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Introduction

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Living Marxism

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FASCISM and IMPERIALISM
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Twenty Cents

International Council Correspondence

LIVING MARXISM

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This magazine consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

THE WAR IS PERMANENT

The long expected second world war is now in progress. Guesses about its outcome spring from all directions. However, ignorance and wishful thinking becloud most of the popular speculations. To discover, then, the real meaning of this war, to form an attitude toward it, and to discuss possible actions against it, it is necessary first of all to brush aside the current misconceptions about it.

In Britain, from the Conservatives leftward to the Labour Party and the trade unions, it is claimed that there is no motive for the war other than to end "Hitlerism", international "lawlessness", and all aggression. The French bourgeoisie as well as its labor movement (with the exception of Russia's foreign legion in France—the outlawed Communist Party) blow the same bugle, and so do all other people lined up on the side of the Allies. Germany's attack upon Poland is taken as the immediate cause for the declaration of war. Coming after the Austrian *Anschluss* and the occupation of Czechoslovakia, it demonstrates, so they say, that Hitler cannot be trusted, that there will never be peace again until this madman is removed. This view is shared by those interested in retarding the German imperialistic drive for the purpose of accelerating the imperialism of the other powers.

The anti-Nazi powers defend "democracy", "peace" and "civilization", as well as themselves and a number of weaker nations against Hitler's barbarism, but the Nazis too, find themselves in a "defensive war" against Britain's attempt to limit the living opportunities of the "German people". Only a strong Germany, they point out, may escape foreign exploitation and may regain its rightful place in the sun. The *Anschluss* was unavoidable, they declare;

Czechoslovakia had to be disarmed to safeguard Germany, the system of Versailles had to be destroyed, so that the German people may continue to live. They turn back the moral arguments, pointing out that England is notorious for breaking promises and agreements, that Poland did not live up to treaties made with Germany but actually, backed by England, attacked Germany. They declare Hitler's policy not only beneficial for Germany but also a guarantee for further world peace, a peace which is not desired by English interests.

The German "war-socialism" developed long before the actual outbreak of hostilities provided the Nazi propaganda with an additional argument, namely, that it is the "socialistic" nature of the German national-economy which is feared and fought by the "capitalistic, plutocratic, Jewish, democratic nations". Nazi propagandists point out sarcastically that the slogan "defense of democracy" is an ordinary swindle, since the democracy which is only nominal in the capitalistic countries is far less popular than German fascism, which really rules in the interest of the nation as a whole. This propaganda is engaged in by all people interested in Germany's imperialistic expansion and in the prolongation of fascist rule.

It is true that in both the fascist point and the anti-fascist counterpoint there are some grains of truth; otherwise it would not be possible that people would accept such explanations. However, the partial truth contained in the war propaganda loses even its minimum of veracity once they are connected with all of the arguments, not to speak of their comparison with the real facts.

The "neutral" countries adhere to one or the other position mentioned, always ready, however, to change sides. They speak of peace as long as they are neither willing nor forced to enter the war, though in the meantime they take part in its economic battles. The course of the war on both fronts, military and economic, will make the decisions for those countries. Because at this writing the war is still in its initial phases, despite Poland and Finland, because the economic war has not as yet brought to full growth the military one, the curious performances of countries like Italy, Spain, Turkey, and Japan are still possible. Russia, though participating in the imperialist aggression, even now considers itself and is considered a "neutral" power. All countries seem to wait for more clues, offers, accidents, and moves before they make a step further in the direction of a world war worthy its ancestor.

The neutrality of these countries is as much a swindle as the German "defense" or the "anti-Hitlerism" of the Allies. No country stands aloof from the present war. In more than one way are Japan's occupation of Manchuria Italy's conquest of Ethiopia and the Spanish civil war, to mention only a few incidents, closely connected with the present war. And so is the neutrality policy, as any other policy of the United States. Though it seems that the majority of the population in America shares the current nonsense concerning the cause of the war, directing its sympathies to the side of the "peace-loving", "democratic countries"; nevertheless their participation in the war will not be determined by this feeling, but by realities over which they have little control and which are not even known to them.

