not be looked upon as "auxiliaries" designed to "cooperate" with the reactionary officers of the army. Secondly, and even more important, it must be made very clear to the Latin American masses that our proposals are not offered as a better method of cooperating with Roosevelt's Hemisphere Defense schemes. Any revolutionary movement that hopes for a future in Latin America must teach the workers what will come after a victory by either capitalist camp in this war. The same fascist, semi-feudal officer caste would be called upon to smash the inevitable rebellion against total war's disastrous effects in colonial countries; the same corrupt petty-bourgeois, would-be bourgeois, "ruling class," i.e., ruling for Washington or Berlin, would serve the strong victor as it now serves the strong neighbor. Only the Fourth Internationalists can, and must, put forward a policy of defense against domination by either the "democratic" or the Axis imperialists.

# The Evasions of a Scientist

By LARISSA REED

QUEST, *The Evolution of a Scientist*, by Leopold Infeld. Doubleday, Doran & Co., Inc., 1941. \$3.00. 342 pages.

Infeld's book opens with the headlines he read in an American newspaper, September 1939: "Nazis Enter Cracow." Cracow is his birthplace. He realizes that the old Europe is finished and there is no going back. "Rows of soldiers, guns and a stream of blood lie between me and the world of my youth," he mourns. Fearfully he looks into the future of a shrinking world of safety. "Here I am, safe, free, for the first time living a seemingly sheltered life. A goal for which I fought bitterly through many years seems to be reached. . . . I chose it in my childhood and achieved it after twenty difficult years of struggle against odds." Yet around him, shattering his seeming safety, he observes familiar and alarming symptoms: "Anti-Semitism is increasing in America. . . . Am I witnessing here the beginning of a process of which anti-Semitism is an external sign? . . . Is there a harbor, is there a haven for me and thousands of others? Am I now safe behind a wall which is large and strong enough to resist the impact of hate?"

## Flight from the Ghetto

From his earliest days in the ghetto, Infeld struggled to build a wall between himself and anti-Semitism. Failing to grasp that racial hatred is not a local or accidental phenomenon but the inevitable product of the existing social and economic system, he cannot see that there is no harbor of safety for individuals in a day when mechanical science has turned oceans into lakes and reaction is sweeping over all walls.

As a child Infeld yearned to escape from his stifling medieval ghetto life and schooling. His father, a middle-class merchant in the ghetto, prevented him from attending the *Gymnasium*—a Gentile school which would have been the "door to the outside world" and the means of escape from his environment. In spite of this setback, Infeld began his emancipation by discovering "all kinds of books"; among them books on the science of physics. He set for himself a difficult program of self-education in this science, with the objective of taking the examinations which would make him eligible for higher education. "What I loved in physics," he writes, "was the rigorous character of its reasoning; it seemed most wonderful to me that so many complicated facts can be deduced from so very few simple principles."

Although some of the books he discovered dealt with socialist ideas, Infeld was not impelled to investigate the *simple principles* which governed the contradictory circum-

stances of his personal life. He did not investigate the economic relations that made his people despised and persecuted and which condemned them to live—in a capitalist society—in a remnant of medievalism, the ghetto. He did not investigate why his racial feelings as a Jew were in conflict with his Polish nationalism, while both conflicted with the nationalisms of other countries. He writes that in the Poland before the first World War he could "create a protective layer . . . by living in an atmosphere of abstract scientific problems and diminish the impact of my own environment and the impact of social problems carried to my world on the waves of anti-Semitism." Today he is perplexed because this "protective layer" is no longer possible.

Before the first World War, when Poland was divided between Russia, Germany and Austria, Infeld lived in the least oppressed section under Austrian control. When the war broke out, he was conscripted into the Austrian army—a few days after he had successfully passed the university entrance examinations. This event, he writes, "was supposed to have marked the end of an old life and the beginning of a university career. Instead it marked the end of my civilian life." It also pointed to flickers of social consciousness in Infeld. He observes: "The Austrian machinery was great, disorderly, corrupt through and through, becoming worse with each day that the war progressed. I was degenerating rapidly to the level where hate reigns. . . . I wanted to annihilate the whole rotten Austrian army machinery. Everyone hated the war. Nobody knew what was the purpose of the war. I nursed the same naive thoughts as millions of others—why did the war go on? Who were the few criminals who prolonged the war and uttered meaningless sentences about the future glory of the Austrian and German empires?"

