

The

NEW

**WHAT MEAN
THESE TRIALS?**

by The Editors

INTERNATIONAL

A Symposium on

THE NEW EUROPE

"We Reject War"

by Ignazio Silone

Marshall Plan: Phase II

by Henry Judd

England: Grim Kingdom

by R. Harper

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by Roger Martin

Letter from Germany

by H. F.

JULY 1949

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Meet Ilya Ehrenburg

by Martin Thomas

MEMO

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THE NEW INTERNATIONAL

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One of the lesser known services of THE NEW INTERNATIONAL is the file copy department. A quantity of each issue is set aside and reserved for the future use of interested readers. In this manner, we are able, when called upon, to supply any copy number of the magazine dealing with a particular topic.

There has been an extra heavy call on those issues containing articles on Yugoslavia. These are the August 1948 number, containing Max Shachtman's "Tito vs. the Kremlin"; September 1948 with Hal Draper's "'Comrade' Tito and the Fourth International"; and the October 1948 number with Draper's "The Economic Drive Behind Tito."

Another issue for which there is a constant demand is the January 1949 number which carries as a lead article the debate between Max Shachtman and Father Rice on "Marxism vs. Catholicism."

Upon request we can send any reader the issue or group of issues containing articles on the subject in which he may be interested. The charge is 25 cents for each copy published within the current year, and 30 cents per copy for issues published during 1947 and 1948. The price for earlier numbers will be furnished on request. Order from THE NEW INTERNATIONAL, 4 Court Square, Long Island City 1, N. Y.

During the past month New York led in the number of subscriptions sent in to the NI, Chicago running a very close second. Fergy, our agent for the Windy City, is doing a top-notch job in bringing in the subs and cleaning up an old and bothersome back debt.

Also heard from during the past month with subscriptions and payment on bundle orders were Buffalo, Cleveland, Hartford, Philly, San Francisco, St. Louie and Seattle. There were also two subs sent in from South America, for all of which many thanks..

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THE NEW INTERNATIONAL

A Monthly Organ of Revolutionary Marxism

VOL. XV

JULY 1949

NO. 5

What Mean These Trials?

Thousands of Americans have been caused great personal distress, fear and loss of livelihood by incorrect or incorrectly interpreted data spread in the government files by the procedures of the FBI, whereby gossip, rumor and hearsay are gathered from witnesses of unknown integrity or veracity—witnesses who, moreover, are never asked to face those whom they slander and whose very identities are kept secret.

What this means is simply this: that any American can be slandered, his name ruined, his career blasted by any other person who chooses to relay malicious gossip to the FBI (Dr. Edward U. Condon, director of the U. S. Bureau of Standards.)

What mean these trials? From one point of view, a delightful comic opera full of strange, gesturing characters moving about amidst props of pumpkin heads, hotel registers, battered typewriters and the Archangel Michael might be written. Or a mock trial of America's 145 million people might be staged, with all found "guilty by association," of course, by FBI Chief J. Edgar Hoover, who—as the ADA has proved beyond any doubt—is damnable "guilty" by inference, association and implication in his own turn.

But while we would dislike to disparage the lighter side of the current "treason trials" stirring up America, with their stimulating byplay in sex, morality and gossip, the matter has its not so amusing side. Both the scope of the trials and the manner in which they have been conducted have long since lifted them out of the category of summer entertainment and placed before us the entire question of civil and democratic rights in America as the real issue. The most serious of all errors would be to isolate the trials from the atmosphere now existing in our country, to consider them as some kind of masterly bungling and thereby accidental and unrelated to other factors. They must be set in their due and proper setting.

At one time it was still possible not to take over-seriously such investigative committees as the House Un-American Activities Committee, etc. But this pattern, spirit and approach has spread to other fields. All we need do to indicate this is to list those activities and deeds all of us are aware of:

(1) The so-called subversive list of Attorney General Clark, arbitrarily drawn up by this Texas Democratic leader. On this devilish index ap-

pear organizations never charged, never accused and never permitted a hearing or trial! Not to mention organizations whose existence ended many years before.

