

For a *Pax Germanica* it would be foolish of the Nazis not to bring to an end the various territorial claims of different national entities. Nationalism is now fiction anyway. If the groups in each nation that received their privileges from the existence of certain boundaries and particular industries are eliminated; if each nation in Europe is economically controlled; if a political leadership is developed whose interests are thoroughly integrated into the Central German control system — there is then no longer any need to suppress ideologies and national cultures which, divorced from their previous material base, are destined to die out by themselves in the course of time. In brief, the Nazis will appear as “saviors” rather than as “destroyers” of nationalism. They will shift populations until there are, in given territories, no longer issues of race or national minorities to disturb the “peace”. There will be no French in Alsace-Lorraine, no Croats in Serbia, no Serbs in Croatia, no Slovaks in Rumania, no Rumanians in Slovakia, and so forth. The world will look then like a sort of zoo. People who think of themselves as national groups because of certain common characteristics will be separated so as not to devour each other and to make the job of the “animal-keeper” easier. They will be left to enjoy their particular cultures or idiosyncrasies until they grow tired of them. They will be allowed a fictitious self-determination until the old ideologies are worn out. The Nazis will foster this separation in order to rule better. For only by keeping the people ideologically apart is it possible, under present conditions to maintain a centralized rule over them; to keep them from recognizing that their particular existence is, in reality, part and parcel of the common existence of the world population. Nevertheless, the “renaissance” of nationalism today does not prove that its importance — based upon the destruction of world trade — is growing. It only indicates that national issues may still be used for the re-organization of world economy through the struggles of different imperialist power blocs. National issues in the traditional sense are everywhere on their way out. As Bruce C. Hopper remarked recently: “The prevalence of treason in the small states since 1938 indicates the extent to which nationalism is already broken down.”

It would be foolish to assume that because Germany wins battle after battle, the war — in one way or another — must soon end. It would be just as foolish to think that Germany may win all the battles and yet lose the war. Though the present war is in many respects a repetition of the last one, in this particular respect it is not. Even if the imperialist drives are essentially the same as far as direction is concerned, in this war the Germans not only win battles that can be utilized at a coming peace conference, but they transform at once the whole European economy with a view of establishing a German dominated Europe that is there to stay. The “odd thing” in this regard, writes the London *Economist* (6/14, 41),

“is the extent to which this prospectus of the “new order” coincides with the plans of reformers both of the Right and of the Left in democratic communities. The union of Europe has been under discussion for two decades.. NOW IT IS AN ACCOMPLISHED FACT.”

It is true that this “accomplished fact”, as the *Economist* further remarks, is “an obvious travesty of the ideas” of the social reformers of yesterday, for “Europe has been united by destroying all freedom — personal and national — save that of a small gang in control of Germany”. But then, under conditions of capital production, the United States of Europe will always remain a travesty no matter under whose auspices it may be realized. Even as an unhappy substitute for an “ideal capitalistic United States of Europe”, it may still be forceful enough to endanger both Britain and the United States. The very fact that this “travesty” is fought so bitterly should indicate that the American and British rulers are quite convinced of the possibility that Nazi Europe may endure, despite its miserable character. The very existence of this German Europe makes it increasingly more difficult to think in terms of a German defeat. All the plans of redivision now concocted in Anglo-American headquarters may find growing opposition even in those countries that are supposed to be “liberated” by American arms. If Germany is not defeated soon, it is quite conceivable that Germany’s enemies of today may change into her friends tomorrow, both ideologically and materially. This danger is well recognized by the more realistic of the spokesmen of the Allies. The article in the *Economist* already quoted points out that:

“The lesson of the New Order which most need to be absorbed is that the age of enterprise has given place to the age of security. Every category of producers — workers, peasants, industrialists — was weary of the struggles of Europe. It may well be that even the control itself which the Nazis have come to exercise is not altogether unwelcome. The desire for independence is not one that goes easily with the search for security. The extent therefore to which the Nazis have found willing collaborators is not altogether surprising. Industrialists have, of course, been driven into collaboration by the need for raw materials, but there is no doubt that many of them would have been ready for it without this compulsion. It is, after all, only extending to the whole of industrial Europe the practice of monopoly which has long been the goal of the average businessman and his associations. The heavy industry of France, Belgium and Holland were already inextricably bound up with German industry and one of the reasons why there was so little resistance is that the Nazis are not altering economic relations so much as abolishing the political frontiers which, until 1940, hindered the unlimited cartellization and merging for which many industrialists were perfectly prepared.”

With the continuation of the war, the further interlocking of European industries is unavoidable. The European blockade, unless it assures a quick collapse of Germany — a situation less and less to be expected — will turn finally into a blessing for the Nazis, because it forces the European nations into continually closer collaboration with Germany. As long as the Continent is ruled by German arms, the recognition must grow in all European nations that it will be far better for them, in order to relieve their own miseries, to help Germany terminate the war successfully. To prevent this situation Germany must be defeated by extra-European powers and by military measures. “Undying love” for “real, national independence”, and “undying hate” for the oppressors are, after all, only luxuries in which the

various governments-in-exile may indulge; but the puppet-regimes and their subjects in the occupied nations face other problems. They are bound to develop vested interests of their own and will be ready to defend them with the same vigor with which the governments-in-exile try to regain their lost positions. In the course of time, those puppet-regimes will have to serve Germany better, not only in order to defend their own newly-acquired interests, but in order to defend their own lives. Thus if Germany is not defeated soon, the whole European Continent will have to be defeated.