WAR AND CAPITALISM

Knowledge of the cause of the war is indispensable to any investigation. There were wars before there was capitalism. Only the capitalistic war is caused by the present socio-economic system. Some people hold that in capitalism wars are inevitable; others assume the possibility of a capitalist society outlawing wars forever. The latter looked upon the war of 1914 as the "last war", as the war to end all wars. Again they proclaim this war the unavoidable way to eternal peace. Now, as then, they nurture a "grand illusion".

We think that though each war has its specific historical reason, that all wars within the capitalist system have also a general reason which can be found in the class- and production relations of capitalism. As boom and depression are interrelated, war and peace interdepend upon each other. To favor capitalistic prosperity means to suffer capitalistic depressions, to favor capitalistic peace means to be a war monger. The warrior and the pacifist cannot help but act alike, because both react to the same forces, beyond their control.

To explain the interconnection between war and peace: The German wars from 1864 to 1871, for instance, were designed to break down a national and international political framework hindering unfolding of Germany as a first-rate industrial and capitalist power able to compete with other capitalist nations. The wars helped to bring about a situation where the newly released productive forces demanded more than a merely European power position. Germany proceeded on the road to world power in direct competition with France and England. It set out for a greater part in the exploitation of world labor. The peaceful post-war prosperity, based on a rapid capital accumulation, to a large extent had its basis in the new

setting created by the wars, just as the earlier difficulties in starting this expansion were one important reason for their outbreak.

As a capitalist economy cannot remain a "national" economy, of necessity it must lead to conflicts among nations whenever the complications of economy, which increase with the growth of capital, demand solutions and changes carried out internationally by the national unities. The national form of capitalism is one of its limitations, which, however, cannot be overcome unless the capitalist system itself disappears.

National wars and national revolutions effect a capitalist world production just as much as do capital export, colonization, international division of labor, and foreign trade. As a matter of fact, wars and revolutions take place when the "peaceful" means of strengthening and spreading capitalism become insufficient or lose their force altogether. Though wars themselves do not create profits but destroy capital, still the development of capital is unthinkable without them.

For a long time until recently all depressions could be regarded as a "healing process" of a sick economic body, actually leading to a new prosperity enjoying a new level of productivity which the depression itself established. Similarly, each war could be regarded as an attempt to re-organize for peace. The question today is only that inasmuch as the depression no longer seems to re-establish a basis for prosperity, whether in the same way war no longer can establish a basis for another period of capitalist peace. [1]

ECONOMIC CONTRADICTIONS

It is one of the unresolvable contradictions and calamities of capitalist profit production that the more it strives to increase its profits, the more difficult it becomes to produce them. Only a steady increase in capital formation permits capitalist prosperity. A continuous depression and stagnation allows no perspective other than the eventual destruction of capitalist society. If it becomes impossible in a given country to raise the profitability of capital sufficient for the continuation of capital expansion, there then arises the burning need to begin or increase the appropriation of additional profits from abroad. This means an attack on the profit opportunities of other nations, and when the situation becomes critical, war.

[1] Though it is true that the miseries of depression are always present in any period of prosperity, and that a time of complete peace was never a reality, nevertheless these situations can still be distinguished, since the degree of misery existing, or the extension of warfare in the whole scheme of things can be relatively determined.

This dry explanation of the economic basis of capitalism [2] and imperialism (and the basis for both is the same) does not, of course, tell the whole story, but without it a real understanding of capitalism's inability to escape internal frictions and international wars would be impossible. The insatiable need for ever more and more profits, the fact that capitalism is nothing but profit production, makes it necessary to explain the driving forces behind imperialist actions in terms of economic categories. More than that, whatever the phenomenon that may be brought forward to explain imperialism, as, for instance, the ideological arguments, the desire for security, for land and for raw materials, the monopolization of markets, capital export, strategic-military requirements, or anything else, can be reduced finally to its simplest terms: capitalism's vital necessity to accumulate profits.

