

political affairs

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mechanical facts of production and consumption. He contended that Marx held that "crises are phenomena of the material processes of economic life (production and consumption), not of business traffic." He rigged the argument by identifying "production and consumption" with "material processes." For Marx, as Veblen should have known, neither production nor consumption was conceived of as exclusively a "material process," but always as processes whose nature is determined by the social relations within which, and through which, the material processes function—the wage-labor system for example. The industrial is not simply mechanical production of use values; it is also the consumption and production of exchange values, and in particular, the creation of surplus value.

By defining the industrial process exclusively as the consumption and production of use values, Veblen excluded the creation of values in the industrial process—where alone they are created. He thus barred consideration of the fundamental nature of the industrial process under capitalism; the relations of the owners of the means of production to those who own only their wage labor; the conditions—the production of surplus value—on which that labor is consumed; and the consequent recurring disparity between the value of the total product and the values which the working class receives in wages—the source of crises.

He touched on the core of the problem in the suggestion that increasing the amount of waste could counteract chronic depression or downturns. But he did not backtrack the

inquiry to uncover the real sources of the surplus—of surplus value. He touched on the core of the problem again when he projected the beneficent consequences—in frustrating chronic depression—that might come from monopolization. But he did not backtrack this inquiry to lay bare the source of the increasing flood of investment funds for investment—the creation of surplus value.

Veblen's *Theory of Business Enterprise* is an acute analysis of the state of the Union at the turn of the century, and a provocative description of the newfangled achievements of the higher finance. His inquiry into business enterprise, in its strictly economic aspects, was virtually a preoccupation with the aspects of higher finance, and, equally, a disconcert with the old-fashioned capitalism. In doing so he sloughed off a probing of the inner nature of capitalism, the social nature of capital, the process of the creation of values, a theory of value, and similar problems.

His substantial achievements, and his profound deficiencies are equally characteristic. His successors, for the most part, are his peers only in the latter respect.

The Theory of Business Enterprise is a provocative work in several fields which have not been touched on here. Among them are: the relation of the superstructure of ideas and institutions to the machine process; the nature of the class structure under capitalism; the determination of class composition; the nature of trade-union consciousness; and the varieties of pseudo-socialism. Limitation of space makes it possible only to recommend a reading of the volume in its entirety.

Editor: HERBERT APTHEKER

The Economic Crisis in Latin America

By Hyman Lumer

THE ECONOMIC CRISIS in the United States, which began in 1957, affected other sectors of the capitalist world in varying degrees. Especially pronounced was its impact on the raw materials-producing countries, and among them the most severely affected of these were the Latin-American nations. Their economies, closely tied to that of the United States and heavily dominated by American imperialism, are today in a critical state.

DEPENDENCE ON U.S.

These economies are based on the export of one or more raw materials and the utilization of the foreign exchange so obtained to import the bulk of the food, clothing and manufactured goods which these countries need. Nearly 32 per cent of Latin America's national product goes into foreign trade (in some countries as high as 60 per cent), the lion's share of it with the United States. Thus, in 1956 the United States took 46 per cent of Latin America's exports and supplied over 50 per cent of its imports.

American big business owns near-

ly 80 per cent of all foreign investments in Latin America, and this area in turn accounts for 35 per cent of all investments by American corporations abroad. Most of its industry and resources are in American hands. In Chile, for example, Anaconda and Kennecott produce 92 per cent of the entire copper output. More than 75 per cent of South America's proved oil resources are controlled by United States oil companies. The major part of Latin-American mining, transport, communications and power industries are in U.S. hands.

American monopoly capital extracts huge sums in profits through trade and investment, while the Latin-American people live in the most abysmal poverty. In 1958, the average per capita income was only \$212 a year. In Peru, Haiti, Paraguay, Nicaragua and Bolivia, it was less than \$100. And the highest, in Venezuela, was no more than \$480.

ECONOMIC PROBLEMS

The onset of the slump in this country in 1957 found Latin-American nations already in serious eco-

conomic difficulties. (Excluding Venezuela whose situation as a major center of U.S. oil investments is in some respects exceptional). The volume of exports from these countries, which had remained static over the preceding five years, fell in 1957. At the same time prices of export commodities dropped considerably.

Some, like coffee prices, had been declining since 1954. Others, temporarily shored up because of the closing of the Suez Canal, fell sharply afterward. Between the first and fourth quarters of 1957, the *United Nations Economic Survey of Latin America*, 1957 (Columbia University Press) reports, coffee fell 8.7% in price, wheat 7.2%, sugar 35%, copper 21%, tin 8.7%, lead 17%, and zinc 25%.

Meanwhile, prices of manufactured imports continued to rise. Thus, according to the *United Nations Commodity Survey*, 1958, a 10% drop in prices of raw material exports between mid-1957 and mid-1958 was accompanied by a 1% increase in prices of manufactured goods entering world trade. In a number of countries, terms of trade and ability to import substantially worsened. By the end of 1957, the Latin-American countries had accumulated a trade deficit totaling nearly \$600 million—the first such deficit since 1952. The U.N. *Economic Survey* concludes: "The recession in the United States, which started in the second half of the year, came therefore at a time when the foreign trade

of Latin-American countries (excluding Venezuela) had already ceased to show any long-term improvement and in addition was experiencing considerable short-term deterioration."

Surplus production of farm products and raw materials had been taking place both in Latin America and the United States prior to 1957. These surpluses had been absorbed in this country by stockpiling of strategic commodities, government buying of agricultural products to support farm prices, and inventory accumulation by private business. In 1957, however, stockpiling purchases were greatly reduced. The U.S. Department of Agriculture, confronted with enormous accumulations of farm products and the prospect of new bumper crops, began to dump large quantities of wheat, corn, cotton and other commodities on the world market. And with the end of the boom, inventory accumulation was replaced by inventory reduction.

EFFECTS OF U.S. CRISIS

The economic decline which developed after mid-1957, coming on top of these developments, produced a marked decrease in imports of a number of raw materials, chiefly metals. Commodity prices continued to fall. During 1958, Brazilian coffee dropped from 55 cents a pound to 42 cents. Metal prices tumbled, with copper falling from a 46-cent a pound average in 1956 to 28 cents in 1958.

In most Latin-American countries,

the cumulative effect has been devastating. In April, 1958 a *New York Times* correspondent wrote:

South America is for the most part deep in economic crisis in a backwash of the United States recession. . . .

Because of the decline of prices that began last year and the drop in demand in the North for a number of commodities produced on this continent, many Latin American republics have run out of hard currencies. The consequent lessening of the capacity to import and the imposing of import controls have in turn raised the cost of foreign goods that are vital to South America. The inflationary nightmare is more pronounced than ever.

A more recent account (*New York Times*, January 14, 1959), states:

Except in a few republics such as Mexico, 1958 was one of the worst economic years in decades for Latin America. Inflation was rampant, currencies depreciated, domestic budgets ran staggering deficits, foreign earnings were pathetically inadequate to pay for essential imports, and commodities piled up with no buyers in sight.

Nor has the situation materially improved since January, despite a slight increase in some raw material prices.

The nature of the crisis is aptly illustrated by the situation in Brazil, which is among the countries most gravely affected. Faced with growing overproduction and declining prices of coffee over the past

several years, and especially in 1957 and 1958, its economy has suffered severely.

In 1958 the deficit in the balance of payments reached an all-time record. Sharp cuts in imports were necessitated and the prices of imported goods skyrocketed. Huge budgetary deficits were incurred, in large part through attempts to curb the fall in coffee prices by government buying of surpluses. At the end of 1958, there were 13 million bags of coffee in government warehouses. For 1959 a bumper crop of 25 million bags is expected, with anticipated exports of only 15 million bags.

As a consequence, the value of the cruzeiro has steeply declined, its exchange rate falling from 69 to the dollar in mid-1957 to 152 in January, 1959. Living costs have risen persistently—about 30% during 1958 alone, according to official estimates. Rising prices have repeatedly overtaken the wage increases authorized by the government under pressure of the workers, and have served to depress further their already wretched living standards. The attempts of the Kubitschek government to freeze prices under these circumstances have produced only a growing black market, adding to the mounting popular unrest.

Argentina, caught between shrinking prices of raw materials and rising prices of manufactured imports, has likewise been subjected to the disastrous effects of inflation. Since 1954, Argentina has run a trade defi-

cit totalling \$1 billion, and its gold reserves have fallen from about \$500 million to the dangerously low level of less than \$100 million. The peso has steadily shrunk in value, its official exchange rate declining from 18 to the dollar in 1955 to 77 at the end of 1958. During 1958 the cost of living index rose 45%, and it is continuing to mount at a record rate in 1959.

In Chile, because of falling copper prices and declining exports, dollar earnings have been greatly reduced. Budget deficits have been staggering, and growing inflation and rising living costs have been accompanied by serious unemployment. Similar stories can be told for most Latin-American countries.

There have, to be sure, been some exceptions to this general trend. Venezuela, thanks to rising oil prices and a growing volume of exports, has been able to maintain a large export surplus and so to escape some of the problems faced by others. Costa Rica, which produces special high grade varieties of coffee used for blending, has succeeded in keeping prices and exports up despite the general decline. But for Latin America as a whole, there can be no doubt that economic conditions suffered a drastic deterioration in 1958 and remain critical despite the partial recovery in the United States economy.

THE PROBLEM OF INVESTMENTS

To this serious state of affairs an important contributing factor is the

difficulties encountered in the efforts of these countries to develop a diversified native industry. Pressure for industrialization, spearheaded by the national bourgeoisie, has existed for a good many years, but it has grown especially since the end of World War II. Moreover, it has gone beyond the development of light industry and has focused particularly on efforts to achieve self-sufficiency in two basic products: steel and oil.

As one observer notes:*

Since World War II . . . two aspects of the political-industrial scene have become particularly pronounced. The demands that industry be expanded to include heavy industry have become incessant. The iron and steel plant has become the symbol of progress. . . .

Further, the large sums of capital required have led to growing pressure for state investment. He continues:

Since the accrual of domestic private capital is slow, the State, with its ability to accumulate capital rapidly through taxation and foreign loans, must intercede in the industrial sphere in order to maintain the highest possible rate of development, at the same time that it reduces the share of private foreign capital in the economy.

In a number of Latin-American countries, the growth of industry has made considerable progress, with important social and political conse-

* John J. Johnson, *Political Change in Latin America* (Stanford University Press, 1958, \$5.00), p. 8-9.

quences. This growth, however, dependent as it is on importation of the necessary capital goods from abroad, and meeting with determined resistance from American and other monopoly capital, has remained distinctly limited. In particular, the efforts to develop steel and oil production as a state enterprise have met with comparatively little success. The oil trusts seek oil concessions for themselves, and there is general antipathy to the potential competition of a domestic steel industry. Every effort, therefore, is made to sabotage the development of these enterprises or, where this proves impossible, to take control of them.*

Above all do United States monopoly capital and the State Department abhor state enterprise, to which they profess to be opposed "in principle," and for which they persistently refuse loans or aid. Thus, last August, Secretary Dulles turned down a Brazilian request for a loan for oil development on the grounds that money is not available for such "speculative" investments. The necessary capital, he told the Brazilians, should be obtained from American oil companies.

The *Wall Street Journal* (January 6, 1959) places the matter very bluntly:

The truth is that the so-called "gap" in capital for most of the Latin-American countries is self-created. Argentina, for example, needs capital for oil ex-

ploration, and private U.S. capital is eager to explore for oil. But the Argentine government's own political policies bar the way.

In the face of this attitude, the Latin-American countries have had to use up foreign exchange to buy equipment in this country at exorbitant prices and disadvantageous terms. In addition, they have generally been only partially successful in meeting their needs and have had to rely heavily on imports of oil and, to varying degrees, of steel.

In Brazil, the state-owned oil venture, Petrobras, supplies only 20% of the country's needs. Last year, oil imports totalled \$270 million—a major contribution to Brazil's balance of payments deficit. Argentina, in January, 1959, was producing some 100,000 barrels of oil a day out of a consumption of 250,000 barrels, and was spending \$300 million a year for oil imports. The country also imports nearly \$200 million worth of iron and steel a year.

The expenditure of these huge sums to import oil and steel as well as equipment has contributed greatly to trade and budgetary deficits. It has added considerably to the growth of inflation and has seriously aggravated the economic crisis.

U.S. "AID"

Confronted with insistent demands for help from the Latin-American countries, the Eisenhower Adminis-

* For further details see Victor Perlo, *American Imperialism* (N. Y., 1951), pp. 106-114.

tration has followed a policy of taking advantage of their plight to advance the interests of American monopoly capital, at the same time offering a profusion of platitudes and fatherly advice.

As a condition for loans, it has forced devaluation and convertibility of Latin-American currencies, which facilitates the withdrawal of profits by American firms but increases the drain on the foreign exchange reserves of these countries all the more. It has insisted on the adoption of "austerity" programs supposedly designed to control inflation by holding down the wages and living standards of the working people. And it has demanded that plans for development of oil and other industries be abandoned and turned over to foreign capital.

A most glaring example of this policy in action is the "stabilization" program accepted by Argentina's President Arturo Frondizi last December as a condition for a \$329 million loan from this country. In return for this, Frondizi agreed to the following:

1. Devaluation of the peso and ending all exchange restrictions.
2. Lifting of all restrictions on imports.
3. Removal of price subsidies to consumers, and holding down of wage increases.
4. Elimination of deficits in state-owned ventures by disposing of such ventures or seeking assistance from foreign capital.

The aim of the austerity program, officially described as "one of the most drastic ever imposed," is admittedly to reduce domestic consumption and increase exports. At the same time, it has opened the doors to further penetration of foreign capital.

Contracts were signed with a group of foreign oil companies—among them Esso, Royal Dutch-Shell, Pan-American International Oil Company (Standard of Indiana) and Union Oil Company of California—for the exploration and development of oil reserves. The deal with Pan-American is typical. The company is to operate with a free hand and to sell oil to the state oil enterprise, Yacimien-Petroliferos Fiscales, which is also to pay all taxes.

American capital, it should be noted, is also involved in the construction of Argentina's first integrated steel mill, and a French group has undertaken the development of Argentine coal fields at Rio Turbo. Writes Juan de Onis in the *New York Times* (January 14, 1959):

If the stabilization program is able to buttress the economic development program of President Frondizi, a bright period lies ahead for United States investors in and exporters of capital goods to Argentina.

But for the Argentine people, the agreement produced only a fresh skyrocketing of prices. By March the costs of public services had risen 200%, electricity 150% and gasoline 200%. Soaring prices had reduced

meat consumption by 50%.

The Argentine agreement is considered by the State Department as a test. And similar negotiations are under way with Brazil, with Washington demanding greater austerity in that country also.

Another illustration of U.S. policy is President Eisenhower's action of last September cutting import quotas of lead and zinc by one-third. This step, ostensibly for the protection of an industry employing all of 3,500 workers in this country, had a serious effect on Peru, where 12,000 were thrown out of work, as well as on Mexico (with some 50,000 lead and zinc miners) and on Bolivia.

Ironically, Eisenhower signed the order on the very day that a meeting of foreign ministers of the twenty Latin-American republics and the United States opened in Washington to discuss Latin-American problems. The meeting was a preliminary to a conference of the Committee of Twenty-One, a body created by the Organization of American States.

For the Latin-American countries, the results of these meetings proved woefully disappointing. Their chief accomplishment was the setting up of an eleven-nation committee to study the Latin-American proposals for stabilization of markets and prices of raw materials, establishment of regional markets and expansion of technical aid. The only proposal actually agreed to was for the establishment of an Inter-American Development Institution to help plan and

make loans for regional economic development projects. All of which adds up to little indeed, as even the most conservative Latin-American spokesmen were quick to note.

POPULAR RESISTANCE

Quite understandably, growing numbers of people in the Latin-American countries hold U.S. imperialism responsible for their plight and are becoming increasingly resentful both against United States policies and against those ruling circles in their own countries who help foist such policies on the people.

There are growing expressions of anger at efforts of American big business to take advantage of their difficulties to drive raw material prices down while prices of monopoly-produced manufactures continue to rise, and at the imposition of import restrictions by the United States while it dumps huge quantities of cotton, wheat and other agricultural commodities on world markets. There is widespread resentment against American insistence that Export-Import Bank loans must be spent in this country where prices are generally higher than elsewhere, as well as against the drive to force them to abandon their own development of oil and steel industries.

Latin Americans are incensed at the support given by this country to hated dictators. And they are only too well aware of the State Department's role in Guatemala and other

countries.

All this resentment and anger exploded when Nixon visited Latin America last year, and it is small wonder that he got the kind of reception that was accorded him. Spokesmen for the Eisenhower Administration profess to be mystified by these attitudes. Dr. Milton S. Eisenhower, in his report to the President last June on his mission to Latin America, dismisses them as "misunderstandings" and "misconceptions" which need only a stepping up of State Department propaganda to be cleared up. He adds insult to injury by proposing that each of the Latin-American governments be urged "to assume a large measure of responsibility for promoting the relevant understanding within its own country."

But the rising feelings of the Latin-American peoples against American imperialism are not so easily disposed of. Nor is the growing resistance to the pro-imperialist policies of their own ruling circles.

In Argentina, Frondizi's capitulation to the demands of the State Department has aroused a storm. In January, a general strike took place, involving at least 75% of the country's organized workers. Precipitated by a sit-down strike of workers in the nationally-owned meat plant after the government had voted to dispose of it in order to eliminate deficits in its operation, the general strike was broken by the use of police and troops armed with tanks, and by arresting hundreds of labor leaders.

Today there are threats of new strikes for wage increases sufficient to meet the astronomical rise in prices.