With the defeat of Russia, or with the conclusion of a separate peace, the power of German Europe will be greatly enhanced. Of course, a Nazi Europe is no blessing for the workers and the other powerless groups in society. It will not improve their lot. It will only allow the Nazis to stay in power either by continuing the war, or by reaching a peace that can serve only as a prelude to a new and mightier war. If the unification of Europe by itself would mean anything, it would be difficult for a worker and socialist not to support Hitler for, after all, if socialism presupposes the end of national boundaries, the United States of Europe could be considered a progressive step in the direction of socialism. However, the British Empire as well as the United States of America is proof enough that a mere enlargement of the capitalist state from a national to a continental or imperial form implies nothing of interest to the workers. It is a step in the development of capitalism, no doubt, and thus a step in history vitally affecting the working class. Yet it is of interest only to a working class still capitalistically determined, and it is thus a step against them.

Theoretically, and independent of the possibility of its attainment, even a United States of the World could very well maintain its capitalistic character and would not constitute a socialistic goal. Socialism begins not with the state and geography, but with the worker and his relation to the means of production and the products of his labor. Unless this fundamental problem is solved, no problem can be solved socialistically. Thus the workers, one might say, must oppose Hitler not so much for what he is doing as for what he is not doing. Because he claims he is doing something *for* the workers, it is obvious that he is acting *against* them. Nobody can do anything *for* the workers. What the workers need they can realize by themselves alone. Short of socialism, that is, the conscious regulation of production according to social needs, the production for consumption and for no other purpose, the elimination of special interests in society and special power centers able to control the rest of society and thus to preclude a social production—short of this goal and of all activity leading toward it, the crisis resulting in the present war will continue to prevail in a unified Europe. The war will go on and the great energies released in the unification process will be wasted in the more rapid destruction of the products of labor. Capitalist society will never find peace again. The possible temporary cessation of warfare will only bring out into the light of the day that crisis that was at the bottom of the war and that the war has been unable to solve.

The "new" crisis will again lead to the resumption of war in the relentless yet futile attempt to make the capitalistic system work through organizational changes that leave untouched the essential socio-economic relations between capital and labor.

Hitler's "Secret" Weapon

How was it possible for Germany to accomplish what she did in so short a time? We have already traced the event of Germany's comeback as an imperialist power to the simple fact that after the last war the world remained a capitalistic world, and thus a world divided on the question of whether or not to destroy Germany for good. Roosevelt and Churchill spoke of mistakes that were made in 1918, particularly of the mistake of not disarming Germany completely. At their Atlantic meeting they vowed not to repeat this mistake. The truth is, however, that Germany was disarmed in the most thorough fashion after the last war. Re-armament started from practically nothing, and was rendered possible not by any mistakes made at *Versailles*, but by rivalries among the victorious Allies. To avoid the recurrence of such a situation it is not enough to keep Germany disarmed; *all* nations except that nation or that bloc of power which gains an absolute monopoly in arms must be kept disarmed. And this is the goal of Roosevelt and Churchill. By announcing their determination to destroy Germany as a military power once and for all, they are proclaiming themselves the dictators of the world.

This is an attempt, or rather a hope, at out-doing the Nazis. If, for reasons of objective limitations, Hitler does not at the moment aspire to more than a German Europe with great influence in all parts of the world, his Anglo-American opponents need not share such "humility", for they are already in possession of most of the world. Certainly it seems easier for those who control the world to capture Continental Europe than for one nation controlling Europe to capture the world. Hence the confidence in final victory on the part of the Allies ideologists. Thus also Mr. Adamic's recent suggestion to adopt a "Two-Way-Passage" policy, that is, to have Europe controlled by "returning" Americans, who have learned during their stay in the U.S.A., how best to solve all social, political and human problems. America is seen here as a sort of *Ordensburg* a la Hitler, educating a ruling class able to control Europe for a "Thousand Years". The Nazi-slogan *Hitler ist Deutschland* is transformed by Mr. Adamic for the needs of American imperialism in the more comprehensive *Dale Carnegie is the World*. This "spirit" even gripped more successful writers than Adamic. The German ex-patriot Thomas Mann writes in the July, 1941, issue of *Decision*, that today

"the term Europe' is already a provincialism. The concept of the world state has been born and will not rest until it has achieved reality. The notion that such a world state must be German is a lunatic jest."

However, this lunatic jest, Mr. Mann forgets to state, has not been made by the Nazis but by the propaganda experts of the Allies. It is not Hitler's goal, but it expresses the actual fears of lunatics and it is out to create more fearful lunatics. Furthermore, it serves to justify the propaganda for an "Anglo-American World State", for "Union Now", for "hemispheric control", and all the other current slogans of American capitalism. Behind the concept of the illusory capitalistic world state, which "will never come to rest", is nothing more than the desire of the most vicious of American imperialists to "out-nazi" the Nazis.