There should no longer be any doubt that all of capitalism's difficulties spring from a lack of profits. On this point all capitalists and all bourgeois economists are agreed regardless of the different explanations they might bring forth to explain this shortage, or whatever the methods they might suggest to do away with it. They have employed various means and methods to increase capital's profitability in order to continue expansion. They have raised the productivity of labor and intensified its exploitation; they have formed manufacturer's combine, cartels, syndicates, etc. They have set up marketing and price controls, created trust and monopolies, and all without avail. As soon as one industry seemed to be stabilized, another was disrupted. In the very attempt to safeguard and increase the capital of one or the other capitalist group, the basis of existence for the whole of capitalist society became only more precarious. Thus capitalism, seeking to surmount its barriers, succeeded only in creating higher and more impassible ones.

COLONIZATION AND IMPERIALISM

The need for imperialistic actions is nothing else than the need for profits. As this need explains the internal development of the capitalist countries it also explains their foreign policy. Capital is

[2] We do not wish to give at this point a fuller explanation of the consequences of the capitalist accumulation process since we have dealt with them quite frequently in previous issues of *Living Marxism*. We accepted Marx's theory of accumulation and his interpretation of the meaning of the tendency of a falling rate of profit in the course of the accumulation process. (The rate of profit declines because the organic composition of capital grows; that is, that part of capital invested into means of production grows faster than that invested into labor power. As profits are derived from the exploitation of labor power only, the decline of the latter relative to the capital invested into means of production must make it difficult, in the course of time, to gain sufficient profits for the continuation of a rate of capital expansion necessary for a capitalistic prosperity.)

transferred from one field of production to another, alike internally and internationally. It is sent into non-capitalistic countries, or countries which offer more favorable conditions of production just as it spreads over all branches of manufacture and conquers primitive agriculture in the advanced countries.

The colonizing imperialists began by exporting capital for the development of plantations, irrigation systems, mines, mills and factories. In return for building highways, railroads and ports for the imperialists, the colonies found themselves swamped with goods from the mother countries. The exploitation of the colonies was a two-fold one: the labor power was exploited directly in the capitalist enterprises, and indirectly through the exchange of colonial products with those manufactured in the mother countries. The difference in the productivity of labor, due to the high organic composition of capital in the imperialist nations, and the lower organic composition of capital in the colonies, allows the advanced countries to exchange less labor for more, and to exploit even the poorest populations of the world. Besides these measures, taxation and forced labor increased the profits gained by colonization even further.

Just the same, the desire and need for colonial exploitation is often denied by the statement that colonies have proven to be liabilities rather than assets to imperialist countries; but no capitalist country has as yet been ready to part with them unless forced to do so by other nations willing to take over the "white man's burden". The Allies did not hesitate a second about taking Germany's colonies after 1918; for, in reality, the possession of them and the control of backward countries is profitable to the imperialists not only because of the exploitation of the natives, but also because of the establishment of monopolies over vital raw materials, and because military-strategic advantages can be gained which, in turn, may be transformed into additional profits.

Though it may be true that colonies are expensive to the taxpayers of an imperialist country, nevertheless they have yielded tremendous profits to those capitalist groups directly engaged in colonial exploitation. Not with injustice is it said about England, for example, that its rapid rise as an industrial and capitalist power would not have taken place except for the fortunes taken from India. Money in sufficient quantity is transformed into capital: without the tremendous money accumulation largely aided by colonial plunder capitalism's development would have been much slower.

IMPERIALISM AND FASCISM

The sharpening need for additional profits intensifies all imperialistic rivalries. But the changes taking place in each capitalist country become reflected in its imperialistic attitude. The international growth of capital becomes opposed to its early imperialism. New capitalist nations, late in entering the arena of world politics, have found and are finding themselves hampered by conditions created at the time when they still belonged with the backward countries. Old capitalist countries, especially England, had subjugated a great part of the world and exploited it in their exclusive interests. To ward off exploitation by the stronger countries, those that were backward had to develop "artificial" means to increase their competitive strength.[3] They became more "political", more "militaristic", more "restless", and less "democratic" from the very outset of their development.