In Brazil, there have been numerous mass demonstrations against rising prices and government policy. In Bolivia, 25,000 tin miners recently struck against abolition of subsidized commissary prices—the condition demanded for resumption of financial aid by the International Monetary Fund. And in other countries as well, there are multiplying signs of unrest and resistance.

Today the Latin-American peoples are on the march to full national freedom. The overthrow of the Rojas Pinilla tyranny in Colombia in May, 1957 and the subsequent overthrow of Perez Jimenez in Venezuela in January, 1958 have been followed by the inspiring victory of the Cuban people over the bloody dictator Batista. The present crisis is giving further impulse to the national liberation movement, and the inroads of American imperialism in Argentina and elsewhere through "stabilization" agreements will very likely prove to be transitory.

LATIN AMERICA AND THE SOCIALIST WORLD

Under United States pressure, the trade of Latin America with the socialist countries was for a number of years reduced to the barest trickle. After 1952, however, it began to grow. By 1957, exports to the social-

ist countries had increased almost five-fold in value to a total of \$123 million, while imports had tripled to \$80 million (*Latin-American Business Highlights*, The Chase Manhattan Bank, second quarter, 1958).

In 1958, under the pressure of the economic crisis and the mounting resistance to American imperialism, there were further advances in trade with socialist countries, particularly with the Soviet Union. In that year, the U.S.S.R. replaced Britain as the largest buyer of Uruguayan wool, taking nearly 30% of her total wool exports. In return, Uruguay bought 1¼ million barrels of Soviet oil, becoming dependent on that country as a major supplier. Uruguay has also become a buyer of Soviet cotton, East German newsprint, Hungarian electrical goods, and a variety of manufactured articles from Czechoslovakia, East Germany and Poland.

Argentine trade also has expanded considerably. Early in 1958, the Soviet Union granted a credit of \$100 million for the purchase of oil equipment, of which over one-third has already been used. Argentina has also bought Soviet oil, locomotives and rails and a coke-washing plant from Czechoslovakia and has agreed to take two million tons of Polish coal over the next four years. A Soviet-Argentine Chamber of Commerce has been formed, and trade with Hungary and Rumania is also being developed.

Brazil, in October, 1958, negotiated the first trade deal with the Soviet

Union since 1947, exchanging 20,000 bags of cocoa for 60,000 tons of oil. The Soviet Union has offered to exchange oil for coffee and cotton as well, and to supply Brazil with all the oil equipment she needs. Poland and Czechoslovakia are supplying ships and oil, and China has bought increasing quantities of sugar.

Chile, in March, 1958, sold 15,000 tons of copper to the Soviet Union. Subsequently, however, projected sales were halted by the United States, with threats of imposition of tariffs, on the argument that inter-American agreements forbade such trade. Other countries have been involved in trade with the socialist world to lesser degrees, and there have been some beginnings of Soviet aid to Brazil and Argentina.

The volume of this trade is as yet small—no more than 2% of total Latin-American trade. But it has been growing at the rate of about 40% a year since 1952. If it should continue to rise at even half that rate, the Chase Manhattan Bank estimates, it would reach a total of \$1 billion in ten years.

There is every reason for such trade to grow much more rapidly than this, since it offers the Latin-American nations real assistance in achieving economic independence and growth, and recognition of this is becoming ever more widespread. Thus, Dr. Augusto F. Schmidt, head of the Brazilian delegation to the conference of the Committee of Twenty-One last fall, in presenting

a plan to elevate the average per capita income for all Latin America to \$480 a year, asserted that this could be achieved only with the aid of greatly increased trade with the Soviet Union and China.

The State Department, seeking to undermine these trade relations, has accused the Soviet Union of deliberately dumping various metals, especially tin, on the world market in order to scuttle Latin-American efforts to stabilize prices. This cry has been picked up by reactionary government circles in Bolivia and elsewhere. What they fail to state, however, is that repeated Soviet offers over a period of years to buy Bolivian tin had been rejected under U.S. pressure. Even today, the socialist countries, though they have become net exporters, offer potential markets for Latin-American metal exports. Thus, Czechoslovakia recently offered to take Peru's entire surplus of lead and zinc.

THE NEED FOR SOLIDARITY

Vital to the success of the Latin-American peoples in their struggles to free themselves from imperialist domination is the support of the working people of this country. It is essential that American labor oppose the present Wall Street-dictated policies of the Eisenhower Administration, and fight for a policy based on genuine economic assistance to the Latin-American countries and non-interference in their internal affairs.

It is also urgent that the fullest backing be given to the Latin-American workers in their battles against intensified exploitation in the name of "stabilization."

This is as much in the interests of the workers in the United States as of those in Latin America. Both are exploited by the same giant corporations which seek to pit one group against the other. And it is the super-exploitation of the Latin American workers which makes possible such evils as the runaway shop and import of certain raw materials at the expense of the jobs of workers in the United States.

Unfortunately, the leadership of organized labor in this country has all too often allied itself with State-Department policies. It has offered itself as an instrument for "fighting Communism" in Latin America, and thereby has contributed to disuniting and weakening the Latin-American unions. Unfortunately, too, some unions have sought, through support of high tariffs and import restrictions, to find momentary solutions for the problems of their own members at the expense of Latin-American workers.

A fight must be waged against all such policies in the American labor movement, and for the utmost solidarity of workers of both continents. A free, industrially developed Latin America, with vastly improved living standards for its working people, is in the interests of every worker in this country.

IDEAS IN OUR TIME

BY HERBERT APTHEKER

THE UNITED STATES AND GERMANY (Part I)

"How does it become a man to behave toward this American government today? I answer that he cannot without disgrace be associated with it"—Henry David Thoreau, 1849.

The foreign policy of the United States Government, especially since 1945, has been geared towards establishing hegemony over the world by the American ruling class. Therefore, the policy has been thoroughly reactionary, militaristic, and aggressive; it is a policy which pauperizes the impoverished and chains the enslaved; it is a policy which has bulwarked monstrous tyrants—defunct and de facto—from Bao Dai to Batista, from Franco to Rhee, from Jimenez to Nuri Said, from Trujillo to Chiang. It is a policy that opposes democracy, national liberation, and Socialism; it is a policy—to quote from the recent penetrating critique by Professor Williams—that "has now become a denial of the spirit of man."*

Naturally, such a policy, being pursued in a country with the political and religious traditions of the United States, must be enveloped in hypocritical terminology and demagogic trappings perhaps unparalleled in the terribly long history of hypocrisy and demagogy. The hypocrisy and demagogy will be most blatant where that policy impinges upon areas central to its implementation. Such an area is Germany—the country in Europe's heart, with the largest population, the most highly developed industry and the richest resources on that continent—the Soviet Union excepted, of course. Here the issues are not peripheral and the stakes are not simply high; here the issues are fundamental and the stakes are basic. Let us seek to break through the obstacles of prevarication and deception on this question of Germany—this question of questions—and get at the facts.

U.S. Policy: Then and Now

On January 7, 1959, the Department of State issued a Memorandum entitled: "The Soviet Note on Berlin—An Analysis." There the Department summarizes what it alleges to be the purposes and commitments entered into by the United States *vis-à-vis* Germany during World War II, in these words:

* William A. Williams, *The Tragedy of American Diplomacy* (Cleveland, World Pub. Co., \$4.75), p. 183. We hope to be able to publish an extended analysis of this important work in an early issue.

In wartime agreements the Allied nations stated two fundamental policies: they pledged to defeat the enemy, and they declared they would strive for recovery from the war, continuing wartime cooperation.

This presentation of alleged wartime commitments was made by the State Department in reply to Soviet insistence that they required an anti-fascist and anti-militarist policy, that this had not been pursued by the United States and that, therefore, arrangements entered into on the basis of those commitments needed thorough re-examination.

These versions contradict each other; while neither need be true, it is certain that both cannot be true. What are the facts concerning World War II agreements relative to Germany and the purposes for which the war was being fought in Europe?

In August, 1947, the State Department issued an official Memorandum entitled: "Occupation of Germany: Policy and Progress." That Memorandum, then, began with this sentence:

The guiding objectives of the Government with respect to Germany were: 1) the total destruction of the Nazi regime, and 2) insurance against the reappearance in the future of a regime or ideology calculated to disturb the general peace and security.

The reader is invited to compare this 1947 summary with the 1959 summary quoted earlier. On what is the 1947 summary based? The Memorandum itself tells us by quoting from the major policy statement made by the President of the United States, in his Message to Congress, dated September 17, 1943. On that occasion, President Roosevelt stated:

There is one thing I want to make perfectly clear: When Hitler and the Nazis go out, the Prussian military clique must go with them. The war-breeding gangs of militarists must be rooted out of Germany—and out of Japan—if we are to have any real assurance of future peace. . . . We shall not be able to claim that we have gained total victory in this war if any vestige of Fascism in any of its malignant forms is permitted to survive anywhere in the world.

These words anticipate not only in substance but in detail the solemn wartime agreements entered into by the Allied Coalition; the agreements that gave meaning to the indescribable suffering brought on by that war and that lifted the hearts and steered the arms of millions and millions of men and women who fought on through everything for years with the single-minded purpose of making those agreements come into being. If the present Administration believes that it can get away with an effort to wipe out the memory of those agreements and the reality of those commitments by a couple of lines concocted by their Madison-Avenue boys about "defeating the enemy" and "recovering from the war," then it is clear that the ailments of this Administration, while indubitably

severe in the physical sphere, are even more critical in the mental.

In a treaty signed at Yalta, February, 1945, the Governments of the United States, Great Britain and the Soviet Union unequivocally agreed:

Our inexorable purpose [is] to destroy German militarism and nazism . . . to disarm and disband all German armed forces; break up for all time the Germany military equipment; eliminate or control all German industry that could be used for military production; bring all war criminals to just and swift punishment and exact reparation in kind for the destruction wrought by the Germans; wipe out the Nazi Party, Nazi laws, organizations and institutions, remove all Nazi and militarist influences from public office and from the cultural and economic life of the German people . . . enable the liberated peoples to destroy the last vestiges of nazism and fascism. . . .

In April, 1945, the U.S. Joint Chiefs of Staff ordered the Commander in Europe—General Eisenhower—to implement this Treaty in the American zone of Germany, and to undertake the complete destruction of Nazism and Nazi organizations, overt or covert, and to eliminate from all spheres of German public, corporate or cultural life all supporters of fascism, militarism or Nazism.

After the surrender of Germany, the Three Great Powers at Potsdam, in August, 1945, reiterated, and, if anything, made more explicit, their agreement, "permanently to prevent the revival or reorganization of German militarism and Nazism . . . to prevent all Nazi and militarist activity or propaganda. . . . German education shall be so controlled as completely to eliminate Nazi and militarist doctrines. . . ."

The facts concerning the agreements of World War II refute, then, the State Department assertion of January, 1959 that the USSR is in error when it insists that those agreements had at their heart an anti-Nazi and anti-militarist commitment, and that those agreements called for nothing more than the enemy's defeat and recovery from the damages of the war through united effort. On this matter of historical fact, the government of the Soviet Union is right, and the government of the United States is wrong.

Why Is the Record Falsified?

The U.S. government falsifies the nature of the World War Two agreements because she has failed to abide by them. Its policy has been to renazify, not denazify; to cartelize, not to decartelize; to remilitarize, not to demilitarize. Let the record speak:

On denazification: James Stewart Martin, for a year and a half immediately after the war, chief of the Decartelization Branch of the American Military Government in Germany, wrote that, beginning in 1946: "Top Nazis and Nazi supporters who think democracy ridiculous moved into key positions in the economic

and administrative life of Germany, or were never thrown out." (*All Honorable Men*, Boston, 1950, p. 168). In March, 1946, General Clay, U.S. Military Governor in Germany, turned over to German authorities the task of denazification. Early in 1948, this General issued a directive that the process was to be completed by the summer of that year.

The overall official figures, to June, 1948, show that in Western Germany nearly thirteen million persons were registered for investigation, of whom over nine millions were dismissed immediately. Of the remainder, almost two and a half million were given amnesty without trial; about 800,000 were tried. Nearly forty percent of those tried were exonerated; fifty percent were classified as only "followers"; and but one-tenth of one percent were classified as "major offenders." These are the figures for the lower courts; on appeal less than thirty percent of the classifications and punishments were confirmed. Of those convicted, the vast majority—eighty percent—were fined less than a thousand marks; and as of December, 1949 there was throughout West Germany a total of 250 persons in jail for Nazi activities and atrocities!

Who were the people exonerated, lightly fined, or jailed for a few months? In addition to such relatively well-publicized figures as Hans Schacht, Ilse Koch and Alfred Krupp, the names include: Simpfendorffer, Nazi Minister of Education—freed; Hildebrandt, chief of the foreign-labor branch of the Nazi Labor Ministry—fined 250 marks; SS Major-General Klepfer—classified a "minor offender" and unpunished; SS Lt. Gen. Wolff, chief of all Gestapo activities in Italy—given a four years' sentence and released four days later because of prior commitment. People like Ernst Bohle, chief of the Nazi Party's Foreign Office, and Josef Altstoetter, Gestapo representative in Hitler's Ministry of Justice, were freed after serving two years. Exonerated were such figures as: the former Dean at Bonn University, a member of the Gestapo and an informer for Himmler; a Director of the Interior Ministry under Hitler from 1933 to 1943. The police chief of Nuremberg who organized the 1938 pogrom there; the Mayor of occupied Vienna; the physician in charge of enforcing the Nazi sterilization law—these men were fined less than a thousand marks.

Hence, as early as 1948 Professor John H. Herz entitled an article in the *Political Science Quarterly*, "The Fiasco of Denazification," a fiasco which, he concluded "opened the way toward renewed control of German public, social, economic and cultural life by forces which only partially and temporarily had been deprived of the influence they had exerted under the Nazi regime." Hence, by February, 1949, Bernard Taper, a former official of AMG in Germany, was writing in *Harper's* of "the return of Nazis to office." Already, under U.S. control, said Taper, "They are coming back not only into high office, but into all the nooks and crannies of German bureaucracy." By the next year, as the United Press reported from Munich (Feb. 23, 1950), the denazification offices were being shut throughout Western Germany. The story explained: "Ministry officials said the closing was necessary because no funds for denazification had been included in the 1950-51 budget."

Koppel S. Pinson, a professor at Queens College in New York City, is the

author of an eminently conservative and heatedly anti-Communist study of *Modern Germany: Its History and Civilization* (N. Y., 1954, Macmillan). This respectable gentleman writes on American occupation policy in Germany immediately after the war:

Few as the anti-Nazis were, they should have been given enthusiastic support by military government. This was usually not the case. While it was not always apparent whether Nazism paid or not, it became all too evident from the start that anti-Nazism did not pay.

As the months passed, matters deteriorated. Thus, continues Professor Pinson, "the years after 1947 saw the huge rehiring of former Nazis for important places in the administrative machinery of the new German states." In fact, he states that matters reached the point where those Germans who had been anti-Nazis or had participated in the denazification effort, "began to find it increasingly difficult to find employment, and have come to form a new class of political and economic outcasts."

Presently, this is a "cause for serious alarm." No wonder, since four members of Adenauer's own cabinet had been important members of the Nazi party, and two of them had been Gestapo members! And the Chancellor was forced to admit in 1951 that of the 383 senior officials in his Foreign Office, 134 had been Nazi party members. Of these, Professor Pinson writes:

They are not only nominal party members. They include among others the author of the official legal commentary to the [racist] Nuremberg laws, the organizer of the activities of the Grand Mufti in the Near East, the director of the East European Division of the Nazi Foreign Office, the active leader in the deportation of the Jews of Amsterdam, and the man who ordered the extermination of Jews deported from Rumania.

And, "the police force is staffed with numerous SS [Gestapo] officers." Generally, "open admiration for the top Nazi leaders has also begun to reappear. . . . Revived Nazi sentiment has been utilized to form various political groups, political parties, and veterans' organizations." Anti-Semitism again is rampant, writes this professor in 1954, but, "Much more serious than the open and crude manifestations of Nazism are the more subtle and deeper aspects of authoritarian nationalist sentiment." All this—plus the adoption by the West German government for its official anthem of—once more—the anthem of Bismarck's Germany—*Deutschland uber Alles!* And 600 judges, who administered the law under Hitler, now sit under Adenauer. As Dulles says—he wants a free Germany, and he knows a free Germany when he sees it.

The institutionalizing and legalizing of renazification occurred with the passage in 1951 by the West German government of a law which gave all ousted civil service employees a vested right to their former positions, regardless of their relationship with the Nazi Party. The only exception then made—since re-

pealed—was to bar former Gestapo members from civil service reinstatement as a matter of right. In a quite recent critical study of *Democracy in Western Germany* (Oxford University Press, N. Y., \$7.50), Richard Hiscocks refers to the “enormity” of this 1951 law which actually favored collaborator and Nazi civil servants at the expense of the heroic minority opposed to Hitlerism.

Lately, Professor John H. Herz, whose earlier writing on the subject we have already cited, prepared a study of “Political Views of the West German Civil Service” for the RAND corporation,* actually a non-military agency serving the U.S. Air Force in an informational capacity. The West German bureaucracy, as one might expect, bows to none in terms of numbers; Professor Herz estimates that in it are about one and a half million employees. He concludes that the great majority prefer to forget the “trouble” before 1945, or to blame “others” for its occurrence. A considerable minority are outright Nazis, he states, but most adopt an attitude of utter cynicism and eschew all systems and all values. He finds that “today’s service is made up largely of the service that existed under the Nazis. . . .”