- (2) The vast, nationwide campaign against the profession of teaching and its historic rights of democratic expression. In college, high school and grade school, the campaign rages. The traditionally conservative National Education Association has been induced to join in.
- (3) The various legislative bodies of the country, headed by Congress itself and backed up closely by state legislatures, continue their reactionary activities. Lists of books used in the schools are demanded, Feinberg laws enacted, probe committees without number created.
- (4) The FBI continues its activities without check or abatement. Its retreat into silence before criticism has apparently succeeded in stemming the attack upon it so that it may continue its dubious "investigations."

A Dangerous Phase

All this, and other factors, total up an amount far superior to the petty sums represented by ex-witch hunters Parnell Thomas and Martin Dies and their activities. This is an entirely different order of things and cannot be laughed out of court. This is no matter of venomous individuals or die-hard extra-curricular bodies, but the conscious, planned use of the state itself, with its various governmental bodies, for the accomplishment of purposes admittedly not yet too clearly worked out.

It seems to us that we in America are now witnessing the beginnings of a dangerously significant phase in American history—the deliberate sapping and undermining of very powerful American democratic and liberal concepts of individual justice, rights and freedoms. The existence of these concepts in theory and practice has never been denied by Marxists, so often accused of belittling "bourgeois democracy" because of their historic approach. On the contrary, our understanding and appreciation of them have made it possible for us to foresee this day when reaction would prepare its counter-con-

cepts. It seems to us that this day has begun, and that the juridical and sociological basis is being laid for overthrowing what is basic and best in American democratic conceptions.

This attack is accompanied by a preliminary psychological conditioning which would aim at accommodating, accustoming and training American thought to such methods and procedures we have recently been subjected to. Open reaction, wholesale arrests, liquidation of habeas corpus rights and the ultimate setting up of camps—these familiar garments of the modern police state—cannot be hastily imposed upon a nation with such powerful democratic roots as America. A long and careful pre-conditioning is required. It has begun.

At the moment there are no less than three *causes célèbres*, all political in varying degrees, stirring America. They are: the trial of the leaders of the American Communist Party, now entering its seventh month in New York; the trial of Judith Coplon and the trial of Alger Hiss.

The trial of the Stalinist leaders is the most frankly and narrowly "political" in nature, and clearly is an effort on the part of the government to prepare the juridical outlawing of the Communist Party and the wholesale arrest of its members whenever that should be considered desirable. Our opposition to this trial and our reasons for this position have been stated often enough not to require repetition here.

Are They Guilty?

It is neither our duty nor intention to sit in juridical judgment on these trials in general, or on the Coplon and Hiss trials in particular. Our concern lies with the broader issues and implications of such trials, and our interest in the trials themselves lies only in their relations to such broader problems. We know not whether Judith Coplon or Alger Hiss are guilty of the specific charges brought against them. We do know (and this we have revealed long before most others and at a time when the present government was allied like a Siamese twin with Russian totalitarianism, which it described as a blood-brother of the "democratic" bloc), that Russia and its Stalinist international movement are more than capable of possessing the souls and services of such types as Coplon and Hiss. It exploits habitually such individuals for its own purposes and discards them when their usefulness is squeezed dry. We repeat: the Hiss and Coplon type are familiar to us.

At the same time, our acquaintance with the American state (we are well acquainted with states in general), makes it impossible for us to exclude definitively the possibility that either or both trials may be reactionary frame-ups for propagandistic purposes. The history of America tells us of many

frame-up affairs, particularly involving the labor movement. (Sacco-Vanzetti, Debs, Mooney-Billings, etc.) Who are we to say that American imperialism, to gain a point in its anti-Russian cold war, would not stoop to frame-ups and juridical farces? All our senses have long since become blunted to virtuous protestations by states and governments, even though outward appearances certainly do not place the current trials in the same class as traditional reactionary frame-ups in America.

L'affaire Judith Coplon, for example, has revealed much more to us about the activities of the FBI than it has of the inner workings of the Russian spy system in America, or elsewhere. This curious and rather pathetic creature, with a flair for exhibiting her troubles to the world, could hardly have been of much consequence in the inner working of any system. The trial was launched apparently to introduce Americans to the existence of such a spy system, but its evidence has told little beyond the sordid details of FBI technique.