Thus far, however, Hitler's "provincialism" has proved more effective than the attempt of the Allies to transform the poor novels of H. G. Wells into a rich reality. Notwithstanding the "new concepts", namely, the recognition that it is not enough to suppress one nation in order to maintain peace but that all nations must be suppressed by one, these great "concepts" have utterly failed against the direct actions of the Nazis.

Hitler recognizes no problem but that of how to stay in power. His "program" consists of the various steps necessary to secure Nazi rule. What kind of steps these are is of little importance. All are satisfactory as long as they answer Hitler's single-tracked need. This "narrow" point of view provides for a consistency in action which transcends all the various contradictory steps that have to be taken because of the force of changing circumstances.

The principle that assures success for each capitalistic enterprise remains successful if applied to a whole nation. Yet, as in the case of a single enterprise, what one does, one does not know. Even what one "wants", aside from power, one does not really know. Hitler may "want" to prolong the war and thus bring about peace; he may "want" peace, and thus extend the war. What he "wants" and what he does are two different things, and thus it really makes no difference whether he consults the stars or the German general staff. However, he consults both — the stars, because there is no information as regards the future; the general staff, because he wants to remain in power the next day and, if possible, the next year. The Nazis' "direct actions" are still reactions to forces that escape control and comprehension.

Yet there is a kind of knowledge, a degree of planning, and a limited predictability with regard to certain phenomena. The greater the sphere of action that falls under the control of a single-track interest, the more forceful will that interest be. Just as a capitalist monopoly controls more of the social life than does a small enterprise, and controls it more consciously, so the centralized political and economic system in Germany controls its sphere of interest better than do the less centralized "democracies".

"Better" means here only better for the Nazis. As little as the extensive control of society by monopolies was profitable to society, just as little can "social" be applied to the still greater social control exercised by the

Nazis. In both cases only the immediate needs of the controllers find recognition. In this manner the more efficiently the controller's needs are met the more social needs are violated. The whole of society is more and more adapted to the specific needs of the ruling class — needs which, even from a capitalistic point of view, correspond less and less to the needs of society as a whole. The more conscious regulation there is under such conditions, the more chaotic society becomes. One has only to look around today to recognize this immediately as a fact.

Although the "successes" of the Nazi regime benefit no one but its ruling class, they remain successes nevertheless if compared with the demonstrated inability of the Allies to break the Nazi Rule. Because of the fundamental weaknesses of Germany, which we have already dealt with, the Nazi successes remained a mystery, though an explanation of them was sought in "secret weapons". A Goebbel's joke was taken seriously. If the reasons for the Nazi victories remained "secrets", they were at least "open secrets" and their recognition has been delayed only because of Allied propaganda devices adopted early in the game. The secret of fascistic success is fascism itself.

To admit that much means for the "fighters of democracy" not only to admit defeat in advance, but also to admit a share of responsibility for the rise of fascism. The transformations taking place in particular nations find their reasons in the present status of world capitalism. The "German crisis" that brought Hitler to power was part of the world crisis. Hitler was nourished in New York, London, and Paris as well as in Munich. If the capitalists in the "democracies" have only a pitiful smile for the *Dummkopf* Thyssen, the latter, if he is still able to, can get a great kick out of every defeat the Allies suffer. Did not Hjalmar Schacht warn them even in 1931 that "large-scale alienization of German industry would produce nationalist and social reactions which would make peaceful conduct of foreign business impossible"? After all, even in Germany, as now in Europe and on a world-wide scale, Hitler took, as he still takes, primarily from "foreign capital", since the German capital was either near bankruptcy or actually out of business.

The German capitalists lost little by Hitler's ascent to power. They hoped that fascism would bring them gains, and thus supported Hitler for reasons of their own. Peaceful attempts to escape the dead-end that German capitalism had reached proved futile. The famous *rationalization* of German industry, a triumph of technique, was a flop economically. Though productivity was greatly enhanced and competitive power strengthened, the economic and political counter-measures of the competitor nations turned all this effort into just so much waste. So, after the rationalization of technique, came the "rationalization of political economy". The state was to bring back "profitability" where the capitalist "automatism" had failed. After trying hard to erect a dictatorship without Hitler (Bruening, von Schleicher, von Papen), they found that a dictatorship could be erected only

with Hitler, that is, as a "popular movement". Half they were drawn, half they went themselves" into the arms of the fascist state. They had not the slightest reason to distrust the "drummer" when, in a speech before the industrialists of *Rheinland-Westphalen*, he assured them that his program stressed particularly

"The necessity of private property and of an economic order based upon the profit system, individual initiative, and inequality of wealth and income."

They knew then that Hitler was "their" man; internally against the workers, externally against foreign competitors and monopolists.