The politically reactionary majority in Adenauer’s civil service, writes Herz, “object to almost everything in earlier American policies: democratization, denazification, demilitarization, and so forth. By the same token, they express great satisfaction with the more recent change in American policy in all these fields.” The small minority, however, which has some pro-democratic feelings, “are profoundly apprehensive.” This minority of pro-democrats in Dulles’ Germany, “are disturbed not only about the international implications but above all about the internal impact of a policy which, so they say, tends to encourage the militarist, ultra-nationalist, anti-democratic forces in Germany.” As a result, “German democrats, so these officials complain, have thus been discredited.”

On democratization: Of course, renazification means a repudiation of democratization—one of the undertakings explicitly pledged at both Yalta and Potsdam. In addition to the material presented above, however, there is much evidence confirming a U.S. governmental policy of hindering, rather than assisting, the development of democratic organization, action, and thought in Germany.

Thus, clearly, any serious effort to undo Hitlerite reaction would have to undertake a remodeling of the educational system, both in terms of undoing its caste nature and its elitist, racist, militarist, and jingoist content. In fact, however, nothing like this was done, and higher education remains the privilege of the offspring of the rich in West Germany, while the autocratic and aristocratic nature of the universities, notorious since Bismarck, characterize them under Adenauer.

By 1947, Saul K. Padover, the well-known historian—during the war, a Lt. Col. in the U.S. Army’s Psychological Warfare section, assigned to educational work in the American Zone—was already reporting “The Failure of Re-education of Germany.”** He explained that while the straight-out Nazi text-

* This forms a chapter in Hans Speier and W. P. Davison, eds., *West German Leadership and Foreign Policy* (Row, Peterson & Co., White Plains, N. Y., \$7).

** Published in: *Education in Transition*, 34th Annual Schoolmen’s Proceedings, 1947, University of Pennsylvania.

books were removed, “it was not easy to cleanse those that contained subtle militaristic propaganda or an indirect nationalist slant glorifying German heroes.” Dr. Padover then gave two actual examples of what he thought were “subtle” and “indirect” militaristic and nationalistic inculcation:

Take, for example, this sentence from the grammar school textbook, *Deutsches Lesebuch*, IV, which ends the story of Alfred Krupp—“His work remains as a blessing for hundreds of thousands of diligent hands, an enlightening example of national labor and a proud glory of our German fatherland.” This seems innocent enough, except for the fact that Alfred Krupp built Germany’s largest armament works. The question is, should such sentences be left in or cut out? This has been left in. Or take this sample from the history textbook, *Lehrbuch der Geschichte*, III, which, speaking of the Prussian defeat of 1807, says: “The successors of Frederick the Great were weak sovereigns and they missed the right moment for the inevitable war.” Is this legitimate history or propaganda designed to keep alive the militaristic spirit? The answer is obviously not easy.

What is not easy, is to understand Padover’s naiveté. And these were the standards back in 1946, when the ink on the Potsdam Treaty was hardly dry. No wonder Padover concluded: “Unfortunately the superintendence of education, like that of political affairs in general, is not infrequently in the hands of ultra-nationalist Germans whose aim is to revive the nationalist spirit and keep fresh the military tradition.” And he offered two instances of such superintendence of which he had personal knowledge: the person in charge of education in the Aachen area “was an old militarist cleric,” who despised the French and loathed the British, and “naturally defended Hitler’s war”; the Minister of Culture in Bavaria was “a violent reactionary and fanatical militarist . . . who personally supervises the revision of textbooks, one of which contains a notorious glorification of war.”

These, we repeat, were the personnel selected by the American Military Government, back in 1946, to implement the re-education of the German people so that the last vestiges of Nazism might be extirpated and militarism might never rise again. No wonder that by 1949 the *New York Times* (April 27) reported there were “more Nazis in German schools today than in 1945.”

Bernard Taper, the AMG official whose article in *Harper’s* (Feb. 1949) has already been cited, was charged specifically with supervising elections in West Germany. His conclusions are indicated in the article’s title: “Heil Free Elections!”; they are spelled out more fully in this sentence: “It cannot be seriously contended that the Germans have developed any feeling for democracy or have made any basic changes in a way of life whose social and cultural institutions remain thoroughly anti-democratic.”

By 1950, the propaganda line of the U.S. government was to promise to deal only “with any *serious* resurgence of German Fascism”—to quote High Com-

missioner John J. McCloy (*N. Y. Herald Tribune*, Jan. 26). Men like General Clay and Henry Byroade (then Director of the Bureau of German Affairs in the State Department) stressed the need for the *gradual* elimination of Nazism, insisted that this process could not be legislated or "forced," and began to argue that it was "undemocratic" to *repress* fascism—*i.e.*, to do what was pledged at Potsdam.

Now there are two main elements to government propaganda on this matter, depending on the level of the media being used. One, employed especially in the mass media, presents, as we have seen, a complete falsification of the actual nature of the wartime obligations and agreements; the other, more commonly used for academic and sophisticated audiences, insists that those obligations and agreements are so "vague" as to be in fact meaningless, that they were agreed to as matters of wartime propaganda and that, therefore, they carry no real weight.

The latter argument, for example, is developed at length in Harold Zink's *The United States in Germany: 1944-1955* (Van Nostrand, N. Y., \$7.50). This is of particular interest, for the author, now a professor at Ohio State University, was Chief Historian for several years in the office of the U.S. High Commissioner for Germany. Professor Zink begins his argument by remarking that "there is little convincing evidence that democracy can be imposed by one country or a group of countries on another." He thinks that the fact that the Soviet Union, the United States and Great Britain all jointly agreed on the Potsdam commitment itself tends to demonstrate "the vague or perhaps meaningless character of this objective." The experience of fighting World War One in order to "make the world safe for democracy" should have shown all concerned, writes Professor Zink, that the undertakings at Potsdam represented "a futile proposition." In any case, this author wonders how it was possible for anyone to think that the "generally negative provisions" of the Potsdam agreement and of the directive issued by the Joint Chiefs of Staff for its implementation "could be regarded as any real 'preparation' for such democratic reconstruction." Considering the question a rhetorical one, he concludes that, at any rate, "the tendency [of Military Government] was to leave the problem of democratic reconstruction in abeyance."

The question is not rhetorical at all, and it poses the fundamental problem relative to Germany. The "negative provisions" of the Potsdam Treaty required the elimination of all vestiges of Nazism from German politics, culture, and society; there is nothing vague about this, though the method of its implementation and the degree to which it is done or need be done might be subjects for debate. But surely such provisions were not enforced by a policy of *renazification*! And, alas, the "problem of democratic reconstruction" was not left "in abeyance"; for social development does not wait on any particular person, whether he is High Commissioner or Chief Historian. Post-war Germany was a living, albeit devastated, organism; therefore, it was in process of change, and this change could be either *progressive* or *retrogressive*.

One thing would not happen; things would not be left in abeyance. And

as we have seen, they were not; rather a policy was instituted by the U.S. government of renegeing on its anti-fascist commitments and this carried with it a policy of restoring to authority nazi, militarist, reactionary figures. The "problem of democratic reconstruction" was answered by the U.S. government by the adoption of a policy of anti-democratic reconstruction.

Before concluding this discussion of democratization, a brief note should be added concerning Chancellor Adenauer himself. This extremely conservative and very old man is a typical product of European Catholic hierarchical political training, educated in the law and holding political office ever since the days of World War I. His personal arrogance and fierce bureaucratism have in them the qualities and traditions of the Germany of the Kaiser. Richard Hiscocks, in the book previously cited, has this in mind when he refers to West Germany as having a "Chancellor-Democracy." Professor Gordon A. Craig, of Princeton, in a not unfriendly study,* nevertheless refers to Adenauer's "peremptory manner," his tendency to offer "gratuitous affronts," his extreme rigidity, and his habit of secrecy, so that, for example, while he offered to supply several German divisions to the Allied High Commission in a memorandum of August, 1950, he did not feel it necessary to inform the Bundestag of this offer until February, 1952, and then did so "almost by chance."

On anti-Semitism: Renazification and anti-democracy mean, in Germany, revived anti-Semitism. The latter ornament most certainly adorns the Dulles-Adenauer version of a free Germany. The matter is tricky for them, somewhat in the way that the Jim-Crow system in the United States annoys the Eisenhower-Dulles team. Of course, both men are staunch Anglo-Saxon supremacists and have conducted their lives in full accordance with the "restricted" and "exclusive" nature of such supremacists, but both men, operating in a world most of whose people are colored and are on the march, and both posing as champions of freedom, find this question of Jim Crow most distressing—in the words of C. L. Sulzberger, "the dreary, tormented racial problem most acutely embarrasses our policy makers" (*What's Wrong with U.S. Foreign Policy*, Harcourt, Brace, N. Y., \$4.50, p. 20).

Flagrant anti-Semitism, especially since the horror of Hitlerism and the fact that half the remaining Jews in the world live in the United States, and in view of Wall Street's Mid-East policy and its line in connection with the Ben Gurion administration in Israel, does not sit well with the State Department's demagoguery relative to present-day West Germany. On the other hand, the Adenauer government, being a renazified one, is naturally staffed by and permeated with anti-Semitism; furthermore, being what it is, it nurtures as it needs anti-

* G. A. Craig, *From Bismarck to Adenauer* (Baltimore, John Hopkins University Press, \$4.50). It is relevant to point out that Adenauer, through his wife, is related to the wives of the financier John J. McCloy, former High Commissioner, of Lewis W. Douglas, former Ambassador to Great Britain and a Morgan partner, and of John Sharman Zinsser, president of the pharmaceutical trust, Sharp & Dohme, and a Morgan director.

Semitic ideas and provocations. The "solution" in the face of these contradictory conditions has been a "free" press that tends to play down the realities of anti-Semitism in West Germany; with this has gone an effort at reparations to the Ben Gurion government that it is hoped may gloss over that angle and possibly neutralize if not win over certain of the upper-class components of American-Jewish leadership.

Yet, the anti-Semitism in Adenauer's land is so gross and persistent, the memory of Hitlerism is so keen and widespread, and portions of the Jewish populations and press do stand on guard; therefore something of the mounting pressures upon the 25,000 to 30,000 Jews still living in West Germany has reached public notice.

By June, 1947, the Bavarian Minister of Economics, Dr. Rudolf Zorn, had found the "courage" to remark, in the presence of U.S. Military authorities, that the Jews then in the displaced persons camps "can be compared to the most vicious of the insects that infest the German body." Wolfgang Hedler, a deputy in the Bonn parliament, in 1949, publicly declared "that the sending of Jews to the gas chamber may have been the right course"; for this he was arrested and tried, but acquitted early in 1950, earning him a telegram from the Deutsche Recht Party: "Congratulations on your acquittal under which the Right holds its own against the pressure of the street" (*N. Y. Herald Tribune*, Feb. 16, 1950). Drew Middleton reported in the *New York Times* (Oct. 15, 1951):

Six years after the end of the war, most Allied observers agree that anti-Semitism continues to exist in Germany. It often reveals itself in crude vandalism against Jewish cemeteries or brutal attacks in speech and in print by extremists.

The persistence of anti-Semitic feelings in Germany is not to be wondered at, especially in view of its history, and the intensity with which backward ideas tend to endure. But here the point is that the policy of renazification and anti-democracy encouraged this persistence and its display, and assumed a position of helplessness if not quite benevolence in the face of such persistence and such display.

A typical and very recent example is the Nieland case which broke late in 1958. This involves a lumber merchant of Hamburg, one Friedrich Nieland, and a printer named Adolf Heimberg. These men produced and distributed a pamphlet entitled "How Many World Wars Do Nations Have to Lose?" The pamphlet holds that the murder of 6,000,000 Jews during Nazism was the work of "secret representatives of international Jewry"; its main point is that Germany was deceived and betrayed by this international Jewry into losing the Second World War. It demands a reaffirmation, officially, of a policy of anti-Semitism and specifically that Jews be barred by law from any position of consequence in government, political parties, banking "or elsewhere."

The author and publisher were arrested and charged with acting to the detriment of the State and libeling a whole people. The case was dismissed

by a lower Hamburg court in November, 1958. When the public prosecutor filed a request for a re-hearing, the Hamburg State Supreme Court, on January 6, 1959, rejected it. This Supreme Court, in rejecting it, said it did so because the pamphlet did not call for a fight against Jews as such, but rather "only" against "international Jewry" and, "The pamphlet showed clearly that the author had separated the Jewish people from 'international Jewry' and any measures suggested in the pamphlet were directed against the latter." The pamphlet, with this official blessing, is now circulating in Dulles' Germany, in defense of whose freedom, free men everywhere are supposed to mobilize. Characteristically, the *New York Times* story giving these details was headlined: "Adenauer Piqued by Anti-Semitism" (Jan. 10, 1959)!

A one-inch item in the *New York Times* from Bonn (Jan. 30, 1959) told of the arrest of twelve people who had damaged a coffee shop, owned by a Jew; the owner was called a "Jewish pig" that the Nazis somehow had "forgotten to gas." The same day's paper, in a half-inch item from Freiburg, said that the town had offered a reward of a thousand marks (about \$230) for the apprehension of those responsible for the painting of red swastikas over tombstones in a nearby Jewish cemetery.

The same paper, on February 26, 1959, gave two inches to another story from Bonn involving a woman named Jeannette Wolf, who had been an inmate of a concentration camp, had lost two daughters there and whose husband had been murdered by the Gestapo. The woman has brought charges against a tax collector and another man identified simply as "a former Gestapo leader." Mrs. Wolf said:

that the tax official had said concentration camps were desirable and too few Jews had been killed in them. She said also that the former SS leader had publicly threatened to use a riding whip in the same way as he said he had done before on naked Jewish women.

As I write, the *N. Y. Times* (March 16, 1959) notes that "Bias Issue Stirs Germany's Jews," that "perplexity and terror" was expressed by many; nevertheless, keeping to the pattern of restraint, the correspondent comments: "the acts of anti-Semitism here seem no more numerous than those in other democratic countries"!*

On Remilitarization: The repudiation of Potsdam carried with it the rearming of Western Germany. The movement towards this end has been guarded, for the results of German militarism stretched stark and terrible in a thousand devastated cities and millions upon millions of graves. Nevertheless, the aim has

* As West German capitalists undertake once again the "penetration" of Africa they adopt the white supremacy conventional in "democratic countries." Bonn's Food Minister, Heinrich Luebke, on an official visit to the Union of South Africa, in March, complimented that country on its strict segregation and urged the system be applied throughout Africa.—*Frankfurter Rundschau*, March 18, 1959.

been pursued with great persistence and has achieved notable success: today West Germany is a major military force.

An early trial balloon in favor of German remilitarization occurred in a column by Hanson Baldwin, military expert for the *New York Times* (Sept. 29, 1948). Eleven years ago, Mr. Baldwin wrote: "Sooner or later we must come to grips—whether we like it or not—with the utilization of German manpower for defense of the West and to help to restore the balance of power in Europe." A year later, Senator Elmer Thomas, of the Appropriations Committee, announced himself as ready to consider the organization of "a certain number of German divisions," and *Newsweek* announced that Germany would have to be "the main source of continental manpower."

By December, 1949, Field Marshal Montgomery, then Chief of the British General Staff, said, in a speech at West Point: "If you tell me to rearm Germany, I will do it in a way that is safe." The way? "Western Germany must be re-armed for defensive warfare under Allied command." A day later, Adenauer said in Bonn: "If the Allies demanded that we should take part in the defense of Western Europe, I should be in favor, not of an independent Wehrmacht, but a German contingent in a European force." By January 14, 1950, the *N. Y. Times* was announcing the formation in West Germany of a staff of general officers in the former Wehrmacht for the purpose of advising Adenauer; the next month the U.S. Army announced the employment of former Nazi General Guderian as an adviser for itself. And General Clay, when asked by *Life* (Feb. 20, 1950): "Do you think Germany should again have a standing army?" replied: "Two facts seem plain enough: the West German people are entitled to some security against aggression. Two: the military occupation that now provides that security cannot be expected to endure for all time."

Observe that in all this, for a full two years, there was no mention of remilitarization as being necessary in Western Germany in reply to such moves in the Eastern zone; this was because there were no such moves in that zone, and the United States and Adenauer did not even try to justify their policy of rearming West Germany on any such specious grounds at that time.

In August, 1950, as we have shown above, Adenauer secretly offered the Western powers several divisions of German troops. This places in its proper context a dispatch from London, dated October 20, 1950, in the *N. Y. Times*: "The Soviet Government today accused the Big Three Western Powers of contemplating the revival of the regular German Army and warned that Russia 'will not tolerate such measures.'"

The first open and official pronouncement looking towards the remilitarization of West Germany—still camouflaged in terms of subordination to an Allied Command—came in an AP release from Bonn, September 24, 1951: "The Allied High Commissioners formally invited Western Germany to raise an army for the West." From then on it has been a matter of steadily increasing the number of men, ships, and planes, of shifting their control to West German authority, of fully integrating them—as equals—within the whole military apparatus of NATO, of placing German officers in leading positions within NATO and of

providing for the arming of the West German forces themselves with nuclear weapons.

This policy of the rearming of West Germany—highlighted by the Brussels Pact of 1953 bringing her into NATO formally, and the Paris Treaty of 1954 granting the West German government almost absolute and full sovereignty—reached a climax in November, 1958. But before we turn to the 1958 climax, we must pause briefly to look into the London and Paris agreements of October, 1954. These agreements were forced by a furious U.S. government after the French Assembly, in August, 1954, had voted down the proposal of making West Germany a full member of the European Defense Community. They represented a method of achieving the same end through diplomacy rather than the less reliable parliamentary method.