Moreover, as the war progressed, Infeld saw the class-conscious methods used by the imperialists to crush the uprisings of the angered peoples: "Hungarian soldiers were moved toward Cracow and Polish soldiers toward the Ukraine. It was simpler to keep the empire intact by letting the Hungarian soldiers shoot the Polish civil population and the Polish soldiers shoot the Ukrainians." Infeld drew no political conclusions from this "divide and rule" policy of the imperialist masters.

Through a series of fortunate accidents, augmented by skillful maneuvering with friends or paid agents, Infeld was able to escape prolonged participation in the war. He incorrectly evaluates his own powers in these maneuvers. "Single-handed I had to fight this monstrous machinery (of the

Austrian army) to find my way through the maze of its rusty wheels, to steer cautiously toward freedom. Sometimes I think that no scientific work which I have since done required as much concentration as the problem of leaving the Austrian army." In reality, his resistance to the war was an individual manifestation of mass resistances at various points of the war process. At the very time that he was conducting his individual struggle to escape participation in the "senseless" imperialist war, across the border in Russia the whole mass of people was rising against the same war, and by establishing the first victorious workers' state helped put an end to the first World War before it had also consumed Infeld. He did not perceive the international significance of this event, he saw only the immediate result of the war—that the newly created Polish buffer state was blessing God and Wilson instead of God and the Kaiser.

## In Post-War Germany

The consequences of this victory of the "democracies" and their arbitrary establishment of new capitalist state boundaries by the Versailles Treaty struck directly at the half-emancipated Infeld. "Now I found out what anti-Semitism meant," he writes. In the new Poland, as elsewhere, the mounting capitalist antagonisms found their first outlet in the suppression of the Jews. Organized attacks began against the Jews and pogroms broke out in which hundreds of Jews were killed. "Anyone reading the Polish newspapers at that time would have thought that the new country had but one burning problem: What to do with the three and a half million Jews." Infeld decided to leave Poland where the pressures were forcing him back to the ghetto. With the help of his father, who feared his induction into the Polish army, he went to Germany to enter a university and earn his Ph.D.

However, this was not simple in a Germany defeated by the first World War. "I learned that it was impossible for a Pole to be admitted to the University without powerful outside influence," writes Infeld. Moreover, in trying to secure this influence, he was at a double disadvantage; "to the Germans I was a Pole who had grabbed Danzig and the Polish Pomorze. But to the German Jews, enjoying the blessings of the superior German culture which spread order and obedience everywhere, I was an 'East Jew,' lowering by my appearance the high level of their lives and thoughts." Only through the kindly assistance of Albert Einstein, whom he met for the first time, did Infeld secure special permission to study at Berlin University.

"In postwar Germany," declares Infeld, "in the hot atmosphere of class struggle and bitterly divided parties, the social problems could not be ignored." He especially cultivated the friendship of a man named Joseph, who was a member of the German Communist Party. "Why don't you belong to the Socialist Party if you wish to save mankind?" Infeld asked Joseph. "It has the same aims and it is much more respectable." Joseph explained to him at length the basic differences between revolutionary and reformist parties and also gave him a bundle of books. Unwilling, however, to abandon his petty-bourgeois path toward education, Infeld derived no benefit from these books. "I was afraid of *Das Kapital* and too busy with my scientific studies," he apologizes.

Eight months in Germany produced some progress in Infeld's political understanding. "I overcame my Jewish nationalistic feelings, nourished by the anti-Semitism in Poland. I realized that suppression and hate is directed not toward Jews alone. Secondly I understood the danger of social isolation in the ivory tower which scientists like to build around themselves. I understood that a scientist ignoring his social duties and refusing to see the ties which bind him to society, may find himself a victim of forces whose existence he has ignored." In spite of this consciousness, however, Infeld did not remove himself from the ivory tower he condemns but remained tied to his petty-bourgeois training and outlook. He apologizes for his inertia: "At least I have a bad conscience about it, and if that is the only difference between me and the others, I still believe that it is an essential difference." Actually, however, this difference is not only negated, but becomes its opposite, since "complete detachment" from the struggle against the forces of reaction becomes an involuntary form of support for the reaction.

### Return to Poland

At the age of 30, Infeld's future was still bounded by the Polish ghetto, where he returned to teach school first in the provinces and then in Warsaw. With all outside doors closed to him, this became the highest post to which he could aspire. Moreover, even this position became untenable after a student Communist demonstration occurred in his class, against his protests, for which he was victimized as a Jew. However, a short time previously he had married an understanding woman whose father was a wealthy Jew. After many difficulties, with the assistance of his father-in-law's money and the "first insignificant signs of scientific recognition," he obtained a post at Lwow University.