The more openly expressed "militaristic spirit" and the "undemocratic nature" of countries like Germany, Japan, Italy, and Russia, is connected not only with their feudalistic traditions, but even more with their precarious positions as new capitalistic countries within the world economy. They simply cannot afford the "democratic" spirit of France which rules over a vast colonial empire and possesses even the means to maintain a largely satisfied peasant population. They cannot afford the effective solidarity of all classes which exists in England and which is based on an instinctive recognition that English privilege demands such unity. Limited in their appropriation of profits from world-exploitation they are forced to squeeze their own population more intensively to accumulate profits. "English history shows that political democracy can function only where the tempo of social transformation is slow and steady", observed Adolf Loewe [4]; it cannot function with the same results and in identical forms in the newer and belated capitalist countries, which have to hasten their capitalization process. But this quickened accumulation, based on the intensive exploitation of the native workers, gives rise to social legislation to compensate for oppression, and to prevent the killing of the goose which lays the golden egg. This "social" element in the newer capitalist countries, hailed as its humanization process, was and is in truth an expression of its insecurity and its bestialization. While the dearth of capital is thus compensated by better organization,

[3] See the following article on the development of Bourgeois Economics in this issue.

[4] *The Price of Liberty*. London 1937, p. 38.

which helps to develop capitalism, at the same time it undermines even faster its fundament; the blind-working laws of the market.

The process of capital accumulation is at the same time the concentration and centralization process of economic and political power. It takes place during the whole evolution of capitalism and proceeds faster during periods of stagnation and decline. At present it is accentuated by new political movements appearing under such terms as Bolshevism and Fascism.

It was often assumed that the richer a country, the stronger should be its centralization and concentration. But rather that which determines the degree of centralization in a country is the rapidity of accumulation necessitated by its competitive position on the world market. Expressed only in terms of capital concentration it was true until the world war that the more highly developed capitalist countries were those in which the largest fortunes were concentrated. Yet, the "richer" a country was in an economic sense, the less urgent was its need to rule politically. The government was left to middle class politicians, for they could not help but govern in the interest of the big capitalists, and, at any rate, could not govern against them. In America, for instance, the powerful capitalists could ignore the government to a point where it at times seemed to be in strict opposition to the needs of Big Business, without, however, being able to exercise more than verbal opposition.

In poorer capitalist countries, like Japan, the concentration of wealth was from the beginning identical with the concentration of political power. What was required here was not the slow "normal" development of capitalism by way of general competition, but a forced capitalization necessitating from the start the most extensive state interferences to overcome the disadvantages of Japan's tardy entrance on the world market. In other words, the high capital concentration of wealth reached in the older capitalist countries, account for the accentuated concentration of wealth and power in the more backward countries. The Russian slogan, "To reach and over-reach" Western capitalism, is not an empty one, but dictated by dire necessity, the necessity to avoid exploitation by foreign capital and thus be hindered in her national development, which would mean the continuation of the misery caused by a combination of generally backward productive forces with the exploitation from abroad. To change this primitive misery into the advanced miseries of capitalism compels the use of national-revolutionary methods directed against those interests bound to the backward conditions of the

country, and the interests of foreign capital. The capitalization of such countries, then, when not accomplished by the still undeveloped bourgeoisie, must be accomplished against the bourgeoisie. The economic weakness of the backward countries thus explains the radical centralization of all possible power in the hands of the state.

This forced centralization, furthermore, reveals the real international character of capitalism, which forces its weakest links to leap violently over and beyond the gaps in development between themselves and stronger nations. From this point of view the state-capitalist tendencies developing in both "fascist" and "democratic" nations indicate an actual economic weakness of capitalism.

Thus, the 'aggressors' in the present struggle have turned their weakness into strength. It is true that while both the fascist and the anti-fascist nations are aggressors, until recently, however, the "democratic nations" could emphasize the use of economic weapons, whereas the fascist countries to an increasing extent had to rely on purely military ones. The world crisis of 1929, sharpening the imperialist contradictions and disturbing in unknown proportions the international economy, accentuated the militarization of capitalism. If the crisis brought no more than the "New Deal" to a rich country like the United States, it brought fascism to a poorer country like Germany, the still poorer nations like Italy, Japan, Turkey, Russia, and Poland already having it. Fascism reveals an arid capital and a still existing well-being is the basis of anti-fascism. When this well-being goes, the metamorphosis of anti-fascism into fascism occurs.