In these agreements, the sovereignty of West Germany was formally recognized, and it was allowed its own army—to be integrated within the Western military system—to begin with of twelve fully mechanized divisions, plus an air force and a navy—a total of about 500,000 men in the armed forces. On this event, the *Times* correspondent, M. S. Handler wrote (October 24, 1954):

The sense of the Paris agreements was to create a sovereign West German state based on a national army integrated with other European forces at such a high level as to leave no doubt as to which military establishment would ultimately become the most important in the Western alliance. The basic twelve divisions, mechanized and motorized, would have a fire power and mobility far greater than anything known in the last war.

One last point on this 1954 agreement. In it West Germany agreed not to arm itself with atomic, bacteriological or chemical weapons, but absolutely no system of inspection, no method of guaranteeing the enforcement of this commitment was undertaken. Adenauer's word was given; that is all.

Del Vayo, the former Foreign Minister of the late Spanish Republic, wrote of his astonishment at the "optimism" displayed by the Allied statesmen in their asking for no guarantees. And he commented:

The story of Germany's rearmament in violation of the Versailles Treaty, of the complete collapse of the Allied effort to halt the rebirth of German militarism, is a story not from history books, but of our own generation. The very statesmen who today speak so glibly and confidently of "guarantees" and "controls" were only yesterday fulminating against the inadequacy of either to halt the growing German military menace. It is as if the whole period between the two world wars has been expunged from time. There can be only one explanation for this astounding amnesia: the current anti-Communist obsession, the hatred of Russia and the fear of Communist China, has proved stronger than memory or reason. (*The Nation*, Oct. 23, 1954).

And now for the November, 1958 climax. On Nov. 24, Jack Raymond reported from Washington in the *New York Times*, that the United States had decided to press for the elimination of the last remaining curbs on the sovereignty of West Germany, especially so far as her right to militarize were concerned. This dispatch went on to say that the main purpose behind the United States decision to lift the last limitations included a desire "to reinforce West German forces in the Baltic with anti-submarine vessels," to provide Adenauer's government with a greater role in the Atlantic Ocean, and to see that it had significant reinforcements for its ground forces "with tanks and other weapons."

The "other weapons" involved are spelled out in this paragraph:

The United States has also scheduled for delivery to West Germany next month several missiles that can be fitted with conventional or nuclear warheads. The West Germans will get only the conventional type of missiles, but the United States will hold in reserve the nuclear warheads, as in arrangements with other members of the North Atlantic alliance.

The reader is to observe that this has reference only to arms to be supplied to West German forces; of course, U.S. forces in West Germany are supplied with all the latest nuclear weapons and weapon launching devices. Included in the weapons to be turned over to the West German government and army, said the Raymond dispatch, were not only the 15-mile range artillery rocket, but also the 600-mile range jet-driven winged missile, the so-called Matador. Bonn, said this dispatch, had ordered about 300 of these Matadors; moreover, West German troops have been training in the servicing of missiles, here in the United States, "for several months" and specifically they have been training on the use of the Matador, in West Germany "for many months."

The reader is to bear in mind that the distance from Hamburg to Prague is about 350 miles; from Hamburg to Warsaw, less than 500 miles; from Munich to Budapest about 350 miles; to Prague about 220 miles; and to the borders of the Soviet Union about 500 miles.

We repeat that the point had been reached in November, 1958, where the *New York Times* was printing the fact that the West German government had ordered about 300 Matadors—with a range of 600 miles—for delivery to their own armed forces; that the delivery was being made, and that West German troops had been training for many months on how to fire this weapon, which may be armed with thermo-nuclear weapons having enormous, devastating force. And all this ensconced in a story about how the United States was going to insist on the removal of the last of the limitations on remilitarizing West Germany.

A few days after all this became a matter of public record—though surely weeks, if not months, after these arrangements and plans must have been known in all the capital offices of the world—the Soviet Union presented, November 27, 1958, its note relative to the Berlin situation and made its proposals for the resolution of the altogether unnatural condition existing in that city and in the German nation. Yet repeatedly, these proposals are dealt with as though

they were sheer bolts out of the blue, the result of the capricious whim of the unaccountable Mr. Khrushchev.

Further announcements relative to the intensified drive to make of West Germany an area teeming with military potential followed, all of them clearly the result of many weeks of earlier preparation. On December 4, 1958, the Defense Ministry of the West German government announced that its Army was to be equipped at once with three battalions (144 launching pads) of rockets, one of which will have the potential of firing atomic weapons. These, however, remain under the control of the Supreme Commander of NATO, the U.S. General Norstad.

In connection with the latter fact it is at least sobering to notice that Paul-Henri Spaak, Secretary-General of NATO, has raised the point that he thinks the responsibility for the use of atomic weapons must not be confined to the United States. He writes:

Of late, however, the situation has been changing as European armies, or at least some of them, have been receiving tactical and, more recently, strategic nuclear weapons. Continental Europe's ability to play an effective part in atomic retaliation is now a fact. Would it not be legitimate, then, to give Europe some share of the responsibility for the conduct of this kind of warfare? Common sense [!] dictates an affirmative reply. (*Foreign Affairs*, April, 1959).

At the same time, and in the same publication, Franz-Joseph Strauss, Adenauer's Minister of Defense, makes a point that, coming from him at this time, is more than sobering; it is a real cause for alarm. Strauss urges that the West remember that the strategy of deterrence requires three things: 1) the necessary weapons; 2) the determination to use them; 3) a cause strong enough to justify their use in the eyes of world public opinion. Of the three, only the third worries the West German Defense Minister, especially since as he writes: ". . . we can expect that the justification for our employing thermonuclear weapons will be made as obscure as possible by a Communist aggressor."

We feel impelled to remind the reader that Hitler also faced this problem; and when, soon after his attack upon the USSR he felt it necessary that a southern front be opened up through Hungary, he arranged, with Horthy, as the latter tells in his *Memoirs*, for the Luftwaffe to bomb some Hungarian villages, and to have the Hungarian government announce proof of a Red Air Force attack, and then to declare war.

Two "little" items tucked away in recent dispatches add some color to the story of remilitarization. An AP dispatch from Bonn, January 28, 1959, announced that the West German government has indicted Pastor Martin Niemöller—the renowned anti-Nazi—on a charge of "criminally slandering its army." Conviction could mean a two-year prison sentence for the minister who had dared to suggest that the purposes of remilitarization of West Germany were not necessarily of the purest or calculated to promote the welfare of mankind.

The other item was reported by Waverly Root in a story on SHAPE, the military headquarters of NATO; it seems that only recently German officers attached to this headquarters have taken to wearing their battle ribbons, but out of deference for their Allies, they wear only "those won on the Eastern front" (*The Reporter*, March 19, 1959). The armies they led, however, did march West, too; in fact, they did somewhat better in the West than they did in the East, and it is not likely that the present-day wearers of highly-selective decorations have forgotten that fact.

Defense Minister Strauss continues busy—at least as busy as he was when serving as a political education officer in Hitler's Wehrmacht—for his office announced from Bonn on March 18 the signing of a contract with the Lockheed Aircraft Corporation and the General Electric Company for the purchase, at a cost of \$357 millions, of 300 F-104 jet fighters, capable of supersonic speeds, very fast takeoffs, and use in all weather.

All this preparation is, of course, quite apart from what the American, British and French forces situated in West Germany are doing, and the Americans adding rocket launchers and missiles like mad, are restrained by no one and nothing from arming them right now with nuclear weapons.

Hans Speier, founder of the social science division of RAND, and a consultant for the State Department and the U.S. Chiefs of Staff, in a recent study of *German Rearmament and Atomic War* (Row, Peterson, White Plains, N. Y., \$5), accepts as an established fact the complete remilitarization of West Germany. He notes that most of the Army and Navy officers there are strongly anti-democratic, and are convinced that it was Hitler's amateurishness that lost Germany the last war. He adds that many German officers now are serving in the Bundestag, and that a great many of the former officers in Hitler's Army today hold leading positions in West German industry. He also observes a bitter resentment against U.S. domination, and particularly U.S. control over atomic weapons; most of the officers, also, feel that such weapons have not replaced the need for conventional arms and so propagandize actively for larger and larger ground forces.

Finally, all the newly-constituted West German divisions are commanded by officers who held analogous positions under Hitler and who fought on the Eastern front. The General Staff is reconstituted and is actively participating in the plans of the Adenauer government and of NATO.

On decartelization: While Potsdam called for the breaking up of the intense monopolistic structure of the German economy and the limitation of its industrial capacity so that it could never again support a major aggressive undertaking, developments in West Germany under Allied and especially U.S. control have gone in exactly the opposite direction. Instead of decartelization, there has been recartelization until today West German industry is more highly monopolistic than it was under Hitler; instead of a reduction in the capacity of German industry to wage war, that capacity, particularly in the Ruhr, has been enhanced.

On June 3, 1942, Assistant Attorney General Thurman Arnold warned:

The secret influence of the international cartel is going to be thrown in favor of peace without victory when the first opportunity arises—just as it was thrown in that direction at Munich. . . . The small group of American businessmen who are parties to these international rings still think of the war as a temporary recess from business-as-usual with a strong Germany. They expect to begin the game all over again after the war.

As the fighting approached an end, the Department of State, in April, 1945, announced that: "Nazi Party members, German industrialists, realizing that victory can no longer be attained, are now developing postwar commercial projects, are endeavoring to renew and cement friendships in foreign commercial circles and are planning for renewals of pre-war cartel agreements."

How potent these "friendships" were became apparent very soon. The U.S. chief counsel for the prosecution at the Nuremberg trials, General Telford Taylor, was told as early as July, 1946 by *Secretary of State Byrnes*, that the U.S. did not favor the trial of leading Nazi businessmen. Yet the distinguished freedom-fighter from South Carolina remarked that, "The United States cannot afford to appear to be in the position of obstructing another trial." Still, he added—to the prosecutor!—that should "the plans for a second trial break down" that would be "well and good." At the same time, Supreme Court Justice Robert Jackson, chief U.S. prosecutor at the first Nuremberg trial, favored President Truman with this private memo: "I have also some misgivings as to whether a long public attack concentrated on private industry would not tend to discourage industrial cooperation with our government in maintaining its defenses in the future while not at all weakening the Soviet position, since they do not rely upon private enterprise."

Dr. Schacht, Hitler's chief financial adviser, knew of what he was speaking when he gloatingly declared, in October, 1946, upon his release by the International Military Tribunal, over Soviet protests: "If you want to indict industrialists who helped Germany rearm, you will have to indict your own, too."

From the beginning the decartelization program was doomed by the very personnel placed in charge of economic affairs in the American Zone. The first High Commissioner, John J. McCloy, was a member of two leading Wall Street law firms—Cadwalader, Wickersham & Taft, and Cravath, de Gersdorff, Swaine & Wood—the latter having represented I. G. Farben and its affiliates in the U.S. McCloy's Chief Counsel as High Commissioner was Chester McClain, a fellow partner in the Cravath law firm, and formerly Chief Counsel for Bethlehem Steel. The Marshall Plan representative for West Germany was Normal Colli-son, an attorney for United States Steel.

From 1945-46 there were five American members of the Economics Directorate of the Allied Control Council. They were: William F. Draper of Dillon, Read; R. J. Wyso, formerly president of Republic Steel; E. S. Zdunek, in charge of the Antwerp division of General Motors; Philip Gaethke, prewar manager for

Anaconda of its copper interests in Upper Silesia; and P. P. Clover, an executive of the Socony-Vacuum Oil Corporation. The five U.S. members of the Steel Commission, handling, with Great Britain, the Ruhr complex, consisted of four executives from U.S. Steel and one from Inland Steel.

The German administrators and officials serving with these American millionaires were fitting companions. Thus, associated with the last-named steel tycoons in running the great Ruhr concentration were twelve Germans, typical of whom were: Herman J. Abs, director under Hitler of the Deutsche Bank; Guenther Sohl, director under Hitler of Krupp and Vereinigte Stahlwerke (United Steel Works); and Heinrich Linkelbach, another director of the United Steel Works, described by the *New York Times* (Feb. 26, 1949) as "sponsor and financial contributor to the Nazi S.S."

The interlocking of personnel reflected the interlocking of business and financial interests; such interlocking with German finance and industry was especially marked for Du Pont, Standard Oil, General Electric, International Harvester, General Motors, Ford, International Telephone and Telegraph, Anaconda Copper. Important financiers for United Steel Works, Siemens Electrical Works and the Dresdner Bank were Dillon, Read, and Brown Brothers & Harriman—of the latter firm, Harriman, Draper, Forrestal, Lovett were all in Truman's Cabinet!

By 1947, James S. Martin, already noted as originally the Chief of the Decartelization Branch of Military Government, was writing:

What has happened is that within a period of two years U.S. policies for the treatment of Germany have changed their course by 180 degrees. Now in all important respects they coincide with what the German financiers, industrialists and politico-militarists have wanted us to do ever since they surrendered (*New Republic*, Oct. 6, 1947).

Naturally, today, as even the *N. Y. Times* (Jan. 7, 1959) admits, "The tendency throughout West German industry is toward reconcentration rather than deconcentration." In steel, coal and auto, an interconnected Big Eight dominate production—and these include all the old Kaiser and Hitler names—Krupp, Thyssen, Mannesmann, Flick, in all cases with significant U.S. interpenetration; Marquis Childs recently noted (*N. Y. Post*, Feb. 5, 1959) that just from 1946 to 1951 four billion American dollars were invested in West Germany.* And once again German finance is controlled, as during Hitler, by three great banking concentrations—the same three: Commerzbank, Deutsche Bank and the

* Outright merger of U.S. and German corporations has begun. The Armco Steel Corporation formed a partnership with Thyssen-Huette in 1955, and a new plant in Dinslaken, West Germany, jointly-owned, was opened in November, 1958 (*N. Y. Times*, Dec. 1, 1958). In November an international finance corporation, called Intercontinental, was formed; in it are Krupp and Siemens, Charles Allen, chairman of Colorado Fuel & Iron, and Bruno Pagliai, a Mexican millionaire. The headquarters of this firm are in Mexico City and the intention is to concentrate on Latin-America.—*N. Y. Times*, Nov. 29, 1958.

Dresdner Bank. The point has been reached where Chancellor Adenauer himself—between World Wars, a director of the Deutsche Bank—and sounding for all the world like Theodore Roosevelt, permitted himself to say:

There is great future danger that a handful of economic structures will control the German economy to such a degree that government will be forced to take drastic steps against them (*Time Magazine*, March 5, 1959).

For present purposes these data will be considered sufficient to establish the main point: while Potsdam required the breaking up of the monopolistic structure of the German economy—which had been of basic consequence in the creation and the sustaining of Nazism—the policy of the United States government from the very beginning, and with increased boldness as the years passed, was to undermine such a program and, on the contrary, to assure the recartelization of the economy of West Germany. That economy today is more concentrated than it was when Hitler lived.

There is one additional piece of history, in connection with this movement that is not nearly as well known as it should be. It is told by Kenneth Ingram in his *History of the Cold War*.

A Labor government ruled England right after the war. That government officially announced, late in 1945, that the coal mines, chemical and engineering industries in the British Zone would be socialized. For a year, however, nothing was done. At the Cologne Convention of the German Social Democrats of the three Western Zones, held in 1946, it was unanimously voted that the British be urged to fulfill their promise of socialization. And later the Ruhr German government passed a Resolution towards the same end, but Great Britain rejected both demands. The final crusher on the Labor Government's promises came when in December, 1946, Great Britain agreed to U.S. proposals for the merging of their two zones—the beginning of the U.S.-dominated drive towards the creation of the German Federal Republic.

This may be chalked up as another service by the leadership of international Social-Democracy on behalf of monopoly capitalism.

Such is the record of performance by the Government of the United States in implementing the obligations undertaken with the signing of the Potsdam Treaty. That Treaty crystallized the purposes for which—in terms of public affirmation by all the Allies—World War II had been fought in Europe; these purposes and the sacrifices that went into their execution have been repudiated by the actions of the Truman and Eisenhower Administrations.

In our next issue we shall consider the reasons for U.S. repudiation of Potsdam; the history and chronology marking the division of Germany into two states; the status of Berlin; the appearance of opposition in West Germany and the United States to the Dulles-Adenauer line on Germany; differences among the Western Allies on this question; and various proposals for the resolution of this extremely dangerous matter.

China Overtakes Time

By Ella Winter

From Peking, Ella Winter writes of the historic and breathtaking changes taking place in the Chinese People's Republic. Miss Winter, a leading American author, was forced into exile in England some years ago by reaction; she is the widow of Lincoln Steffens. We are certain that our readers will be interested in her first-hand impressions.—The Editor.

YES, THEY ARE doing a thousand things at once—learning and teaching, freeing peasants and women, increasing yields and output, controlling flood and famine, making precision instruments and blast furnaces and dams and new designs for cottons and silks. . . . And all with a proud sense of freedom, a knowledge that “now we can do it.”

Freed at last from bound feet and ideas, forced marriages and infant betrothals, from the drudgery of home and too large families and no doctors and unhygienic surroundings, the women of China have set to with an energy and will that staggers every observer. I see them tending baby, then dashing down the road to stoke the baby blast furnace, nursing a breast-fed infant, then a new shoot of rice on the experimental field that will yield twenty or thirty or fifty times as much as the ordinary field. And both children and rice harvests thrive.

“I wouldn't work in the fields, at first,” an older woman of the Tai nationality told me in Yunnan Prov-

ince. “I thought I might become sterile, others told me it would take twelve months to make a baby. Besides, my husband was angry at the idea. But then the women here—” and she gestured with a warm smile to my companions from the Women's Federation of Kunming, “they explained to me that was nonsense, that it had come because men wanted to be superior to us. So I learned ploughing—and reading. I've been helping plant new trees, and digging wells, and I've had three new babies—all born in nine months each!”