The increase of profitability at the expense of labor, though still a factor, is now, however, a factor of minor importance because of the small part of the total capital that now accounts for labor. Of course high wages can still be brought down, but then ten years in Germany had brought them down already. To lower them still further to any great extent would lead only to a decrease in productivity, a fact now generally acknowledged. At any rate the little to be gained thereby would not solve the problems that Hitler faced. The question of unemployment simply had to be solved. In so far as Hitler's movement was a "popular movement" it was a "movement of the unemployed" in the widest sense: workers, intellectuals, professionals, crisis-ridden peasants, bankrupt traders and industrialists, all were constantly fearful of losing even that miserable hold they had on life. Hitler's employment program was one of public works, made temporarily possible by a levelling process that cut down wages wherever possible and raised the income of the unemployed to the lowest wage levels. But once this levelling process spends itself, this type of work-creation find its end unless the levelling process is extended beyond the proletarian layers of society.

To solve the problems of German capitalism "at the expense of labor" can mean only to increase its productivity and decrease its actual income; that is, it can only mean more unemployment. But Hitler came to power precisely for the reason that this traditional capitalistic policy could no longer be employed without endangering the whole capitalistic structure. Capitalism can solve its problem, however, only at the expense of labor. This dilemma may be temporarily overcome through the extension of the levelling process over larger territories and greater masses. What works for a while at home, works for a longer time when carried out abroad. With limited resources, the economy that polarizes society into a small gang of owners and broad masses of paupers will near stagnation and permanent crisis conditions when a certain point in the process of capital concentration is reached. To overcome this stagnation it must find new resources. But the capitalist stagnation was world-wide, and each nation found itself in need of new spheres of exploitation in order to realize those additional profits that are necessary to get the home economy once more afloat. The smaller the resources and the sooner the "blessings" of the leveling processes of the crisis found their end, the more pressing became the need for conquests. The lack of resources explains the aggressive character of the fascist na-

tions. The "lethargy" of the democracies is explained by their greater and richer possessions. The levelling process, which is resorted to in lieu of real capital accumulation, and which is in evidence also in England and the United States (Keynesian Economy and the New Deal), exhausted itself earlier in Germany than in the richer nations. Because the latter would not freely grant what Hitler needed to stay in power, he tried to take it by force.

If Hitler succeeds, the present German "prosperity" may well continue. The more territory he takes in, the more raw material he can reach, the more capital he can expropriate, the more workers he can exploit — and exploit without making the concessions he still has to give to the German workers to make this whole process of acquisition possible at all — the longer will the "prosperity" last.

The "secret" of his success is quite simple. It consists of nothing more than the earlier adoption of the "new" organizational principles that increased Germany's military power. Just as in the beginning of capitalism, the *division of labor* — a mere organizational principle — gave those entrepreneurs and nations that first employed it enormous advantages over those still engaged in traditional handicraft, so a "new" principle, or rather the extension of an old principle over a greater field of activities gives the Nazis their present advantage. One must remember that the industrial revolution that changed the world was only the *result* of the division of labor already in force; organizational changes preceded technological ones. The early adoption of "new" organizational principles by the Nazis has in the same manner led to a new industrial revolution. Necessity being the mother of inventions, this industrial revolution is of course closely connected with the German war needs, and thereby differs from the industrial revolution which made possible the capitalization of the world. In view of the previous general stagnation of capitalism, it is an industrial revolution nevertheless. The very collapse of liberal capitalism is its base. Reality itself proved that *laissez faire* was only an ideology that apparently fitted the early conditions of capital expansion. What was real in liberal society was the exploitation relation: between capital and labor. The only real organization in the economy was that which existed in each enterprise, or monopoly. To organize a whole nation as efficiently as each enterprise is organized, or, rather, to look upon the whole nation, or the whole Continent, as an enormous factory of bosses and workers — in this consists the "new realism" of which the Nazis are so proud. What they had not been able to learn from Marx, because they burned his books too early, the capitalist reality itself made them understand with the result that they became better capitalists than the capitalists before them.

To be a bigger capitalist is to be a better one. German capitalism, although highly advanced, remained a "poor" capitalism in comparison to English and American capitalism. In Germany, the concentration of capital did not proceed as rapidly as in the United States. Thus an apparently

new contradiction arises, for if fascism results from a highly concentrated monopoly capitalism it should have reached America first, not Germany. But many roads lead to Rome. Though there was less concentration of capital in Germany, there was more *cartellization*. Though the enterprises and trusts were not so rich as they are in America, the Germans made up for this lack in capital strength by more thorough organization through the cartel system. Thus the weaker monopoly capitalism in Germany lost its "private" character earlier than the stronger one in America; thus the nation "economically" much better adapted to the "laissez faire system" than the American plutocracy, lost its "democracy" first. It had to become a bigger and thus a better capitalism by way of pooling its resources and organizing its activity rather than by the ordinary way of general competition. Therefore politics, not market economy, began to determine the destiny of German capital. Technological changes in Germany, and the resulting increase of productive capacity, demanded — in order to become possible at all — central control over all capital, labor, and natural resources. The new industries, especially in the field of chemical production, could no longer be built upon the basis of a private property capitalism of the old order, for as the *Deutsche Bergwerks Zeitung* wrote:

"Today you have to produce where production seems the most profitable from the viewpoint of BOTH national and private economy, that is to say, where you have to use minimum manpower and materials to obtain maximum volume and quality of production... Now then it is inevitable that you give one enterprise what you take from another, and conversely, and there is no way of adjusting a balance equitable for all... The idea of balancing and compensating must not be allowed to hamper technological and economic development, even if the measures to be taken imply a new set-up which might hurt particular interests."