Fellow Traveler: 1938-1949

L'affaire Hiss is clearly a more elaborate matter, with internal political implications. To have been a fellow traveler in 1938 and the prior period of being a fellow traveler in 1949, the epoch of the cold Popular Frontism, etc., is infinitely different from war. If the FBI were to set up a trial for every government official and every ambitious intellectual who, in the late 1930's, traveled with the Stalinists, our law school mills would have to speed up operations to meet the demand. One of these gentlemen, who was as deeply involved in this activity as Hiss has ever been accused of being, is now openly publishing his memoirs of the period in the *New York Post*! His explanation of the seductive influence of Stalinism at that time is clear and sufficient. We are forced to conclude that, regardless of Hiss' particular innocence or guilt, his trial was primarily an anti-Roosevelt, anti-New Deal smear campaign, conducted at this late date in an effort to embarrass an administration which still has ties with that past. This accounts for the confused struggle within the government and the conduct of the trial judge. A variety of forces pulled this peculiar trial in a multitude of directions, with the jurors most confused of all.

But what a portrait of the American FBI has emerged from these trials! Shall we console ourselves by saying it is neither a Gestapo nor an NKVD? A grim solace, if we do not grasp the drift and direction of this secret branch of the state apparatus. With its 5,000 well-paid agents, the FBI forms, in the words of the *New York Times*, ". . . a monolithic, tightly disciplined organization." A secretive body, not subject even to legislative review

and control? Let us recall how violently it objected to revealing the contents of the documents found in Judy's pocketbook, even considering dropping the whole case for a time rather than reveal these items. It demanded that the jury accept its mere word as to their "vital importance"! Like any such body, the FBI treasures above all else the inviolability and secrecy of its dossiers. Let us give Judge Reeves credit for rejecting this insolent demand, and providing a juridical basis for opening up the dossiers of the FBI to public light by insisting that the documents be produced and read.

A System of Stooges

A system of nationwide stooges? The long-known fact has now been made public knowledge that the FBI retains a network of paid "confidential informants" who collect gossip and rumors which are indiscriminately placed in dossiers by FBI headquarters. And, insolence heaped upon insolence, the FBI dares to object to public revelation of such material even though it makes vital decisions regarding the "loyalty," "employability," etc., of individuals based precisely upon this information culled by its stooges! All secret police institutions, in their effort to free themselves from the slightest public control, invariably develop their own "standards" of behavior, jurisprudence, morality and procedure. Ours in America is hardly an exception.

Now we do not believe that the period of the "police state" is upon us in America. The vitality of living American democratic forces is still powerful, al-

though often diverted into reactionary channels by the confusing factor of Stalinism. But on a thousand levels, reaction—headed by the growing power of the bureaucratic state—gnaws away at this hard-earned democratic tradition, and behind apathy and confusion slowly builds up its semi-totalitarian techniques and methods. This is a transitional period, with all concepts at stake. To those who agree with us and who share our awareness and understanding of what is going on, we would suggest that the specific threat of the moment is the FBI and its system as a whole. This is the single most reactionary institution in America; the focus of anti-democratic and anti-labor tendencies. While the enforced resignation of G-Man Hoover, demanded by many liberals, would be a step in the proper direction, it would hardly satisfy.

The FBI must be brought strictly and accountably under public control. This means, among other things, a stripping of its large share of immunity from legislative control. Its dossiers and reports must be made available to all those accused, implicated or involved in any way.

The aura of secrecy and conspiracy must be removed from this body, and it must be forced to explain and account for its activities in open court and before the public. It is the FBI which should be put on trial by American labor, democratic and socialist forces, object as it may.

This, we submit, would be an excellent beginning in the struggle for the preservation and deepening of what is best in our militant democracy.