It is true, or rather it was true, that in the time of rapid capital accumulation the number of capitalists increased together with the growth of capital. But as soon as one compares this increased number with the increase of capital then it must be said that relative to the rate of growth of capital the number of capitalists declined. They were decimated in booms as well as in depressions; they fell victims to trustification and market control, to changes in production and productivity. However, in periods of capital stagnation and conditions of crisis the concentration process of capital through dominantly economic channels slowed down to the point where like in Germany it had to be bolstered by violent political methods.

Internal political struggles, the shifting of class positions, bankruptcies and favoritism, increased state interference to secure some form of stability to the exploitative society, lead to a situation in which the state assumed economic leadership. Though there exist

in Germany and Italy still individual entrepreneurs, individual interests, profits and goals, and therewith individual chances for gain, for privileges and extra profits; yet this individualism is now subordinated to the state-controlled total economy. Of course, formerly there were also economic aggregates and complexities, but today the individual diversity of all economic subjects and undertakings is coordinated and directed into total unified activity, in so far as this is possible at all.

In Germany today, the individual entrepreneur is no longer master of his own enterprise. He can no longer decide upon investment, upon importation or quality of raw materials, conditions of labor, type of production, rate of interest or profit. Overseas trade, colonial activation of the forces of expansion are taken out of his hands. He becomes an interested official in a bureaucratized, politicized, economic apparatus. No longer does he factually possess or augment capital which need reinvestment. The forced centralization, the trustified state monopoly has curbed if not abolished competition. For him, there is no longer a crisis in the old sense threatening the economy, because the armament industry which has animated all branches of industrial life is working full blast and is actually swamped with orders. The manufacturer is no longer haunted by the spectre of the falling rate of profit because the state has fixed, normalized and guaranteed his income. For expansion or new investments the treasury of the state is available.

This process going on, the composition of the ruling class changes still further. The state bureaucracy replaces more completely the lawful owners of capital. The bureaucracy becomes a mixture of industrial, military and political officials. However, like the capitalists of old, the new fascist rulers are such only by virtue of their control of the means of production. The rule over the workers and the powerless in society, which could no longer be safeguarded by economic means, is now secured by political methods. [5]

Able to develop world trade only on the basis of exploitation, the international policy of all capitalist countries—at all decisive moments—could assume the form only of warfare. Despite this peculiar form of “international relations” the capitalists, still fighting against the remnants of feudalism, fighting between themselves and against the workers, at first needed a political democracy in

[5] As the best short exposition of fascism and its origin we suggest the reading of Max Horkheimer's article “The Jews and Europa” in the *Zeitschrift fuer Sozialforschung*, Jhrg. VIII, Nr. ½; Paris, 1939.

which they could settle their problems within the general competitive struggle. But the more the concentration process of capital became intensified, law and government became less and less the synthesis of numerous political and economic frictions, and instead the “needs of the whole” were served better through exclusively serving the needs of the few. Government became solely the instrument for suppression within the country and an instrument for imperialistic policies.

National borders, however, cannot stop the centralization process. The trend in capitalist development towards reducing the number of exploiters simultaneously increasing their power over larger masses of workers, forces the international “re-organizations” of spheres of exploitation. The more the competition of private entrepreneurs was displaced by the political competition for bureaucratic power positions, the sharper became the competition between nations, but no longer only for this or that colonial possession, or for a greater share of world trade, but for complete and exclusive control over so-called geographic-economic “*Lebensraeume*”. In other words, there evolved the division of the world by a few important powers, sharing among themselves the exploitation of the many national unities, just as the great industrial combines control a number of smaller enterprises. “Only for a few great powers”, states a Nazi Publication, [6] “remains the possibility of military independence and an autonomous economy. For lesser powers this holds true no longer”. And it is pointed out further that the world crisis was not overcome by the automatism which worked in earlier depressions, but that each country was forced to find a solution for itself without regard for world economy. However, this “independent solution”—first celebrated as the trend towards autarchy,—was in reality the preparation for war between the decisive powers for world dominance. “The concept of a power”, the Nazi publication continues, “has been defined as a state capable of defending itself against a constellation of other powers. Since there exist great powers, small and medium states are forced to cooperate with them or to maintain neutrality. The political power must also be an economic power, which, then, is the real meaning of all present-day military policy in England, France, Germany, Italy, and Japan, because the basis for a stabilized economy exists only in countries like the United States or Soviet Russia, stretched out as they are over whole continents. The smaller countries are unable to defend them-