All this, of course, took place by way of internal and external struggles that involved the most contradictory and variegated interests of all layers of capitalist society. The "end-product" of these struggles was the Nazi state of today.

When we say that the capitalist crisis has to be solved at the expense of the workers, we are fully aware that there is more to capitalism than just this particular process. If the crisis cannot be solved at the expense of the workers, it becomes a permanent condition of society, though this permanence may be obscured by the most lively and deadly activities. The capitalist crisis, as well as its prosperity, sees continuous changes in the distribution of wealth. Profits are concentrated into fewer hands. The crisis only accentuates this process. When people speak of Hitler's undertakings and Roosevelt's "New Deal" as "socialistic measures", they actually speak of the re-distribution of wealth. This, too, is a levelling process, because it still further weakens the weaker capitalistic elements, and thereby still further strengthens the stronger ones. It is the enforcement by political means of what would otherwise occur at a much slower rate in the general development of capitalism: the polarization of society into controlled masses and a few controllers. However, this does not solve the capitalist

crisis, but "artificially" increases the economic activity, until the levelling process has spent itself. In short, what exists and what is produced are still sufficient to finance — in the interest of social stability — some non-profitable enterprises. But it is not enough to overcome the crisis capitalistically, that is, through the stepped-up accumulation of capital.

Unfortunately for all concerned, if a nation engages in this type of economy on a large scale, it becomes difficult, if not impossible, to reverse the trend. For new power centers are developed and new vested interests created, all bent on the continuation of the levelling process. Those forces have a large "clientell", a "mass following" among those who have to be "appeased" in order to maintain social peace. What has been thought of as only an "emergency" to be abolished by the new prosperity "just around the corner" becomes the "new prosperity", and by itself precludes the arrival of a "true" capitalist expansion. Yet to continue to think and act in terms of the "emergency" means to come nearer and nearer the point where the "economy of re-distribution" will cease to support the capitalistic structure. To escape that point an "emergency" within the "emergency" must be created. At that point a nation goes to war.

With their creation of German Europe the Nazis merely demand the right to participate on more equal terms in modern "welfare economics". Unable to equal Roosevelt's WPA on German soil, they asked for more *Lebensraum*. It is their serious attempt to safeguard the capitalistic structure, not to abolish it, that causes them to speak in "socialistic" terms.

The Atlantic Brenner

What happens in America today is what happened in Germany only yesterday. What happens in Europe today is the attempt of German capitalism to hold the initiative which it won by being the first highly developed country to go fascist. And as the principle of an organized capitalism yielded immediate results in Germany, so it may bring corresponding results on the Continent, if the battlefields of the war can be kept outside Europe. In fact, from a purely technical-economic point of view it might yield even better results — since the additional agricultural territory, the new raw materials, and the additional cheap labor lend themselves more effectively to an economic integration of the total economy — than does an extension of the previous emphasis upon an industry lacking raw materials and unable to feed its working population. However, for political-economic reasons it may yield fewer results since the bureaucratization necessary to "harmonize" the thousandfold needs and interests of Europe with the specific war needs of Germany may be costly enough to offset gains in other fields. The relationship between Germany and the extra-German nations of Europe may deteriorate, or develop, into one similar to that between North America and South America at the present stage of development — the controller nations having to feed the controlled nations instead of being fed by them. The war itself is responsible for this situation; its continuation

makes the whole prospect of continental economy increasingly more problematic. At the present time and despite all successes "Europe", as Mary MacCollum has said, "is absorbing the Germans, the Germans are not absorbing Europe". Thus, as in the last war, the Germans are the ones to clamor for peace, not because it is characteristic of beer-drinkers to be friendly, but because the Germans get the jitters when they realize their real position in the world.

Though Germany never followed a policy of autarchy, German Europe is an autarchy because of the blockade. To enter world trade means to send additional armies into extra-European territories. But for a long time to come, German arms will be unable to carry on business in the Western hemisphere and in Asia. To make Europe self-sufficient in regard to foodstuffs is not altogether impossible, but it will take so much time that, even if undertaken with success, it well might "benefit" only a dying population. It means the re-allocation of economic activities on the largest scale, the industrialization and intensification of agriculture, the education of millions of peasant masses. It means work, work, and more work. Work that is rendered largely senseless by the fact that at the same time these efforts are made, foodstuffs rot away in other parts of the world and agricultural production is reduced in favor of armaments. If the war should end with capitalism still intact, the dislocations and disproportionalities of profit production will be even greater than they were before the onset of the war. To utilize the economic possibilities inherent in the unification of the Continent would mean to organize the Continent as an integrated part of world economy.