In Peking I talked with the New Chinese Woman, and in Chungking and Shanghai and Wuhan, the Triple City, and even in Huhhot, the thriving capital of Inner Mongolia; and five days' mule ride out in the country, in a Mongolian herdsman's compound in a village of baked mud walls. Everywhere it was the same story.

In Mongolia a woman of forty-two, in long bright blue silk robe and shining green sash and a head-dress of silver, coral and turquoise

(that she never quite removes), was leader of a team of livestock raisers. She was in charge of 4,000 cattle, sheep, horses, pigs and chickens. Formerly they had been nomadic, moving with their flocks to new pastures; had lived in felt tents and slept on the floor and eaten irregularly and badly. Now they had warm kangas and proper food—too much for me and for me much too rich—cheese and butter and buttermilk and cream and flour-biscuits of several sorts, eggs and fruit and glutinous millet and a rich milk powder and salted mutton and pork. . . . Her children were in school, the clinic people checked on everybody's health, movies and dramatic troupes came to this distant village cooperative (that seemed to me beyond nowhere) to entertain the scattered population.

There were housewives in every city who, forming themselves into Neighborhood Committees and cooperatives, repair tools, carpenter, tailor, teach their illiterate neighbors, look after the small children, make a water pump, lay bricks for the new school in the lane. In every Peking “Red Compound” the inhabitants round the courtyard with flaming canna lilies and zinnias and are pulling together to help one another in every kind of work or household task. The newest social institution is this “city commune.”

One housewife who had helped achieve all this in Wuhan had been, a few years ago, just a trivial-minded spendthrift, playing mahjong, gam-

bling, going out all the time and neglecting her household. Now she was a citywide Model Worker, a Model Housewife and a Street Government leader. She has already helped set up thirteen workshops for her co-housewives. She told the story of her bad ways and her regeneration earnestly and with utter conviction.

And now the newest innovation: one which started only a short time ago in the lanes of Peking, at the initiative of three housewives. Every housewife has always a long list of innumerable “chores” that have to be done—repairs, renovations, a new teapot lid to replace that broken one, library books to exchange, new fountain pen nib to replace the broken one, Johnny's shoes to be repaired, husband's broken pipe stem, theatre or opera tickets to get, we're out of vinegar—spaghetti—bird seed, I must send Auntie Valya that new cold cure she asked for, ad. inf. Aggravating, irritating, endless small jobs that take time and energy and break up the day and prevent one getting down to any real day-long job.

Now the housewives of Peking have set up service houses where five women sit all day, every day a different five women, and take the orders for such chores or jobs. The five spend the day doing them for everyone else. At night a man sleeps in the house both to guard the stuff and to take in extra orders that may come late or early. All the women in the lane take turns. . . . And for twenty years I have been suggesting this

from New York and California to London—in vain!

Who are the outstanding women in my mind as I think back over my incredibly rich two months in this varied, unprecedented land where progress advances faster than time? There was the leader of a rice commune, a little ex-concubine, who had produced a bumper crop of 30,000 kilos per mou where the average yield was 1,350. (If you don't believe it, I didn't either, but I saw it.) She had been sent as a servant at the age of twelve to work for the landlord; he ill-treated and starved her so she had run away. And when they threw her peasant father in jail as a reprisal, and the family of seven starved, her mother sold her to a rich peasant—for a sack of rice to free the father. She lived a wretched existence, beaten, hungry, loveless and tried to kill herself "twelve times" she told me—but the neighbors saved her. Now she is vice-chairman of this commune five hours out of Kunming in Yunnan Province. She told her story with that mixture of indignation and sorrow that one meets all over China—sorrow and indignation at the terrible life, hardships and

wretchedness that centuries of history inflicted on them—and triumph now that they are at last "standing up."

"We were nothing," a poor woman in Shanghai said. "No one had heard of us. Now . . ." and words failed her. (They fail the most hardened reporter, and the most objective.) The hovel roof may still sag, covered with old yellowing newspaper, the rain may drip through and windows may be plugged with paper, clothes may still not be Bond Street or Fifth Avenue (they aren't exactly); but the spirit of man has been freed. There is dignity and self-assurance and self-respect, and a creativity and flowering that you could not picture in any wildest dream. Progress is taking place faster than time.

As I recall things I saw in China, I cannot help remembering Joseph Alsop's idiotically untrue column in the *Herald Tribune* some months ago. Why doesn't *he* stand up on *his* own two feet and demand that as a reporter he be allowed to go to China and see for himself? That used to be the reporters' tradition. Or is he afraid of something?

"What is happening in China is the most important agricultural advance in world history."

—Professor Rene Dupont, French National Institute of Agronomy, quoted in *Le Monde* (Paris), Oct. 12, 1958.

Notes On The Negro Question

(A Discussion Article)

By William Z. Foster and Benjamin J. Davis

THE NEGRO QUESTION is a highly complex one, and over the years the Party, despite many outstanding successes, has made a number of mistakes in working it out in practice and theory. These errors have been greatly worsened by the plague of revisionism that has afflicted the Party so severely in the recent past. The ultra-Leftists added their share to the confusion. It is only now that the Party is getting its feet on the ground again in this most vital matter. This is manifested by the current Draft Resolution on the theoretical aspects of the Negro question by the National Committee, the discussion led by comrades Jackson, Allen, and others. It is of the utmost importance that this Resolution be perfected as quickly as possible and become the working basis of the Party in this key political question.

The following three general notes are offered to this end. They are in no sense presented as a substitution for the Draft Resolution, nor are they proposed to be added as specific amendments. Rather they are suggested to be woven substantially into the text of the Resolution as part of the basic line of the work of the Party, and to strengthen it. We believe some of the points made here-

in are new. The three general notes deal especially with the dialectics of the Negro question, and have the most direct and immediate bearing upon the theory and practice of our Negro work. Properly integrated into our resolution, they can do much to strengthen the struggle of the Negro people, and to improve the vanguard role of the Communist Party in that struggle.

INFLUENCE OF INTERNATIONAL DEMO- CRATIC PRESSURES

The international phase of the Negro question is extremely important. One of the most dynamic features of the struggle of the Negro people in recent years has been the pressure on their side of the democratic forces on a world basis. A most striking effect of this has been, in consequence, a dramatic change in the tactics of American imperialism on this burning question. Traditionally, dating back to the mid-1870's or so, monopoly capitalism, or such big capitalist organizations as then existed, have in no sense sought to soften the Jim-Crow oppression of the Negro people. On the contrary, they have tended to exploit and

worsen this persecution. But recently there has been a marked change in the tactics of American imperialism in handling this thorny question. This originated in the fact that, particularly since the end of World War II, United States big business has followed a policy of world conquest, involving war. In attempting to carry this out, it found the Jim-Crow system to be a big handicap in the many countries where it undertook to operate. The strong Communist movements and the alert democratic forces generally, especially in the Socialist countries and in those countries where the darker peoples are fighting against imperialism, look with sharp hostility upon every manifestation of Jim-Crowism in the United States. They see in this a dramatic repudiation of the democratic pretenses which the United States seeks to establish, and they make no bones about showing effective opposition.

Hence, the would-be world conquerors of Wall Street have had to make modifications in certain features of Jim-Crowism. They decided to tone down some of the more spectacular forms of oppression. Especially, they put the soft pedal on the horror of lynching, which had been almost a daily occurrence in the Southern United States, although they continue violence in many ways against the Negro people. Obviously, the democratic world would not tolerate the outrageous shootings, hangings, burnings, and dragging to

death of Negroes that was such a well established part of Southern American life. Hence, lynching had to be glossed over, and every potential lynch mob understood the foreign policy reasons why this was being done. On the same "principle," Jim-Crowism in the armed forces, in the schools, in the hotels, on trains, on buses, etc., had to be softened up, at least on the surface, so it would not be so offensive to foreign democratic eyes. If it had maintained in all its savagery the ultra-brutal Jim-Crow system of earlier days, the United States could not possibly make even thinly plausible its pretenses at leading world democracy. American imperialism did not want to abolish the highly profitable Jim-Crow system in the South, but only by smoothing some of its sharpest edges, to make it less apparent and less objectionable to the democratic masses in other countries. Naturally, the same principle applies also to the American masses; they too were deeply offended by Jim-Crow.

One of the most spectacular features of the changed tactics of American imperialism towards Jim-Crowism, are the *unanimous* votes of the Supreme Court to legalize segregation in the schools. Thus the court abolished its long established grossly unjust policy of "separate but equal" schools for Negroes. Undoubtedly, an important factor in bringing about this change, was the greatly increased strength of the Negro people over the past several years, including their

intensified alliances with friendly white workers. But even this added strength could not account for such a remarkable shift in policy as that evidenced by the Supreme Court in the school (and other) decisions. Neither did the trade-union movement speak out strongly and sharply enough to bring about such an important change of policy. The factor of socialist and democratic foreign pressure against the Jim-Crow system became an unmistakable force of major importance. Even Eisenhower, in his recent State of the Union Message, spoke freely of this general matter, stating that no country in the world is under such strong pressure from abroad and under such powerful democratic scrutiny, as is the government of the United States. The fact that the Dixiecrats are not going along in this respect with the foreign policy of American imperialism, by no means invalidates its application and effectiveness.

The Negro people are very keen to take advantage of the embarrassment which Jim-Crow makes for American imperialism, and they conduct their struggle accordingly. The socialist and anti-imperialist peoples of the USSR, China, India, Indonesia, Africa, Latin America, and other countries, are repelled by the fact that Negroes are denied the right to vote in the American South, or are lynched or otherwise outrageously Jim-Crowed, and they don't hesitate to speak out quickly and vigorously on the matter. Thus they put

American reactionaries very much on the defensive. The American Negro people are quick to take advantage of the more favorable international situation thus presented for the prosecution of their struggles. In general, foreign democratic pressure against the reactionary doings of American capitalism in the United States, is becoming of great importance in other fields, as well as that of Jim-Crow. It is one of the more powerful signs of socialist moral encirclement of militant imperialism. Undoubtedly, one of the principal reasons why McCarthyism was recently so sharply defeated in the United States, was because of the widespread protest of indignation that it caused in the awakening democratic countries of the world, countries in which American imperialism hoped to build its influence. They correctly felt that the United States was in sharp danger of fascism, which was a menace to themselves as well, and they didn't hesitate to speak out quickly, clearly, and energetically on the matter. In working out our Party's Negro program, therefore, we must be careful to bear in mind this very important factor of foreign socialist and democratic mass pressure against Jim-Crowism in this country. We must develop to the full the international aspects of the Negro question.

THE HIGH MILITANCY OF THE NEGRO PEOPLE

A keen fighting spirit is one of the

most marked features of the Negro people's struggle everywhere. Examples of this are to be found on all sides. The Montgomery Bus Boycott, for example, was a splendid exhibition of Negro solidarity and militant action in the face of terroristic forces that only waited the signal for extreme violence. Also, the attitude of the Negro children, braving the school picket lines at Little Rock and other Southern cities, was an example of courage that inspired the world. In many cities, too, especially in the North, Negro families have valiantly defended their homes, arms in hand, against mobs of white hoodlums who tried to oust them violently from restricted neighborhoods. Then there is the bold stand of countless Negroes in the South in exercising their right to vote in the face of hostile mobs seeking to deprive them of that right. The heavy defeat administered to Tammany in Harlem, where Tammany—one of the few times in its many decades of noisome history that it did such a thing—was forced to come out openly and admit that it made a mistake and was defeated by the Negro voters. Besides, all over the South, Negro leaders have had to face up to bombings, shootings, and Ku Klux Klan threats, as well as the arrogant pressure of the White Citizens Councils, aided by the local Dixiecrat governments.

These militant actions by the Negro people have become so usual, that they are almost taken for granted.

They are unequaled by any section of the mass resistance forces in America to monopoly capital. In fact, they run far back in Negro history, where countless Negro heroes have led many desperate and inspiring slave revolts that were bloodily repressed. The cause of Negro militancy is to be found first of all in the extreme brutality and injustice of the treatment which is meted out to Negroes in every sphere in the United States. In latter years, its increase is due, among other reasons, to the greater proletarianization and urbanization of the Negro people; to the trade-unionization of about 2 million Negro workers; to the development of a huge body of friendly white supporters, particularly in the trade unions; to the powerful influence among American Negroes of the development of many new anti-colonial governments, particularly in Africa and among other darker peoples; and last but not least, the sharp influence of the socialist and democratic forces of the world in their opposition to Jim-Crow outrages practiced in America. The Communist Party, for many years, has been tireless in its cultivation of this noted militancy and solidarity of the Negro people, among themselves and with white workers and other friends. It is indispensable for the success of the Party's work, that it take full account of this quality of Negro militancy that is so characteristic.

It is also very important in developing the fighting policies of the work-

ing class in general, to champion to the full the special militancy of the Negro people. The leader of the basic struggle against American monopoly capital is the broad proletariat, made up of the workers from all national groups and origins, including the Negro. This is the force which must lead the masses of the people to eventual freedom. It has been one of the historic evils of the Right-wing reformists, who have long dominated the trade unions, which for decades have been the actual leading organizations of our working class, that they have sought ceaselessly to suppress the militancy, and to weaken the fighting program, of the whole proletariat, and especially the Negro masses. They work with the help of the employers. The most dramatic aspect of this is their long and tireless fight against the building of a mass labor party.

The Communist Party, which is the vanguard of the labor movement, as its central task seeks to cultivate the militant leadership of the proletariat (contrary to the reformists) in all mass struggles against big capital. In this respect the Negro masses are a great force. The Negro people are at once the most working-class, impoverished, and militant element in the ranks of the opponents of big capital. The broad proletariat, as the basic leader of the general struggle against capitalist oppression, should and must make itself the champion of all the demands, both class and national, of the

Negro people. The same principle holds true regarding the demands of the poor farmers and other anti-monopoly elements, although it must be borne in mind that the Negro question is the most outstanding in importance. This all-inclusive character the broad proletariat must display if it is eventually to lay the basis of a powerful anti-monopoly labor party, of which it is the leader. However, it is far from doing so at the present time, to its own loss as well as that of the Negro people and other oppressed masses.

THE VARYING ROLES OF RACE, NATION AND CLASS

These several elements comprise a third general proposition which it is imperative for the Communist Party to pay special attention to in its Negro program. Especially must this be so in the sense of the constantly changing role played by these respective elements in the fight of the Negro people. We must be constantly aware that the struggle of the Negro people, and their status generally, is not a static one, but is constantly changing its character in response to the rapid and radical alterations of the environment in which the Negro masses live.

Race: this is elemental. From the outset, centuries ago, the unscrupulous enslavers of the Negro people sought to justify their barbarous treatment of these abused masses on the white chauvinist grounds that

they constituted biologically an inferior race, created by the good Lord to serve the white man as slaves. All through the more than 350 years that slavery lasted in North, South, and Central America, this white chauvinist idea was relentlessly cultivated by the slave owners generally. It lent great depth and bitterness to the whole slavery controversy. The slave-owners made it a central point in the ideology of the slave system, and their leading intellectuals put in much of their efforts defending it. So widespread was this false conception that even many otherwise friendly to the Negro people fell victim to it. It was a common occurrence for persons who fought hard to free the Negroes from chattel slavery, at the same time to take the position that the Negroes were an inferior race, and not entitled to equal rights with the whites. Even many of the members of Garrison's famous organization, the American Anti-Slavery Society (founded in 1833), were white chauvinists, who considered the Negroes as fundamentally a lower race.

The fighters for real Negro freedom had to devote much of their time and effort to defending the truth that the Negro was a man, and as good a one as the white man. One of Frederick Douglass' most famous writings was his speech of July 12, 1854, entitled, "The Claims of the Negro Ethnologically Considered," in which he developed a scientific argument in favor of the biological equality of the Negro race. By abolishing

slavery, the Civil War dealt a hard blow to the white chauvinists, who were especially eager to use their malevolent doctrines to prevent the newly freed Negroes from securing the vote. Thus, this great war was an important phase in one of the greatest ideological struggles in the history of the United States.

So much has the fight against white chauvinism advanced, that today there are few, even among the most ignorant and violently anti-Negro elements, who would dare to use openly the white chauvinists' arguments that were freely used at the time of the Civil War, and long afterward. During the ensuing years, the Negro people have clearly demonstrated the high quality of their mental and physical abilities in the realms of science, in industry, in art, in music, in athletics, on the field of battle, and in every other field of cultural and constructive endeavor. Negroes now stand in the front lines of every calling, notwithstanding the extreme handicaps that they still suffer in bringing their full powers to bear on their given work. Today there exists a very large body of genuine white friends and supporters of the Negro people, in every sense of the word, especially among the workers.

White chauvinism, or racist prejudice, although forced considerably to the background, still exists strongly and is a vital factor in every phase of the life of the Negro people. This is most dramatic in the South, but it

is also in evidence in the North, as the Southern Dixiecrats, when attacked, are quick to point out. In our Negro program and work, therefore, the Communist Party must make this question clear, and must also make it a special order of business to fight against every form of white chauvinism, no matter how subtle or disguised. Winning the support of the Negro people will depend very largely upon the conscientiousness and determination with which the Party fights against white chauvinism.

Nation: this is a vital question. The Negro people, particularly in the South, possess a number of qualities (often listed) of nationhood. These, however, are not sufficient, under the given circumstances, for them to develop fully into an independent nation. The severest handicap in this respect, is that the Negro people are situated geographically in the very midst of the greatest of all imperialist powers, and scatteringly at that. Consequently, they cannot exercise the right of self-determination, certainly not in its full sense of the status of an independent state. As a result, throughout their historical life, the Negro people have "oscillated" between the tendencies towards the status of separate nationhood, and of integration into the institutions of the United States. They have been particularly influenced in this respect by the rise and fall of democratic waves of development in the United States and the world.