[6] L. Miksch, “Wirtschaftsgrossmaechte und Nebenlaender”. Die Wirtschaftskurve. Frankfurt a. M. H. II. 1939.

selves and are able to be independent only on the basis of a low standard of living. The transformation of world trade corresponding to the military-economic necessities of today is not a general one, but starts with the great powers and leads to a reshifting of all nations around a few power centers."

The miserable conditions in Russia and the depth of the crisis in the United States, however, shows that in these countries there also does not exist the basis for a "stabilized economy". The capitalist crisis is not a question of geography but a problem of class relations. As long as the exploitation of wage labor exists, as long as the whole economy functions for the maintenance and in the interest of the ruling classes, just so long territorial expansions, re-shifting of nations, divisions of spheres of influence may help one group of capitalists at the expense of others, but they can not do away with the existing misery and the present crisis conditions. This very process illustrates the utter incapacity of capitalism ever to proceed towards a real and rational world economy. The "automatic laws of the market" have not done away with the crisis conditions characterizing the world of today; the hope is gone that they ever will. The possibility for the recurrence of the "normal recovery" is also gone, for capitalism there is nothing left than to amalgamate as many states as possible into one or the other bloc of powers and to attempt an equalization of the diverse competitive capacities between these blocs, which is possible only by way of war. But this very process of solving consciously and capitalistically the present crisis conditions, deepens them only further, for those economic criteria of capitalism which manifested themselves through crises, have been largely eliminated under recent fascistic and other organized interferences with the economic mechanism.

This then is the "tragedy" of fascism and of all "capitalistic planning" attempts, that the better they succeed, the more they disrupt the capitalist world order. Yet, there is no way of preventing this destruction, for with the "waiting for normal recovery", the depression would create miseries at present inconceivable, and cause the destruction of millions of human beings and multitudes of capitalists. This situation cannot be envisioned without its corollary of wars and revolutions that is, such a situation would bring into existence what exists today. A capitalist peace is no solution for capitalism; it would not be less costly than war. And the intelligent of the ruling class know this. "In all the belligerent countries", writes the *New Statesman and Nation*, [7] "the return to

[7] *A New Deal for Europe*. 2-17-40.

civilian life may seem so perilous and so difficult that the dread of it may even prolong the war. Besides idle machines, demobilized men even among the victors, if victors there be, will face poverty with rifles in their hands."

TRANSFORMATION BY WAR

It was no secret that Germany was preparing for war. Its whole economy since 1933 and even long before that was geared to the coming slaughter. To make possible the external struggles, peace had to be established at home. The bourgeoisie of old could no longer guarantee such peace with the traditional methods. A new ideology was developed to secure capitalist exploitation, though it no longer appeared capitalistic. The social phraseology became the more "radical", the more actual life became barbaric. As the "social politics" of the age of reform indicated only intensified exploitation, so the growth of national-"socialist" ideology expressed only the preparation for gigantic mass murders.

From the viewpoint of the worker's class interests there are no essential differences in the characters of the German and the other socio-economic structures. Yet, there exist considerable differences in the economic insecurity of the diverse nations, explaining the range of differences in the ideologies. As a capitalist nation Germany resumed its imperialistic policy at the first opportunity; capitalistically there was no other way out of its difficulties. The German working class, unable and unwilling to end capitalism was therewith forced either to participate in the new imperialistic drive, or to remain altogether passive. And their actual passivity has been an additional reason for the coming of fascism with its peculiar national-socialistic phraseology. But what holds good for Germany, under present conditions, holds good for all of the world. Not to act socialistically means to act imperialistically. It is entirely senseless, then, to maintain that the German workers do not really want to fight for fascism and its war. Nobody *wants* to fight for anything. But by missing a historical chance, or in the absence of an opportunity for a social revolution, the workers of today have no choice but to fight in the fascist war. In spite of the French and English workers declaring and even believing that they are not fighting Germany but Hitler, they too are fighting only because they have no other alternative, they also have to act imperialistically for failing to act socialistically. For this reason it cannot be expected that the workers of these countries, or any other country, will seriously oppose the fascization process going on in the world.