The control of the Allies over the foodstuffs and raw materials of the world, although a forceful weapon, is not powerful enough to bring Hitler down. Their control over South America and Asia promises neither permanence nor profits unless Hitler's plans for a German Europe are shattered. To stop the exchange of goods between South America and Europe, for instance, means for the United States that she must compensate her "friendly neighbors" for their losses. In this way Hitler hurts America either way; by extending his barter system to South America and by not doing so. To make the coordination of the economies of South America and North America a profitable business is just as difficult, if not more so, as to make Europe a source of profit for Germany. Both processes tend to pauperize both the controlled and the controlled nations.

To make South America profitable to the United States means to change much of her agricultural into industrial production. This is still in line with the general trend of capitalist development. The transformation of agriculture into industry is another expression for the concentration of capital. Within a given territory a certain stage of capital concentration prevents further capital expansion. Just as in the case of labor, so in the case of agriculture the appropriation of profits from the land diminishes with the diminishing importance of agriculture within the whole capitalist

setting. Just as in the case of the labor of other nations, so must other agricultural territories be absorbed by the more powerful capitalistic nations. Thus, even without the war, a "hemispheric policy" would have been adopted by the United States.

The European nations are dependent upon the foodstuffs and raw materials from overseas. Their "independence" is not real. A successful transformation of the still backward agricultural nations of South America into industrial states would make necessary the transformation of the industrial European nations into agricultural states. It would necessitate a general European exodus to the Western hemisphere. Marx who once said that because "money is the god of the Jews, all Christians have turned into Jews" could now say that "because Europe is emptied of the Jews, it soon will be emptied of the Europeans". Stating the problem, however, means to realize its insolubility. In reality, South America will remain an agricultural territory because of American control. If America wins the war, South America will become even more "backward", that is, impoverished. A nation that has not been able to solve the problems of her own Southern States, or rather, that solved them capitalistically by impoverishing the poorer sections still further, has nothing to offer in the way of hemispheric control except a large-scale repetition of this process.

German Europe, too, is not organized in order to benefit the world, but as a means to win the war. And here it is quite possible that it will help the Germans, albeit at frightful expense, to "carry on". For this reason the blockade will never be relaxed until America is ready to share the world with Hitler or until Hitler is defeated. It is not so much the idea that the hungry people of Europe will rebel that makes the democratic humanitarians so human that they will not relax the blockade. Even the dullest of them must know by now that unarmed people, however hungry, cannot arise against a war machine such as the Nazis possess. It is rather the hope that they will starve and die, so that Hitler cannot utilize their labor in his reconstruction schemes that may enable him to wage war "indefinitely."

German Europe, even at its "best", will be a sickening substitute for a needed continental world-integrated economy. It will be a wasted effort, just as the industrial revolution in Germany turns out to be a wasted effort. To be sure, the changes in Germany have made her largely independent in regard to certain essential raw materials. She could thus enter the war with greater confidence than in 1914. This industrial revolution, laughed at as the German *Ersatz* industry, will prevent an early collapse of the German war machine. Attempts to extend this revolution over the whole of Europe may also serve to prolong the fighting ability of Germany. Yet, the greater productive capacity is nullified through the increasing destructive needs of capitalist society. The energies needed in the reconstruction of German Europe may exhaust Germany sufficiently to make her vulnerable in the highest degree on the very day of her greatest triumph.

Roosevelt's and Churchill's entire strategy, if one can use this term here at all, consists then of the simple attempt to prevent peace. Foremost in their minds is the thought that the war must continue no matter what happens, and no matter how long. Hitler must not be given the opportunity to utilize his conquest. Even if he wins continuously, his enemies are so numerous that the victor over nine might well be sufficiently exhausted to be brought down easily by his tenth opponent. This last opponent is, of course, America. What does it matter if France went down? A weaker France may arise again. If Russia and the Balkans lost out? They will only be more dependent upon America later on. What does it matter even if England is invaded? It will show her who is master of the world. America Hitler will never be able to subdue. Roosevelt's war spirit is not determined by the fear that Hitler may invade the United States, but by the certainty that he will not. All the battles in Europe lost by the Allies will in the end also be lost by Germany. Once more America will be the sole winner. A defeat of Russia will no more alter Roosevelt's determination to bring down German fascism than have previous defeats. New theatres of war will be opened, more lend-lease aid extended, and, in Mussolini fashion, America will only more speedily prepare herself for that final thrust when the time is ripe.

However, this "clever strategy", dictated as it is by necessity, has its Achilles heel in Britain. The English politicians cannot be too enthusiastic about this long range point of view. When will the time be ripe, if ever? Though delayed action may suit the United States, and, for a time, England too, in the end it may be deadly for the latter. Thus England's needs may force the United States into active engagements before she is really ready and able to administer that final blow to Hitler.