For many decades, the great body of slaves in the Americas did not advance beyond concepts of race. Big factors in holding back their ideological national development, were the extreme oppression under which they lived, and also that they originally came from many different tribes and localities, with widely varying languages and general backgrounds. The United States Revolution of 1776 awakened in them moving desires of winning their freedom, which they undoubtedly connected up with the general idea of being more or less integrated as citizens of the new republic. But the Revolution also blasted all these cherished hopes. Instead of setting them free, in the South, it fastened even more firmly upon them the shackles of slavery. Then, as a consequence, there took place one of the "oscillations" that have been characteristic of American Negro national development. That is, during the first generation or so after the Revolution, the Negro people went into various strong nationalist (separatist) tendencies. The minority of freedmen built many Negro institutions that had distinct nationalistic characteristics. Among these may be mentioned: the beginnings of the Negro church (1785); the first Negro schools (shortly after the Revolution); the Negro Convention (political) movement (1817); the Negro press; the Negro fraternal and insurance movements; etc. These institutions were generally composed solely of Negroes and did not have

marked integrationist tendencies.

The great pre-Civil War struggle over slavery took on sharp intensity from about 1830 on. The Negro people played a key and heroic part in the whole momentous struggle. The approaching war generated afresh in their ranks concepts of integration. Many, but not all, white abolitionists shared in these general ideas of the Negro people being integrated, on the basis of equality, into the general body of American citizenry. These integrationist tendencies came to a head not only in the several constitutional amendments of the post-war time, especially granting to the Negroes the right to vote, but particularly in the reconstruction governments that were organized in the South right after the war. These historic governments, especially so far as the Negroes were concerned, were organized on the basis of the integration of the Negro people with Americans generally, on the principle of political equality. The concept of social equality was as yet, however, but poorly developed.

This profound experience with integration came, however, to a sudden end in the Hayes-Tilden campaign of 1876, when the forces of monopoly capital, convinced that they had secured a workable control over the plantation owners, cold-bloodedly sold out the Negro people, who had played such a vital part in winning the Civil War and in breaking the power of the planters. After this, for the next half century, the Negro

people were subjected to the most barbarous Jim-Crow oppression in every form. It was, above all, the period of widespread brutal lynching, and of all the most terrible features of the Jim-Crow system. Uncounted thousands of Negroes were slaughtered by every savage means. With few exceptions, notably during the Populist Party period at the close of the nineteenth century, the Negroes had to fight practically alone. Hundreds of thousands of them fled the South to the North, where, with terrible race riots and the widespread Jim-Crow system, matters were not decisively better for the Negroes.

During this half century, the Negro people, deeply persecuted, developed their sharpest tendency of independent Negro nationalism. This was to be found in many directions, although many Negro leaders also continued essentially integrationists. The most definite national expression was the movement led by the West Indian, Marcus M. Garvey, during the several years following 1916. The Universal Negro Improvement Association, Garvey's organization, had a profound grip on the Negro masses in the United States. Its plan for the Negro people was to migrate "Back to Africa." Garvey claimed two million members. The movement was saturated with a spirit of Negro nationalism. Many other Negro leaders, during this long period of bitter oppression were nationalists to some degree or other. Even Booker T. Washington, who has been

deeply criticized for his toadying attitude towards the white rulers, had much nationalism in his ideological makeup. For, after all, he was the founder of the National Negro Business League, with its program of building the Negro bourgeoisie and Negro industry. It was during this general period, in the late 1920's, that the Communist Party adopted the theory that the Negro people in the South were a nation, and when it seriously over-stressed the theory of self-determination.

At the present time, however, the Negro people are developing a strong trend towards integration with the dominant institutions of the United States. This tendency has a direct connection with the powerful democratic movements which have taken place within the past generation here and abroad. They included the New Deal of the 1930's, the trade unionization of some two million Negro workers, the monumental international struggle against fascism, which culminated in the winning of World War II, and the tremendous growth of socialist countries in Eastern Europe and Asia in the post-war period. These vast democratic movements had profound effects upon the Negro people. Their general pressure was in the direction of integration.

In this movement for integration, the slogan of self-determination is altogether inapplicable for the American Negro people. Various other nationalist tendencies are also at a very low ebb among them. This does not

mean, however, that they are finished with nationalism altogether, and that hereafter the only tendency they will have will be towards integration. Integration, of course, is the dominant trend; but the basic tendency of nationalism will also remain in evidence and may even last deep into socialism. These national tendencies may express themselves in the continued maintenance of many purely Negro organizations, the strong affinity of the Negro people for the erst-while colonial peoples of the world, the continuing necessity to put special stress upon the Negro question in every field, including trade-union leadership, the need to make an especially vigorous defense of the Negro people's right to decent housing, the war against their being discriminated against in employment, etc. One of the worst errors that the Party could now make, would be to fall into the revisionist, opportunist policy to conclude that because the Negro people are now orienting heavily towards integration, therefore, they will have nothing further to do with the national question in general.

Class: This is also a fundamental question in the Negro work. There has been much confusion about this matter. Thus, for many years, the Socialist Party held the position that the Negro question was solely a class issue, and it did not especially concern itself with such racial outrages as lynching, and other manifestations of Jim-Crow. The Communist Party,

on the other hand, went to the opposite extreme, for a considerable period, in theory if not so much in practice, of seriously underplaying the class aspects of the Negro question. The class question is inextricably bound up with questions of race and nation, and it can be intelligently considered only if these vital and ever-present matters are taken fully into consideration. The Party cannot work at maximum efficiency in the Negro field, unless, together with questions of race and nation, it also has a clear line and full understanding of the importance of the class question to the Negro people.

As the Negro people reach greater political maturity (whether on the basis of nation or integration), they progressively differentiate themselves along class lines. In general, they develop the characteristic class divisions that are inevitable by the very nature of the capitalist system—such as capitalists, petty bourgeoisie, working class, and farmers. But here again, the special national role of the Negro people plays a very important part. Thus, the numbers of Negroes are disproportionately weak in the capitalist and upper middle classes. While there are some Negro members of the upper middle class, and even some that may be characterized as big capitalists (as, for example, the so-called Texas Negro oil millionaires), the vast majority of the Negro people, however, as is characteristic of a bitterly oppressed and exploited people, belong to the

ranks of the lower middle class, the poor farmers, and the working class. The class composition of the Negro people is of decisive importance in determining their ideology and action, and must therefore constantly be borne in mind.

Going increasingly into their current integrationist orientation, the Negro people step up their class activities, and these become more complex. The proposition is much more complicated than for them simply to join up with the particular class organization and activities of their special vocations. Race and national considerations, as well as class, must imperatively also be borne in mind, else the given effort will fail. In the trade unions, for example, which already contain the principal class expression of the Negro people, the task is much more than for the Negroes to enroll as members. There are a lot of other matters to be considered, including white chauvinism. Because the members in question are Negroes, they confront special problems on the issue of wages, for instance, in which the Negroes always face hardships of discrimination; there are matters, too, of upgrading, of seniority, of securing employment, of daily work grievances, and the like, in all of which they are also victimized. In these matters, the Negro is at a serious disadvantage as compared to the white workers, and unless he fights against these disadvantages, with the maximum of white allies, he is very apt to be seriously

on the losing end. These are just a few examples to indicate the vast importance of the class element in the Negro question.

To sum up this general section: one of the principal thoughts we have sought to emphasize is that in the Negro program one-sidedness must be avoided. Race, nation, and class must each be recognized as such, and properly dealt with. During the Party's history, although the Party has done some splendid work, it has tended to overplay or underplay, from time to time, the various elements—race, nation, and class—that go to make up the Negro question as a whole. This has served to inject some one-sidedness into its work, and has deepened and multiplied its mistakes. Just now, the Party is emerging from a tragic experience with revisionism during the past couple of years. It is at present clearing out the basic errors that the Right opportunists, with considerable ultra-Left help, injected into the Negro work. It is high time, therefore, that the Party overcome its traditional and harmful one-sidedness in its work, and build a balanced Negro program, one in which the questions of race, nation, and class all play their proper role. If this is done, it will enormously improve our Negro work in general.

Vitaly important is it not to forget the outstanding importance of the Negro question. The great task con-

fronting the Negro people and their allies—indeed the whole American people—is the completion of the unfinished democratic revolution in the South. The prosecution of this work will have the most far-reaching effects in every field of the class struggle, North and South. The democratization of the South by striking the Jim Crow shackles from the Negro people will enormously stimulate democracy all over the country. It will not only bring the Southern Negro masses into the trade unions and farm organizations, and the other channels of democracy, but it will also release the democratic strength of the masses of poor whites who, in many respects, also suffer from shocking conditions of oppression and exploitation. This curtailing of the power of the Dixiecrats in the South will bring about a big growth in the general trade-union movement. For the first time the Southern masses will have an opportunity to elect legitimate representatives in the local and state governments, and also to send representative delegations to Congress. The opportunity will present itself to break the grip the Dixiecrats in Congress now have upon the chairmanships of key committees. There must, therefore, be no under-estimation of the basic importance of the liberation movement of the Negro people.

Central Africa and Freedom

By W. Alphaeus Hunton

As we go to press, the American newspapers report major "pacification" efforts by British Imperial troops and planes directed against the peoples of Nyasaland. This is the latest in the explosions marking life in the hinterlands of the "Free World." In the article that follows, Dr. Hunton, author of the recently-published Decision in Africa, who lately spent several weeks in Africa, analyzes and describes some of the latest developments in that Continent ablaze with the will for freedom.—The Editor.

THE "EMERGENCY" POWERS vested in colonial governments give license to rule by the mailed fist instead of by whatever law subject territories may enjoy. And though the colonial yoke has been broken or loosened in most areas of the world and even parts of Africa, the declaration of "emergencies" remains the order of the day in the vast settler-populated areas of that continent, east, central and south. Nyasaland is the latest to feel the mailed fist. Thirty-nine Africans were killed by police, so it was officially reported, and 249 persons were summarily jailed in the first four days of the "emergency" declared there on March 3.

Trouble has been brewing and occasionally exploding in both Nyasaland and Northern Rhodesia since 1953 when the protests of the African inhabitants were brushed aside and the two territories were joined with Southern Rhodesia, ruled by its 175,000 whites according to the

South African white-supremacy code, to form the Central African Federation. Though the Colonial Office in London retained final jurisdiction over Nyasaland and Northern Rhodesia, the white settler ruling group centered in Southern Rhodesia regarded this as merely a temporary expedient. They have impatiently demanded and insisted on securing next year independent dominion status for the Federation. This would give the white minority, totalling about 250,000, absolute political control over the more than seven million Africans in the three territories.

On the other hand, African opposition in Nyasaland, where there are fewer than 8,000 whites and 10,000 Indians to nearly three million Africans, has increased in intensity. The Nyasaland African Congress has become a force to reckon with since Dr. Hastings Kamuzu Banda returned home last July to lead it. Congress demands secession from the

Federation and government of the country by the African majority. The Nyasas, having refused to yield an inch to either the carrot of "partnership" or the club of intimidation and coercion, the white settler regime resorted to the conventional colonial method of dealing with stubborn and militant subjects.

Then, simultaneously with the news of the killings and mass arrests, there suddenly descended a heavy fog of official propaganda. The N.A.C. and its leaders, it was charged, had plotted a "massacre." Not an iota of evidence was offered and no substantiating details, except for something about the planned use of drum signals. Up to a week after the announcement of the "massacre" plot (when this was written), not a single white person had been killed in Nyasaland or anywhere else in the Federation. Nor, save for one confused story about a single gun, was there any report of any weapons in African hands other than the usual stones, sticks, and spears. And the crowning irony is that this weird tale was served up to the world at the very time when Her Majesty's Government was conducting a prolonged trial in Kenya in an effort to prevent a reformed informer there from upsetting the same sort of charge used in another "emergency" nearly seven years ago as the basis for jailing Jomo Kenyatta and other leaders of the Kenya African Union and driving that organization out of existence.

All available evidence clearly indi-

cates that the responsibility for the grave developments in Nyasaland rests with the white ruling clique in the Federation, and specifically the Federal Prime Minister, Sir Roy Welensky, and the Prime Minister of Southern Rhodesia, Sir Edgar Whitehead. It was a provocative act to airlift Rhodesian troops up to Nyasaland ten days or more before the declaration of any "emergency" and particularly at a time when the Nyasaland Governor was describing the situation as having been "contained." The "emergency" alarm in Southern Rhodesia, accompanied by the arrest and detention of 450 persons, was sounded on February 26, a full week prior to the crackdown in Nyasaland, and officials could offer no explanation for it **except to say** that it was to *prevent* something from happening. The objective, obviously, was to set a precedent so as to be able to bring heavier pressure to bear on the Nyasaland Governor to fall in line and "get tough."

In a letter to Governor Armitage on February 23 Dr. Banda wrote:

The sending of troops from Southern Rhodesia to this country confirms our original suspicions and fears about and against Federation. All along we have argued that Federation means domination of Nyasaland by the European settlers, especially European settlers of Southern Rhodesia, whose political views are the same as those of the European settlers of the Union of South Africa. . . .

Since October 26th the settlers' press in Central Africa has talked of what it calls a "show-down" with African nationalist leaders in Nyasaland and Northern Rhodesia. This talk of "show-down" has become more vociferous since the Accra (All African People's) Conference in December. To us, therefore, the sending of troops to Nyasaland has not come as a surprise. It is the "show-down" of which the European settlers and their leaders have been talking. . . .

Our demand for secession from the Federation and for a new constitution that will give the country a government by elected representatives of the people, as opposed to government by civil servants, is a political problem. It cannot be solved by a brutal and barbaric display of military might. . . . We mean to be free.

Some time earlier, addressing the Conference at Accra already referred to, Dr. Banda had spoken in a prophetic vein when he said:

Speaking for East, Central and South Africa in general, and Nyasaland in particular, I can say that I envy our brothers in West Africa because they have no settler problem on their hands. . . . We have the settler problem, which makes our struggle for freedom and independence harder and much more complicated. . . . We have to fight not only open and direct imperialism and colonialism based in distant London, but worse still we have to fight delegated and commissioned imperialism and colonialism based nearer home in Salisbury, Southern Rhodesia, which is far more malignant and deadly in its effects on our struggle.

He went on to tell of the slander campaign against him already under way in the Central African and London press representing him "as not only an extremist, an agitator and a trouble-maker, but as an extremely ambitious and xenophobic individual." He also spoke of the growing strength of the N.A.C., of their meetings to which 10,000 to 40,000 people flocked, and also of government action to suppress and break up these meetings. The press attacks against him, he said, were the consequence of his policy.

My policy for Nyasaland is simple. It is part of my general policy for the whole continent of Africa. I am a democrat; I believe, and believe strongly, that everywhere in the world the majority must rule. And in Africa the majority is the African. Therefore, everywhere in Africa, including Nyasaland, the African must rule. . . .

I am not motivated or activated by any spirit of hatred against Europeans or Indians. . . . Europeans and Indians of goodwill who want to live in Nyasaland as our guests, friends, neighbors and fellow-citizens have nothing to fear from us. We have no intention of driving Europeans into the Atlantic Ocean or the Indians into the Indian Ocean. . . .

Similarly, I am not against the so-called Central African Federation because I am ambitious and want to be a big fish in a small pond in an independent Nyasaland. I am against Federation because any political union with Southern Rhodesia is incompatible with an African state in Nyasaland. . . . On the question of secession from

the Federation we are united. There is no division among us. Chiefs and common people are of one mind.

A few hours before the blow fell on March 3, Dr. Banda pened these words, his last before being taken by the police and sent out of the country:

There is a rumor that I am to be arrested any time now. Well, I am ready. But I shudder at the consequences. What the settlers do not know is that I am the main restraining influence here. Arresting me, or sending in soldiers and police from Southern Rhodesia, will not deter us from our course. Though troops are everywhere and the planes drone overhead, the people are as determined as ever. There is no panic among Africans. The only people who show panic are the Europeans.

Will the British Government accede to the secession of Nyasaland, acknowledging that the Central African Federation was constructed on sand and a gross mistake? Or will it continue to stand by the white settler regime in Rhodesia and undertake what may become the burden and shame of another Algeria? There is no evidence thus far of readiness on the part of even the Laborites to face this issue squarely. It should be understood, however, that the usual British expedient of simply muddling through difficult problems may be exceedingly dangerous in this instance and at this hour. For Nyasaland is simply the present focal point

—yesterday it was the Congo—of boiling tensions that are the dominant feature of all the African countries where white minority rule remains. One must either remove this basic source of tensions—white political domination—or be prepared for the fire to spread.

It should be remembered that the United States also is deeply implicated in whatever happens in this part of Africa. American investments from government as well as private sources loom large, particularly in South Africa and Rhodesia. Various big American corporations are in the forefront of the extraction of Rhodesian asbestos, manganese, chrome, copper and other resources. The American Metal Co., for example, holds the controlling interest in Rhodesian Selection Trust, one of the two big bosses of the Copperbelt, which provides the greater part of the entire Federation's revenue.

United States influence was no small factor in the creation of the Central African Federation. "British Central Africa was federated into a new state to attract American capital for the development of its rich natural resources," the *New York Times* stated bluntly, Oct. 25, 1953. Washington and Wall Street could now, if they chose, solely out of enlightened self-interest and to prevent matters from getting worse in Central Africa, bring pressure to bear on London to liberate Dr. Banda and all other political prisoners, give the Nyasas what they are asking for,

and hold Welensky and Co. in check. But unless there is loud popular demand on both sides of the Atlantic for such a solution, this is hardly likely to occur.