Fascism is not a German invention, but the outcome of capitalist liberalism. It is not the opposite of that which existed yesterday but its continuation. Its roots can be traced back to the very beginnings of capitalism, and it may be described as the most ideal form of capitalism yet achieved. As fascism is the product of capitalism proper and as it is created by world capitalism though first appearing in a few countries, it must some day embrace the world unless the capitalist system of production disappears altogether. The war will hasten the fascization of the world, it is the medium for this process, but even this development must be forced upon the world and cannot be—on account of the existing class relations—consciously and peacefully adopted.

“To conquer the enemy”, said Paul Reynaud, [8] “we must first conquer ourselves.” And two weeks later he said before the French Senate: “Many Frenchmen are uneasy at the prospect of postwar France. They wonder if the state will devour everything... Exchange control? Price control? Salary control?... Events have forced them on us.” It is true, events have forced fascism upon the bourgeoisie. But once it appears, all bridges to the previous form of capitalism are blown to pieces by that newly-emerging ruling class which takes over positions of social power during the “emergency.”

The centralized dictatorships of the continent also determine the course of English society. Its resistance to the transformation in their direction is not to be considered since “the unconscious but extremely effective solidarity of all classes in exploiting the colonial and pre-capitalist markets is drawing to its close. The struggle for the respective share in the national product can no longer be mitigated simply by a compromise over the sharing out of the annual increase.” [9] The state itself will have to maintain the exploitative order and “the only compensation which could be offered to the upper classes in place of their economic privileges would be a favored role in filling leading positions in the administration of a planned order-administration instead of acquisition.” [10] “It is not too much to say”, states the London *Economist*, [11] “that the form which industrial control takes during the war will dominate the economic development of the country after the war. We are in serious danger of slipping into a feudalistic system of cartel con-

[8] Speech to the Chamber of Deputies 12-13-29.

[9] *The Price of Liberty*, p. 38.

[10] *Ibid.*, p. 41.

[11] 12-9-1939; p. 364.

trol which may or may not succeed in producing a stable post-war world but which will certainly militate against the abundant production of cheap goods.”

It will not take long till the French decrees for stabilized wages, regulation of payment for overtime, and the abolition of the shop steward system will echo in England. And after that there will follow the elimination process of the atomized capitalistic interests to establish the unity state-capital now ruling in the fascist countries. In the forming of the modern nation-state, political centralization was the necessary means of overcoming feudalism, and it now becomes the guardian of the system of wage labor against possible rebellion. What was once hailed victoriously by the lower classes as their very own, now turns into a system of oppression beside which the feudalistic form appears as a monument of liberalism.

Just as the individual capitalists turn fascist (with exceptions) only at the point of bankruptcy (and some are denied even that privilege) the capitalistic labor organizations, too, have difficulties in adopting themselves to fascism. They can at best follow, but never initiate the new trend. That the old labor movement lives and dies with liberal capitalism comes to light in their helplessness before fascism, and their inescapable necessity to help prepare the way for it. In opposition to Daladier's dictatorial policy, Leon Blum, for instance, in behalf of the French socialists could no more than declare, that his own program did not differ in its final purpose, but only in method, from that of the French bourgeoisie. “There is even a movement among the more progressive elements in the C. G. T.” (National Trade Union Centre of France), reports the *Economist*, [12] “to think in terms of universal military rates of pay supplemented by family allowances. Why should a worker be paid more than a soldier?”

When after the establishment of exchange controls, of a license system for foreign trade, and with the beginnings of investment control, in the French and English governments' adjustments of their economies to the needs of war had been made, the thing that was stressed by the English experts first and most of all was the need to lower the English wages to the level of the French. The trade union representatives, it was said, “will be unable to escape the conclusion that sacrifices will have to be made by the British working class before equality of effort with France is reached.” [13] And British experts offered a number of plans to facilitate the sacrifice.

[12] London, 2-3-1940; p. 191

[13] *Economist*, 12-16-1939.