After the Balkan debacle it was said that the outcome of the war depended on the "Battle of the Atlantic". However, the war is a world war and its outcome does not depend upon a particular scene of battle, but is determined by a great complex of economic, political, and military factors. The Russian defeat may put Britain in about the same position that Greece occupied before the swastika was raised over the Acropolis. The British had to sacrifice Greece, and they are fearful that England too may be sacrificed in order to prolong the war. Will America really be able to save England? Only recently Prime Minister Mackenzie found himself obliged to remind his American friends that they must be serious not only in their guarantee of Canada, but also in regard to England proper. He can rest assured; America will do her utmost to defend Britain. The question is only, will the utmost be enough? Even if Churchill is convinced that it will be, not everyone is.

Things have changed in England. Not that socialism is sprouting there, but the rapid disappearance of the Chamberlain-men indicates the existence of a "popular movement" capable of influencing events. The Labor Party has always closely guarded the interests of British imperialism. It,

too, fears a unified Continent, because it fears that the increased competitive power of a united Europe will destroy the better living standard of the English labor aristocracy. Their opposition to "appeasement" indicated only that they were even better imperialists than their masters. However, their imperialism is determined by a stricter nationalism, and for very good reasons. They think not so much in terms of British world capitalism as in terms of the British Isles. The ideologists of the English labor movement have not forgotten what happened to the German labor bureaucracy and to those workers who insisted upon an independent labor movement when Hitler came to power. Out of sheer physical fear that all this will be repeated in England, they are quite willing to accept Churchill as the true symbol of English unity, and to look upon this ordinary imperialist war as a genuine anti-fascist struggle. Still, they are beginning to view with great suspicion the trend of the war that now turns more and more into a mere defense of American imperialism. They may put pressure on the Churchill cabinet to safeguard British interests more consistently, and may force Churchill, in turn, to put pressure on Roosevelt, who seems inclined to gamble away the whole British Empire just to insure final victory. In the interest of Anglo-American unity, America may therefore strike "before her hour has arrived". And yet, in doing so, she may once more play into Hitler's hands: first by not acting early enough, that is, during the German-Russian war; and second, by acting too soon, that is, before Hitler is sufficiently weakened and before America is sufficiently armed. The "correctness" or "incorrectness" of America's policy will be judged in the battles still to come. Until then the inconsistencies displayed in American politics may well continue.

The "battle of production" in America will not determine events. Even if brought to a climax in a reasonably short time it may well have been in vain, for though it is true that battles are won by the possessor of the superior war machine, it is too simple a conclusion to foresee an American victory merely because of her greater productive capacity. Those political accountants who measure production against production and then predict defeat or victory forget that, aside from the element of accident and the problem of transportation, there must still be considered the more important fact that in capitalist society class and group interests, not technical abilities, are of foremost importance. These interests may foster or hinder the war effort.

However necessary, it is impossible to include the class element in the calculation of warfare. The only way to deal with the matter — to some degree — is to suppress class frictions and to subordinate the diverse interests to the will of the war leaders. Under certain conditions, though not always, dictatorship guarantees "unity" and concerted action. The strength of private property in England and America, though waning, is still effective enough to interfere with the "proper" execution of the war. How long will it take to merge capital and state completely? That the

war has gone the way it has shows clearly that the foreign policy of a nation is not a thing apart, but is closely related to existing class relations. As the war progresses and brings about shifts in class relations and rearrangements in the relationships of all existing interests, the objectives for which this war is fought are also bound to change. Thus the further trend of the war will be determined by what happens on both fronts, the one at home and the one abroad. Predictions as to the future become less than probabilities. There might be many changes and there might be none. The only thing that seems to be a certainty is that the war is going on.

The present goal of Churchill and Roosevelt, however, is as clear as Hitler's. Though England's world domination was assured under less developed conditions because she ruled the waves, this is no longer sufficient because of the capitalization of the world accomplished in the meantime. The nation that is to rule the world must rule it, and not just the seven seas. The difficulties here involved suggest a sort of "automatic" police system which necessitates the continuation of numerous quasi-independent states, the control of raw materials, foodstuffs and trade. Already the numerous nations of Europe are assured of their continued national existence. Already the framework is laid for the control of the world's resources. The control of trade will be assured by the destruction of all save the Anglo-America navies. The "freedom of the seas" upon which Roosevelt so firmly insists means to free the seas still more completely of all vessels that do not fly the flags of Britain, America and, of course, "Panama". At the end of September, 1941, an Allied Committee sat in London whose job it was to construct in advance the framework for the great humanitarian effort of feeding the dead when the war is over. A big reservoir of foodstuffs and other supplies is to be created to be poured into Europe as soon as the Nazis are done for. Yet even the European allies of the Anglo-American bloc, not to speak of Hitler's continental allies, were beset with great suspicions. Ivan Maisky, the Russian representative at the conference, protested the "all-British character of the proposed central coordinating bureau and reserved for himself the right to make proposals that would give it an inter-allied character." The representative of the Netherlands

"warned against exceptions to plans for access of all nations to world trade and raw materials after the war, and declared that everyone will have to make sacrifices. He referred specifically to point IV of the Atlantic declaration in which Britain and the United States promised to provide such access to all nations, but, with due respect for their existing obligations."