On a brief trip to Germany, just before Hitler's conquest of power, Infeld met Joseph again. This Communist leader had married a wealthy woman and was living in "an atmosphere of external splendor and inner tension." The ten years had produced profound political changes, which

were reflected in Joseph. "In the past year," writes Infeld, "he had been suddenly kicked downstairs . . . it had happened because of a phrase in one of his books in which the party saw some Trotskyite tendencies. This phrase implied that Communism in Russia would develop fully only through a revolution in Germany and in the west. He told me . . . 'they were right. The sentence was really bad. But by the time the book was printed the party line had changed. But I guess that if one man has to be blamed, then it ought to be I.'"

Infeld was unable to see, in these few words, that his own fate, the fate of millions of Jews and of the oppressed of all the world were sealed for years to come. The Stalinist bureaucracy had consolidated its reactionary regime and was proceeding to stifle the international revolution. The time was not far off when thousands of revolutionists would be purged and others, like Joseph, would plead guilty to false crimes in the Moscow frame-up trials. The betrayal of the German Communist Party would completely clear the road for the Nazi hordes.

Infeld merely felt the disappointment and resignation in Joseph, which he interpreted in his own fashion. "Don't you sometimes regret that you left scientific work?" he asked, to which he received the sharp retort from Joseph's wife: "Is it not scientific work that he is doing?" Infeld's reluctance to include politics in the realm of science makes him not only unwilling to study its laws and processes, but unable to accept the errors and defeats which he readily admits are inevitable in his own science.

At the age of 35, after the death of his first wife, Infeld secured a Rockefeller fellowship at the English University of Cambridge. Here he became acquainted with a more advanced form of academic life—granted in a powerful imperialist country. "In Cambridge," he writes, "youth is more progressive than its parents. Here I witnessed a student pacifist demonstration, contrasting with the memory of the noisy demonstrations of students in my country who shouted slogans urging hatred, war and the extermination of the Jews." Infeld vaguely understands that England can afford a tolerance and democracy at home since, unlike Poland and Germany, its empire is supported by the labor of exploited peoples in remote continents. He observes, in this bourgeois democracy, that "The sons of the English Tories relax in Cambridge and furbish their consciences for their future. Progressive and even radical in college, they prepare to serve the British Empire later with the wisdom gained from this radical past."

Returning to Poland, after his stay in England, Infeld hears the increasingly ominous words: "Anti-Semitism is growing in Poland. . . . All my plans for the future depended on whether or not this growth would continue." This growth was inevitable since

this anti-Semitism was the national manifestation of a growing international reaction. He feels the immediate effect of this reaction when he is defeated in his attempt to secure a professorship in Wilno University, although he is the only qualified person for the post. Thereupon, Infeld decides to quit the Old World for the New. From one nation to another, from one continent to another, Infeld is fleeing before a mounting and all-engulfing reaction, which today has exploded into the second World War.

### Escape to America

Looking back, Infeld rationalizes his defeat and consequent flight; he "escaped becoming affected by the germ of security to the point of being smug and snobbish . . . as a professor . . . who had a peaceful life, quietly turning out two papers yearly, growing automatically in fat and respectability."

Through the intervention of Einstein, Infeld received a fellowship at Princeton University, where he worked in close collaboration with Einstein. His account of academic life in America is no less illuminating than his descriptions of European university life. Behind the imposing facade of the Temple of Culture, one sees the same petty intrigues, spites and class hierarchies which exist on less lofty levels of society, as a result of similar social and economic pressures. At the termination of his fellowship in Princeton, Infeld's prospects for a place in American academic life were scarcely brighter than they had been in Europe. He was temporarily saved, financially and professionally, by writing a popular book in collaboration with Einstein.

Will the political experiences of Europe be recapitulated in America to menace him both as a Jew and a scientist? Why is the scientist, so progressive a force in society, retarded, persecuted and defeated? he asks. "The scientist tries to understand the origin of our solar system, the structure of the universe and the laws governing the atom," writes Infeld in self-justification.

But it is not enough to master the laws of nature; man must also learn the laws governing his relationship to his fellow-men. He must participate in the struggle against an outlived system of society which can no longer assimilate science and progressive life and which is ever faster whirling to its own destruction and carrying with it the accumulated wealth of man's physical and mental labors. Scientists, beginning with the Jews, are merely a fraction of the million masses victimized by this process. Only upon the collective action of the masses of people in overthrowing this destructive system; only in the establishment of a progressive socialist society, can Infeld, together with the rest of humanity, find peace, security and a fruitful life.

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