In any case, the African people, inspired by a new high level of confi-

dence, determination, and unity reflected at the Accra Conference of three months ago,* will persist in their struggle for full equality and freedom even if they have to fight alone.

* Described at length in the February issue of this magazine by Shirley Graham.—Ed.

The Political Situation in France and Italy

By CPs of France and Italy

The general crisis afflicting the whole structure of imperialism is intensifying in nature. Central to this are the developments within the two great nations of France and Italy; in both, the strongest single party is the Communist Party. And in both it is the Communist Party which leads in the struggle for peace, freedom and national independence. Last December these Parties adopted a joint statement of analysis which we are certain will be of great interest to our readers. The text is reprinted in full from the Foreign Bulletin of the Italian Communist Party, for January, 1959.—The Editor.

A DELEGATION OF the French Communist Party and a delegation of the Italian Communist Party met jointly in Rome from December 19 to 23, 1958.

The meeting took place in an atmosphere of deep friendship and cordiality. The two delegations proceeded to an exchange of information on the situation of the two countries and the policy of the two parties. At the conclusion of this examination the two delegations found themselves in agreement in their judgment of the political situation and the perspectives that it offers, and in their evaluation of the tasks that arise from all this for the Communists and for the democratic forces.

The attack against democracy that is developing in France carries within it a direct threat of fascism. It is not an isolated phenomenon.

The rapid progress of the socialist world, the driving force of the lib-

eration movement of the colonial peoples and the resistance of the masses of the people to the policy of misery and war are provoking an aggravation of the general crisis of the capitalist system which is shaking the capitalist West. The imperialist countries of west Europe are directly hit by the consequences of the changes that are taking place in the countries of the Middle East and Africa. All these difficulties have been further augmented by the subordination of the capitalist states to American imperialism and their acceptance of the policy of the cold war and the permanent division of Europe, which has now become deeper in consequence of the transformation of West Germany into a military base of aggression.

To all this must today be added the effects of the American "recession" and the consequences of the end of a favorable economic picture in

the main capitalist countries. The symptoms of a crisis are beginning to appear in several essential branches of production, the agrarian crisis is deepening, unemployment is growing, the material conditions of the masses are worsening and their rights and liberties are being put in danger by their exploiters. Thus fall by the wayside the illusions nurtured till now by the bourgeois and Social-Democratic ideologists about the possibility of an even development of capitalist society without profound contradictions.

In seeking a way out of this situation the ruling groups of capitalism are striving to unite their forces and concentrate them, so as to thrust the burden of the economic crisis on the masses and the intermediate strata, develop a more active struggle against Socialism and carry out a desperate effort to maintain in one way or another their political and economic supremacy in Africa and the Middle East. For this purpose they encourage and favor in every way the process of capitalist concentration, which tends to establish the complete and uncontested domination of the monopolies and trusts over all social work. In this framework, one of the aspects of the Atlantic policy is being concretized in the creation of the so-called European Common Market, whose immediate effect will be to aggravate all the internal contradictions in each country of the community and sharpen competition among the capitalist

states and groups of states, as is proved by the bitter discussions regarding the Free Trade Zone.

In order to realize this policy the ruling groups of monopoly capitalism are driven to attack parliamentary and democratic institutions. Their aim is twofold: on the one hand to diminish the political weight of the working class and intensify its exploitation; on the other to subject the middle classes more closely to their domination so as to try to bring about a greater concentration of the economic and social forces upon which the big bourgeoisie rests.

What it involves is a typically totalitarian trend but manifesting itself in forms that are different from those of fascism of the classic type and in a different way from one country to another, according to the gravity of their economic and social contradictions. The recent and tragic experience undergone by the peoples who were victims of the fascist regimes that were overthrown following the Second World War makes it in fact impossible for the forces of reaction to repeat openly the earlier forms and tactics.

What has happened in France, as well as the possible and further developments of the French situation, indicate where this tendency of the reactionary bourgeoisie can lead.

Democracy in France has been defeated by recourse to violence, the blackmailing threat of civil war, and demagoguery. Militarism lays claim to dominating public life and guiding

all national policy. An authoritarian regime has been set up founded on a personal power free of any democratic check over its acts by the nation and supported by the oligarchy of the banks and monopolies.

In other countries, particularly in Italy, analogous trends manifest themselves.

The reactionary bourgeoisie seeks to discredit parliamentary institutions, which it would like to make void of all content while keeping up a deceptive facade. It strives to impose immoral and unjust election laws so as to give rise to Parliaments in which the expression of real interests and diverse national forces is altered, sometimes to the point of caricature, as in the case of France. It tends more and more to limit the power of elected assemblies, whether national Parliaments or local or regional assemblies, and to increase exorbitantly the powers of the executive. It transforms the administrative and military apparatuses of the State into instruments of the ruling political groups and into tools of personal power. The Press and other modern means of propaganda that help to form public opinion, which ought to promote the organization of a freer and more democratic life, are brazenly used to organize around the acts of the government an atmosphere of plebiscitary approval. The public and nationalized sectors of the economy, instead of being used in the general interest and to curtail the excessive power of the industrial

and financial monopolies, are used as instruments of domination in the hands of the ruling political groups.

Division in the workers' trade unions, the subordination of the trade-union movement to employers and government and the adoption of forms of corporativism in relations between enterprises as well as in the regulation of relations between capital and labor, whether in agriculture or industry, are essential elements of this reactionary plan.

Anti-communism is the ideological root of this policy of dividing, weakening and humiliating the laboring masses. This is accompanied by the most unrestrained social and national demagoguery and by appeals to the old spirit of colonial domination. In Italy and in France Right-wing Social Democracy has agreed to become one of the essential instruments of this policy. The reactionary bourgeoisie has succeeded in making it into an anti-communist penetrating force in the ranks of the working class, considering it, therefore, the most capable of dividing the laboring masses and the people. In Italy, moreover, profiting by the traditional ties that exist between the Church and wide masses of the people and utilizing the ecclesiastical organization and its so-called social doctrine, the reactionary bourgeoisie strives to make use of the Catholic movement to set up an authoritarian and integralist regime.

This trend, which is today predominant in several of the large coun-

tries of the capitalist West, aggravates international tension, increases the danger of an atomic conflict and provokes colonial wars. If this trend is not defeated it can lead to a profound degeneration of European civilization and culture. The naked intention to exclude the labor and democratic forces from public life, to prevent them from bringing their original contribution to progress and the transformation of the world, result in placing the countries of west Europe, notwithstanding their great traditions of humanism and civilization, outside the great currents of modern life, towards which they could instead make an important contribution, indeed, an indispensable one.

In this situation the two parties stress that the historical tasks which fall to the Marxist-Leninist parties as vanguard forces in the struggle for peace and Socialism appear, in so far as west Europe is concerned, graver and more urgent still.

What is required, in fact, is to prevent the development and realization of the plans of the big capitalist bourgeoisie, for their success would mean a general decadence of political and social life. Any partial or temporary successes on the part of reaction would not of course change the general perspective of our epoch, which is that of the necessary passage from capitalism to socialism; but they would be dearly paid for by the working class and the people. The struggle for peace, the struggle

against the threat of atomic and nuclear extermination and against colonial wars, all action for disarmament and peaceful coexistence, which remain the most important objectives for Communist parties, must, in order to be developed in an effective way, be today closely tied to the struggle against reactionary designs and for democratic and social renewal.

The aggressive plans of imperialism and colonialism can be repelled by the action of the peoples when they are put on guard against the dangers they run. To this end, the recognition of the great historical fact represented by the independence movement of the colonial peoples, especially in the Middle East and Africa, the demand for recovery of their national sovereignty by the countries subjected to the Atlantic policy, the exigency of putting an end to discrimination among states according to differences in their internal system are necessary conditions for the re-establishment of international confidence. These conditions can prepare the ground for new international relations which would be the expression of an effective peaceful coexistence because founded on equality among states and respect for the interests of each. Italy and France have a direct interest in the realization of this new international order among the countries of the Mediterranean.

The conditions for giving a new impetus to the workers' and democratic movement exist. In France,

in spite of the successes so far obtained by the reactionary offensive, the resistance of the Communist Party and of all true democrats can be the starting point for a general recovery of the anti-fascist and democratic struggle. In Italy, the strength of the Communist Party and unity with the Socialist Party which has till now been safeguarded are keeping open the real perspectives of a democratic alternative, against the totalitarian designs of the large monopoly bourgeoisie and Catholic integralism.

The two parties agree on the fact that the effort towards democratic and social renewal requires in the first place a firm and tenacious action to repel all measures which tend to impair the liberties and rights of the workers and worsen their living and working conditions, and to impose satisfaction of the most and to impede satisfaction of the most urgent economic demands, the expansion of workers' rights and the free functioning of the workers' representative organs in the factories.

From this starting-point the action of the Communist parties can expand and organize itself around a more general program of democratic renewal. This program, bearing in mind the conditions peculiar to each country, must not only mean struggle to restore representative institutions and full respect for the basic rights of citizens where these have been suppressed, and the struggle for a genuine functioning of Parliament and democratic institutions

where these still function, so that they may become a true expression of the country and reflect the real interests of the nation in the best possible way.

This program must also mean the struggle for a series of economic and social transformations which will tend to curb the power of the monopolies and crush their designs to establish their absolute **dominion** over the life of the nation. In this framework, indispensable demands are the nationalization of certain sectors of industry, agrarian reforms, the protection of small-scale peasant property against the overbearing power of the monopolies, the democratization of management over the public sectors of the economy and a democratic check on State-investment plans in industry and agriculture. These will make it possible to protect the general interests of the workers and the small and middle-scale producers of town and country, stimulate the economic progress made possible by the rapid development of production techniques and prevent the plundering action characteristic of capitalist concentration directed by the monopolies. The struggle against application of the European Common Market falls into this framework; for this institution would become for the monopolies an instrument for their absolute sway over the economy of the member countries of the Community and represent a pretext for speeding up the process of concentration to their exclusive

advantage and a means to render easier for the international monopolies the plunder of the resources of each country of Little Europe, sacrificing deliberately the less developed areas.

The two parties are convinced that it is possible to rally the working class, the toiling peasants, the intellectuals and the middle classes around a program of democratic and national renewal. It will thus be possible in action to constitute a broad alignment of political and social forces capable of isolating the big bourgeoisie and smashing the reactionary bloc dominated by monopoly capital.

The struggle for Socialism lies in this perspective, which is a perspective of democratic development. This struggle is linked to daily action in defense of immediate interests and rights, to the more general action for democratic and social renewal and to action for an active and wider participation of the working class in the political leadership of the nation in all phases of its development.

An essential condition for arriving at such a wide alignment is the realization of workers' unity, which alone can give it a solid base. What has happened in France is a warning for all. Enlightened by this experience, the Social-Democratic and Catholic workers can understand that their own rights and their own liberties would not escape the fate that the reactionaries and the fascists reserve for public liberties. In persisting on

the road to division and anti-communism they would but condemn themselves and their parties. All can see to what mortal peril democracy and peace and the very life of nations is exposed by anti-communist prejudice.

The French Communist Party and the Italian Communist Party appeal to those Social-Democratic parties who have expressed their criticism in connection with the policy of international tension, their opposition to colonial wars and their deep concern over the progress of reaction and fascism. The two parties ardently hope that they will listen to this appeal for action on the part of all against reaction and fascism.

The unity of the working class, where it is already manifest, must be defended as a precious asset.

In order to march effectively along this road the French Communist Party and the Italian Communist Party must maintain and continually expand their contacts and their links with the broadest masses of workers, with all strata of the population who are victims of the overwhelming power of the State and the capitalist monopolies. The two parties must at any moment be capable of grasping the concrete problems that events place before the national society in which they move and have their being; they must be capable of giving positive answers to these problems, with the aim of carrying the democratic movement forward and orienting the masses of the people accord-

ing to perspectives that are real and that are understood by the masses themselves.

The indispensable propaganda for Socialism and for the defense of revolutionary theory against bourgeois and petty-bourgeois ideology must rest on this action of the masses and must in this action find its nourishment.

This means a permanent struggle against revisionism, which remains the main danger in the ranks of the workers' movement, but also against all dogmatic and sectarian encumbrances which feed inertia of thought and organization.

The struggle against revisionism and dogmatism is today indispensable to eliminate from the ranks of the workers' and democratic movement the tendency towards "wait-and-seeism," to drive out the reformist capitulation of the skeptical and fenced-in sectarianism, which hamper tackling the imperative tasks of the struggle for peace, democracy and Socialism.

The two parties express the hope that an examination of the problems that lie before the workers' movement of west Europe will be pursued by all the brother parties of the interested countries. This would contribute towards strengthening their ideological and political unity

in the spirit of the Declaration and the Appeal for Peace approved at Moscow in November 1957, which laid down the general lines of development and the main tasks of the Communist movement in this historical period.

The unity of the international Communist movement on the basis of proletarian internationalism and Marxist-Leninist doctrine and solidarity with the Soviet Union and the countries of the socialist camp, constitutes the firmest guarantee for advancing victoriously on the road to peace and Socialism. The new relation of forces existing in the world between the socialist system and the imperialist system; the impetuous development of the socialist system, which has in these past years confirmed its irresistible creative force; the driving power of the people's liberation movement from the yoke of colonialism and imperialist oppression; the strengthening of the will to peace in millions of men and women of every social class; the growth of a democratic and socialist consciousness in ever-broader masses of toilers, will make it possible to checkmate the designs of war and reaction and further the advance of humanity on the road to Socialism.

Book Reviews

THE GATES OF FABLE

By William Z. Foster

JOHN GATES, with the assistance of Earl Browder, has written a book.* Too bad they didn't draw Jay Lovestone into it also; then they would have had the hierarchy of opportunist ex-Communists more fully represented. They are all cut from the same cloth. The differences between them are as nothing compared to their similarities—fighting the Party and the world socialist movement. The book amounts to little or nothing theoretically, as it deals fundamentally with no real problems. But such as it is, it confirms the Party's view of what Gates is trying to do. It makes clear that he wants to split the Communist Party, and develop some sort of a talking machine that would pervert the Party into Social-Democracy, divorced from Marxism-Leninism, divorced from proletarian internationalism, divorced from the American class struggle, divorced from the socialist countries of the world, and divorced from the socialist movement in general. "I am no longer a Communist," says Gates (p. 192), but to the reader of the book this fact is so clear that it is hardly necessary to state it.

In his book, Gates makes use of many of the characteristic tricks of the professional red-baiter. He sneers at the Party and its history; he lies deliberately about the Party's policies; and he slanders the Party leadership. It

is amazing how quick the renegades from the Party pick up bourgeois misrepresentations and distortions. Of course, Gates did not have far to go in this respect, when one recalls his vicious anti-Party polemics while he was still in the Party. It would be both a big task and an empty one to reply to all his fabrications. When one reads the confusionism of this book, he gets a pretty good idea of why the Gates agitation has been so barren.

As an example of the ease and recklessness with which Gates misrepresents the Party line in order to gain a point, he says (p. 158): "Our gloomy predictions of early war and inevitable fascism had been proved wrong." It would be difficult to crowd into so few words more falsifications than this. Our Party never predicted early war, in the sense of a world war, nor did it speak of inevitable fascism. Quite the contrary, the very heart of its policy was to make clear to the masses that, although there was grave danger, the deciding voice in these questions belonged to the people. The Party, however, made a historic achievement in pointing out that the post-World War II period was a war-like one. This was a pioneer act, for which the Party deserves great credit.

During the most intense period of the cold war, in the years of the Korean war, the bulk of the American people felt that both world war and fascism were inevitable. But not the

Communist Party. It was one of the very few forces in the U.S. that spoke out openly, clearly, and persistently, against both war and fascism, and declared that neither was inevitable. The Communist Parties of the world praised the heroic stand of the U.S. Communist Party during the cold war, and well they might. But Gates' slander is merely a repetition of the line of the revisionists who seek to discredit the Party at all costs. Add a few score more examples like the above, and one gets a picture of the Gates method of misrepresenting the Party line.

Gates, who spouted a great deal in the Party debate about being "honest" with opponents within and without the Party, in his book slanders freely Party militants and leaders. Of course, I am his favorite target, being vilified upon innumerable occasions. Typically, he says of me, "Foster now demanded that all those who had favored a political action association prior to the convention had to be proscribed" (p.192). But this is a brazen falsehood. The truth is that as late as two months after the Party National Convention, Gates, at a meeting of the National Committee, boastfully read a list of nine District Organizers of important Party districts, who had supported the political action association, and who continued to do so. The gravity of this boast was that the Party convention had condemned the political action association, which stood for the abolition of the Party as such, and that these D.O.'s, in continuing to support it, were openly negating the convention and the Party. I thereupon proposed that the nine D.O.'s be called upon to dissociate themselves from the political action association. This was the least

that a Communist Party could ask of them. There was no suggestion of disciplinary action. The National Committee, which was then loaded with revisionists, took no action on the matter, however, and the D.O.'s in question—those that are still in the Party—have never yet publicly disavowed the political action association. It was because I stood thus firmly for the Communist Party, its Marxist-Leninist policies, and its program, that Gates denounces me in his book as being "old-fashioned," "sectarian," and the like.

With his usual inventiveness, Gates, seeking to characterize me as a sectarian, states at considerable length that I was about to call him an agent of American imperialism during the faction fight, but was made to think better of it. This incident simply never happened. However, the very essence of the attempt of the revisionists to destroy the Communist Party during the recent period has been to further the cause of American imperialism. But Gates, in his book, goes further than merely cultivating imperialist tendencies. He would have the Party believe that the cold war could have been averted (and the Party saved from the governmental persecution) by the Soviet Union simply accepting the Marshall Plan. Here he would have us ignore that the Marshall Plan was designed to rebuild and rearm Europe for the purpose of destroying the socialist world and that the imperialists would use every conceivable device to keep these funds out of the hands of the socialist countries.