"With due respect for their existing obligations" — can mean only their "obligations" to America that usurped world "leadership" in the very effort of defending "the smaller nations against aggression." Under such conditions, the various nations and their governments will be just so many puppet regimes of the Anglo-American power bloc. They will have escaped Hitler only to be caught by his enemies.

If all the other issues of this war are still clouded, it is perfectly clear that this war is a struggle between the great imperialist contestants for the biggest share of the yields of world production, and thus for the control over the greatest number of workers, the richest resources of raw material and the most important industries. Because so much of the world is already controlled by the small competitive power groups fighting for supreme rule, all controlled groups in all nations are drawn into the struggle. Since nobody dares to state the issues at stake, false arguments are invented to excite the population to murder. The powerlessness of the masses explains the power of the current ideologies. Yet these ideologies are not invulnerable.

The ranks of the powerless, armed with deadly weapons, exercise the greatest power there is — the power to kill. The final meaning of the existing social relations will enter the consciousness of men. There will be for once a perfect harmony between the material and the mental side of capitalist society. This might be more important than all the empty phrases that have issued from the Brenner Pass and the Atlantic Brenner. Men may then see clearly that capitalism means death and life something else.

Paul Mattick

BOOK REVIEWS

WORKERS BEFORE AND AFTER LENIN. Fifty Years of Russian Labor. By Manya Gordon. E. P. Dutton & Co., New York, 1941. (524 pp.; \$4.00).

Similar to Yvon's book of some years ago, but more comprehensive and in part with superior material, Miss Gordon's book deals with most of the important changes in Russian labor policy and labor legislation from the beginning of the bolshevik regime to the present. Interesting as are her descriptions of the attitudes toward labor problems in pre-war Russia, they serve rather as an introduction since the book as a whole is designed as a critique of bolshevism. Nevertheless, such things as the story of Count Witte's intelligent suggestions for solving the labor problem in Czarist Russia, the story of the Zubatov-movement, the characterization of the early labor movement and the first Duma help one to understand the Russian development better.

There is little in the book, however, that will surprise our readers. The author produces the data which simply show that the working and living conditions of the Russian population — apart from the ruling bureaucracy — have not been improved but have deteriorated. For example: "Between 1929 and 1937 a working family's food expenditure increased 5.4 times, while the head of the family's income in rubles increased 3.3 times, from 75 rubles to 250 rubles. Instead of the much publicized increase in wages during the Five Year Plans, 1928-37, there was an actual decrease in real wages of something like 40 per cent... Whereas in 1937 the production of machines was twenty-eighth times as much as in 1913, wages were lower than in pre-war Russia".

In the attempt to prove that the bolshevik regime is rather worse than that of the Czar, Miss Gordon corrects a number of misunderstandings as to the character of pre-war Russia. She brings to light facts such as this: "despite being rigidly anti labor and hostile to trade union activities, Russia was in advance of the Western nations in a number of labor laws". However, Miss Gordon does not recognize that here she has her fingers on an important item that helps to explain the totalitarian tendencies closely associated with capitalist development in Russia. Rather, she is inclined to accept those facts as signs of a possible liberal development that has been unnecessarily interrupted by the wrong policies of bolshevism. However, it has been revealed throughout the world that forced capitalization in relatively backward nations is accompanied by advanced labor laws despite all anti-labor policy. In Germany, for instance, state fostered industries coincided with the "Anti-Socialist Laws" as well as with the most advanced social legislation.

Miss Gordon, although very able in selecting and assembling relevant data is, unfortunately, also possessed of what is usually called a "humanitarian" and "noble-minded" attitude — a quality that is now identified with "democracy", "liberalism", and "progress". The facts she produces and the philosophy she adheres to do not fit well together. For instance, though Miss Gordon points out that the promises made to the workers by Lenin and Trotsky could not have been kept because of the economic backwardness of the nation, she herself nevertheless believes that a "democratic regime", a re-

gime more to her own liking, would have been able to improve the conditions of the population. She points out that "communist concentration on machinery instead of on the essential needs of the people made a mockery of all the propaganda about a victorious Socialism". It does not occur to her that this "communist concentration" was nothing else than the "production for the sake of production" that characterizes all capitalist nations. The form of government — democratic or dictatorial — does not effect the main feature of capital production, which is accumulation for the sake of accumulation. Even in a "socialism" more to her liking, this process would be valid and would finally lead to a fascist dictatorship. The bolsheviks merely did in advance what in Miss Gordon's "socialism" would have appeared at a later date. For though the bolsheviks changed the government and abolished private property in the traditional sense, they did not end the capitalist mode of production. This latter essential item however, does not bother Miss Gordon in the least. Her concept of "socialism" differs not at all from that of the bolsheviks. The difference lies in her "noble-mindedness" that lives and lets live but does not question how. Besides, the problem of the Russian dictatorship cannot be understood solely from the point of view of the internal struggles between bolshevism and the democratic forces in society; they are just as much determined by external occurrences within the setting of world competition. But being a champion for democracy, it is only natural that Miss Gordon does not look for the reason for dictatorship in the capitalist democracies.

Luenika