Gates makes a big issue of the fact that in a recent article I had spoken of the need to "Americanize our Party." This he says was "the most damning

* *The Story of an American Communist*, by John Gates (Thomas Nelson & Sons, N. Y.), 221 pp., \$3.95.

indictment of our Party that possibly could be made"—that is, at this late date, to still talk of the need to Americanize the Party. Gates ignores the fact that practically every leader in the Party since its foundation spoke of the imperative need to Americanize the movement. And we may be sure that they will continue to do this in the future. The reason for the necessity to hammer upon this question is because we are a member of a very powerful international movement, our Party is of small size compared with the others, and because of the many specific qualities of the American class struggle—all of which tend to over-emphasize the international aspect if we are not alert nationally. What we mean by Americanizing the Party, however, of keeping the American angle of the Party's line in proper relationship to the international angle, is something totally different from the "national Communism" of the revisionists, who would have us play down or ignore the international basis of our movement and concentrate exclusively upon distorted national features of the movement.

Gates shows a strong political affinity for Earl Browder, which is natural enough, considering their common revisionism. Browder, in fact, has written a preface to the book, in which he rather loftily accuses Gates of being confused. He says that Gates, with his ideas unsettled, is on his way to a more definite point of view. Browder is not very clear, however, as to just what he means by this, but one can guess the general idea without great difficulty. All that is necessary is to take a look at what has become of the other leaders who have deserted the

Communist Party from time to time, to get a pretty good picture of Gates' ultimate goal. Take Browder himself, for example: it is only recently that he published a book (*Marx and America*) in which he engages in the task of trying to disprove Marx on numerous key points—a typical counter-revolutionary job. But if the "evolving" Gates does not finally choose Browder as his specific model (as Browder suggests), he has a considerable group of other dubious characters from which to choose his mentor, including Lovestone, Eastman, Wolfe, Gitlow, Zack, Fast, etc. These renegades from Communism may vary somewhat among themselves: from professional anti-Marxist writers to common stool-pigeons and police informers; but they are one group politically, united in their bitter hatred of the Communist Party, Marxism-Leninism, and socialism—especially the Soviet Union. This is not much of a choice, but Gates is definitely on his way already to finding his place among these elements.

One of Gates' principal purposes in his book is to inflate the punctured myth that Browder, as a broad mass worker, built the Communist Party over the years. He does his best to rehabilitate the discredited Browder. He says, for example (p. 70) that Browder was "far more successful in rooting the Communist Party in American life than any previous leader. . . . As a student of American history, Browder made serious efforts to link the Communist movement to the democratic, revolutionary, labor and liberal traditions of the country. The Party won substantial influence in labor unions numbering more than a million members." The fact is that the broad

base of the Party during its most successful years rested fundamentally upon the working alliance between the Left and Progressives in the trade-union movement. This was the basis of the Party's influence among the "more than a million members" in the CIO, and it was the foundation of every other healthy movement conducted by the Party. Earl Browder had little or nothing to do with the establishment of this basic policy. I must also say a word in opposition to the extravagant effort of Gates to make Browder appear as an effective theoretician and leader in the field of Negro work. This he certainly was not. Perhaps no better estimate of Browder's work among the Negro people is needed than the simple fact that he, as part of his Teheran phantasy, abolished the Marxist movement altogether in the South, on the grounds the Negro people had won their fight.

Inasmuch as Gates is trying insistently to remake Browder into a leader, it is time that our Party began to look a little into his real leadership qualities. For example, few will be surprised at the fact that for many years, along with Comrade Bittelman, Browder was the leading Leftist in our Party, Take in 1929: at that time the Party in general was markedly Leftist, but none was so Left as Browder. Thus, he took special leadership in transforming the Trade Union Educational League into the Trade Union Unity League, which contained the Party's worst blunders in the direction of dual unionism. Or take in 1936 (which was a full year after the famous broad-gauge Seventh Congress of the Comintern was held and the United Front policy adopted): Browder distinguished

himself by making a last ditch fight in the leadership for the Party to embark upon the sectarian policy of launching a labor party in the current national election. This would have been a disastrous mistake. It would have resulted in another skeleton labor party, and as the workers were very powerfully for Roosevelt, also in the isolation of the Communist Party from the masses for an indefinite period. It was only after Browder had been backed into the corner, with him alone supporting his Leftist line, that he finally threw in the sponge and gave up the fight. The Party adopted instead the broad mass policy of giving Roosevelt our support. This was one of the most successful political campaigns ever carried on by the Communist Party. It cemented the Left-Progressive alliance in the CIO, instead of disrupting that alliance as Browder proposed to do. It was a basic factor in creating the strong Left influence in the CIO for the next dozen years.

Gates, and the revisionists who follow him, never cease talking about socialism, as Gates does in his book. Actually, however, their whole movement is directed against socialism in this country and abroad. It is a reflection of the more difficult position in which American imperialism finds itself at the present time. As the monopolists feel the pressure of expanding and growing socialism on a world scale, they make more and more desperate efforts to rally their forces against the common enemy—socialism. This is the basic reason why such revisionist forces as Gates represents take the field against every practical demonstration of Socialism in the world.

Veblen on Capitalism

By Erik Bert

After more than half a century Thorstein Veblen's *Theory of Business Enterprise** has been republished, possibly as a result of the interest stimulated last year by the centennial of his birth.

A half-century is a long time for the republication of a work whose peer it would be difficult to find in U.S. economic literature.

The Theory of Business Enterprise is a critique of capitalism as an economy and as a social system. With unswerving zeal Veblen showed that the domination of our economy by the business man, for the attainment of profits, had subverted modern industry to the interests of the capitalists at the expense of the community. In the world arena, business enterprise—dominating the economies and governments of the main industrial countries—heads toward armament production, colonial repressoin, and war, he held.

If the exigencies of profit-making demand efficient production, the business men give free rein to the industrial machine. If, however, the appropriation of profit can be accomplished by clogging the channels of production, or producing waste instead of wealth, then the business class—impartial as between waste and efficiency—addresses itself to the most

wasteful, or most obstructive methods. This deliberate wastefulness of capitalism was not discovered by Veblen; it has been notorious. The general run of economists, while conceding its existence, have viewed it as a seamy side that needs patching. Veblen, however, saw this aspect as inherent in capitalism.

The nature of capitalism, Veblen said, is determined by the fact that profits are its goal and its motivation. The State, the government apparatus, political parties, domestic and foreign policy were, for Veblen, formed in the image of business, guided by business morality, towards goals determined by business. Governments serve the same ends as are served by the economy within which they exist and of which they are the political superstructure. Representative government, he said, is representative in the first place of business. A constitutional government serves business ends, as a monarchic government serves dynastic ends. Politics in the usual sense, he held, is business politics; and political parties, at least those that persist and play the major roles in politics, are business parties. It is only natural, similarly, that domestic policy and foreign policy should be determined by business needs and aspirations.

Armaments, readiness for war and, if necessary, resort to war, are inherent in business politics. These are means for intimidating or combating the business enterprises of other countries,

and for extending the markets of one's own capitalists into the "uncivilized," the non-Christian, areas of the world.

Such are some of the major features of the system of business enterprise—capitalism—in Veblen's analysis. This analysis is a standing rebuke and challenge to the whole array of academic social scientists. (It is also evidence that the understanding of the recent refugees from Marxist theory is far below that of this American radical of half a century ago.)

The Theory of Business Enterprise was published in 1904. In the decade of which that year is the midpoint—1899-1909—iron and steel output expanded two and a half times. Monopolization proceeded at a more rapid pace. In 1904 it was estimated that 318 industrial trusts had arisen from the consolidation of nearly 5,300 distinct plants. Of the seven billion dollars of capital represented by these trusts, one-third was controlled by seven great trusts. Two-fifths of the manufacturing capacity of the country was in the hands of trusts. Over six billion dollars worth of securities was marketed between approximately 1898 and 1903. These were the dominant new features of business enterprise when Veblen wrote.

The creation of the trusts and monopolies poured vast wealth into the tills of the chief "financiering strategists" like J. P. Morgan and Co., and of the biggest industrialists who came into the combines, like Andrew Carnegie. This new phenomenon, affecting the "large mechanical industry" became the core of Veblen's theory of business enterprise—of his analysis of capitalist production.

There are two sources of pecuniary

gain in business, he believed. In the "old fashioned method of permanent investment in some one industrial or commercial plant", the gains result from "industrial efficiency". In the second situation the capitalists' gains result from manipulating business enterprises, especially in the arena of consolidations and mergers. The traffic in "vendible capital," the securities representing ownership of the nation's corporate means of production, was to Veblen the pivotal and dominant factor in business and industry. In this second channel of profit-making, according to Veblen, profits result from upsetting or blocking the industrial process at one or more points.

In routine business, he said, the gains of the businessmen come from the output of goods and services. The capitalist pays wages to obtain profits. He "realizes," converts into money, the gains which are somehow already embraced in the product. In business as a whole, Veblen said, "aggregate earnings" have their source in the industrial process, the material equipment engaged in industry. He did not identify the origin of these earnings any further in the *Theory of Business Enterprise*. He did say, somewhat obscurely, that the business gains are secured by "means" of the "populace." That is where he left the inquiry concerning the source of earnings, profits, or, in Marxist terms, the source of surplus value. He passed by the door to that inquiry.

Veblen's analysis of the newer forms of profit appropriation had two important features. He showed, and that is a great merit, that the aggregate profits are not distributed pro rata among the various capitalists, but that

* Thorstein Veblen. *The Theory of Business Enterprise*. The New American Library. 50 cents.

some receive a higher-than-average rate, in respect to the value of the means of production employed. He showed that this higher-than-average rate was due in part to the special monopoly advantages which certain enterprises enjoyed as a result of advertising, good will, curtailment of competition through merger and the like. He tended, however, to downgrade the special technological, and thus pecuniary, advantages which the biggest aggregates of industrial capital enjoy.

While contending that the gains of the "greater business men" are derived in large part through disturbances of the industrial system, he left unprobed the source of these gains. Disturbances may give one business man a differential advantage over another, dollar for dollar of capital, but there must be an origin, a creation of all the gains of all the business men. What was involved here was the concept of surplus value; but Veblen did not see it.

Instead, he pursued the businessmen along the new paths they had opened up into the luxuriant financial jungle. He concluded that "capital in business" had ceased to be a "question of the magnitude of the industrial plant" and had "increasingly become a question of capitalization on the basis of earning capacity." Capital in its new form was the price which businessmen placed on a corporation based on its present or prospective income. That was its capitalization.

From this viewpoint the concept of industrial capital as a "stock of material means by which industry is carried on—industrial equipment, raw materials, and means of subsistence,"

appeared "old-fashioned," and was "no longer of particular use for a theoretical handling of the facts."

In Veblen's view, capital in its "old-fashioned" form, having its basis in the material means of production, had been superseded by the modern form of capital, having its basis primarily in the immaterial assets of corporations. These immediate assets derived from one or another type of monopoly advantage. Modern corporate capitalization is related only in the loosest fashion to the corporation's capital conceived of in the old-fashioned way, he said.

In switching from the "old-fashioned" to the "modern" conception of capital, Veblen switched from capital to capitalization. In thus switching, he switched from capital as the embodiment of surplus value, values created by wage labor, to capitalization, a fictitious derivative of profits. (Capitalization has the same relation to profits as the price of land has to the rent of land, or the price of bonds to the amount of interest.)

Capital (variable capital) is the source of profits; profits are the foundation for capitalization. In a second stage, profits are etherialized into capitalization. The "question of capital" has not become increasingly a question of "capitalization" as Veblen said. The "question of capital" is the question of accumulated surplus labor, incorporated in means of production, machines, buildings, raw materials, money (for wages). That is the real situation from which Veblen was led astray.

The supersession of the "old-fashioned" capital by the "modern" capitalization, in Veblen's analysis, was

accompanied by the supersession of the "goods market" by the "capital market." While asserting that the "goods market" is, "of course, in absolute terms . . . still as powerful an economic factor as ever," Veblen virtually shot the ground out from under this declaration with the assertion that the "capital market" has taken the place of the "goods market" as the "dominant factor in business and industrial traffic." Here, again, the new-fangled outgrowth of the capitalist economy is counterposed to the old-fashioned capitalism and—most important replaces it. The fact that, whatever the outgrowths, the underlying material relations of capitalist production remain the same, is almost forgotten.

Veblen contended that widespread economic fluctuations are inherent in the system of business enterprise. They are in the first instance phenomena of business, of prices and capitalization. They involve the "industrial process" only secondarily, are phenomena of business rather than of industry. Prosperity owes its rise to a favorable disturbance of demand and price. The usual and more effectual impetus to an era of prosperity is some form of wasteful expenditure such as sustained war demand or the demand due to the increase of armaments or a differentially protective tariff.

The system of business enterprise involves not only the formal fluctuations of activity, said Veblen, but also a tendency toward depression. Chronic depression set in about the mid-seventies or in the eighties. Chronic depression set in about the mid-seventies or in the eighties. In the two succeeding decades, he said, periods of depression

had become more frequent and more prolonged, if not more pronounced. The forces at work in the system of business enterprise make for a progressive change in the direction of depression, he said. This change arises in the persistent unfavorable discrepancy between capitalization and earning capacity. With the progressive lowering of the cost of production of productive goods new capital is invested to take advantage of the lowered costs. But the capitalization of the old productive goods remains. A discrepancy develops between the old capitalization and the reduced earning capacity of the old means of production. A relative overproduction of industrial apparatus has resulted in a decline in profits. This phenomenon is repeated.

The resolution of this problem for the business men, said Veblen, lies in dispelling the conditions which give rise to the tendency to depression.

The remedy, apart from the development of speculative movements, lies in one or another of the following:

1. *Business coalitions.* Consolidations and mergers tend to offset the lowered profits which competition brings about on the basis of improvements in production facilities. However, the benefits of such mergers stimulate competitive investment from outside this field, and the tendency toward depression is renewed. Now a wider merger movement is required. The closer to monopoly, the more satisfactory are the consequences. However, the tendency to monopoly spurs the growth of great fortunes, the creation of great surpluses looking for investment. The great mergers seem to

carry the seed of chronic depression, said Veblen.

The logical conclusion is the creation of "so comprehensive and rigorous a coalition of business concerns as shall wholly exclude competition, even in the face of any conceivable amount of capital seeking investment." It must embrace the whole of industry where the machine process is dominant, Veblen said.

Veblen did not say that the ultimate form of capitalism would be an all-embracing monopoly in industry. He said that modern capitalism was headed in that direction. The tendency to monopoly is the general trend of capitalist enterprise. That is the core of Veblen's analysis.

He made one significant exception to this ever more embracing process. The trend to monopoly would not dissipate the contradiction between the capitalists and the working class. "The workmen do not and cannot own or direct the industrial equipment and processes, so long as ownership prevails and industry is to be managed on business principles"—that is, for profit.

"When the last step in business coalition has been taken, there remains the competitive friction between the combined business capital and the combined workmen." Such is Veblen's answer to a later "People's Capitalism."

2. *Waste.* One of the main channels for frustrating the tendency toward depression is the increased unproductive consumption of goods. This will, on the one hand, keep industry functioning at high levels and will, on the other hand, restrict savings and reduce investment in additional equipment.

Private waste is inadequate, however, to meet the needs of modern capitalism. Public, government-sponsored, waste alone can meet the challenge of heightened productivity. Expenditure for armaments and war is one of the main such avenues.

The difficulty was that government-sponsored waste was inadequate. The program of public waste would have to be keyed higher and higher. That was true of the U.S. and England, he said. However, the possibility also existed—and the result was already evident in Germany, France and Italy—that armament and was expenditures could be stepped up to the point of economic exhaustion. The logic of the modern situation, he said, was for the cumulation of war expenditures to the point of industrial collapse and consequent national bankruptcy. He saw no evident reason why the U.S. and England should be exempt from such a development.

The exposition by Veblen does not deal with the causes of cyclical fluctuations. The changes in the business climate, or state of the economy, he said, are in their origin and primary incidence phenomena of business. They involve the industrial process only secondarily, he held.

Veblen saw the industrial process only as the production of material use values. He found the explanation of crises in the phenomena of price, earnings, and capitalization, in the framework of the new credit developments; and rejected consideration of the industrial process.

He contrived an explanation of crises, through price-earnings-capitalization, by casting the industrial approach in the narrowest terms—the

DAMNED . . . AND BANNED . . . BUT GROWING! WHY?

Marxism has been damned incessantly and banned repeatedly—but *it has not been refuted*. Eighty years ago the butcher of the Paris Commune announced: "Now we are finished with Communism!" He was wrong. Twenty-five years ago, Hitler, taking power, shouted: "We have destroyed Communism; we shall rule for a thousand years!" In his first assertion, Hitler, too, was wrong; in his second assertion, he missed by 988 years.

While all this has been going on, disillusionment with and renegacy from Marxism have also proceeded. The disillusionment and the renegacy were always proclaimed as decisive evidences of the obsolescence or fallacy of Marxism. Yet, somehow, Marxism persists; and today has more numerous adherents than any other philosophy in the world.

In the United States there is one monthly magazine which is a partisan of that philosophy, which seeks, with the light it affords, to illuminate the domestic and the world-wide scenes. That magazine is *Political Affairs*; there, and only there in the United States, will one find the viewpoint of Marxism-Leninism conveyed every month. There, and only there, each month, will the reader be able to find what the Communists think—not what George Sokolsky or Walter Lippmann or Max Lerner say the Communists think, but what they think in fact and as expressed by themselves.

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