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THE NEW EUROPE

The Europe familiar to us shortly after the war, the Europe of prostration, profound misery and stagnation, is happily now a memory of the past. Drawing upon its still gigantic resources of both material wealth and organization, together with the capacities of its working masses, Europe has, within the past three years, staged an economic and cultural recovery little short of remarkable. Many of us who had tended to give up the Old World to the twin disasters of permanent disintegration and Russian Stalinist conquest have again learned the lesson of Western Europe's rich vitality and capacity for recovery from disaster.

This recovery, of course, takes place within a strictly limited field and we are the last to overestimate its extent. But the real point is that the *character* of Europe's crisis has now changed in a drastic way. Whereas, in 1945, the problem of Europe was one of restoring an elementary level of productivity, preventing pestilence and hunger, halting the sweep of Stalinism and the reduction of Western Europe by the same totalitarian leveling machine which already had crushed Eastern Europe, the problems of today are posed on a vastly higher level.

Return to "Normalcy"

These problems, in an economic sense, are inherent in the structure of a revived European capitalism. They are problems of distribution, prices, unemployment, exchange, finance and currency. They indicate that, at any rate, some form of "normalcy," recovery and stabilization has taken place; economic and social life have resumed. This is particularly true for Western Germany. The implications are clear enough. They are well stated in an editorial in the new review of world socialism, *Confrontation Internationale* (No. 2, May-June, 1949):

The defeat suffered by the Kremlin on the European continent is now universally recognized. For the next period, at least, the danger of seeing the Iron Curtain pushed to the shores of the Atlantic—a danger which obsessed not only the ruling classes for several years, but also large sections of the working class and even revolutionary movements—has been dispelled. It is clear that Moscow, under heavy economic and political pressure from Washington, must now abandon any idea of establishing the power of Stalinism over the West—we repeat again, for the next period—and must concentrate its efforts on consolidating its power acquired after the war in Eastern Europe. The Third World War which would otherwise have been precipitated between the two gigantic blocs has thus been pushed back until later. From all possible viewpoints, this creates a more favorable perspective for all of us.

The revival of Europe, then, is not only a defeat for both American and Russian imperialism which unsuccessfully sought to strangle the Old Continent

between them. It signifies, in addition, that the material and sociological basis for the resurrection of a militant, forward-looking European democratic and socialist movement, formed and shaped by the working classes, once more exists. Whereas in 1945 the problem was, so to speak, to create a working class in the most elementary sense of the word, today's problem is to find the ways and means of lifting this revived working class to new heights, to broaden its vision and enlarge its perspective. This is indeed a change from 1945!

A Partial Picture

In presenting this series of articles and surveys, THE NEW INTERNATIONAL desires to give a partial picture of the new Europe, in conjunction with contrasting pictures from Stalinized Europe; as well as a partial posing of some of the new problems. Henry Judd describes the effects of the Marshall Plan, and the new set of economic problems this recovery has brought with it; the famous Italian socialist-novelist, Ignazio Silone, expresses the deep-going, anti-war sentiments of Europe's masses and the characteristic viewpoint of the independent European mind; R. Harper outlines for us the factors behind the new difficulties of England and its Labor government, and our German correspondent details some of the basic tactical and strategic problems to be solved by the German socialist movement. In addition, thanks to the efforts of Comrade Martin, THE NEW INTERNATIONAL has penetrated behind the Iron Curtain and is able to present his graphic picture of life in Russian-occupied "SEDistan," as Eastern Germany is familiarly called.

In presenting this feature symposium on Europe we make no claim of exhausting the problems involved but we hope to make our readers conscious of the fact that a significant and most favorable transformation has taken place.

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Europe Rejects War

"It Is the Turn of Life"

The International Day Conference Against War and Dictatorship held in Paris this summer was disappointing in many respects, particularly its self-appointed American delegation. But among the authentic speeches representing the true sentiments of Europe's people was that of the famous novelist, Ignazio Silone, now a left-wing leader of the Italian Socialist Party. In this sense, while not accepting all the remarks of Comrade Silone, we are pleased to present this translation of the speech as printed in *Revolution Proletarienne*.—Ed.

The importance of our international gathering this evening lies precisely in the fact that it expresses an autonomous, democratic, socialist and European position with regard to one of the most serious problems of today: the relations between states and peoples. This independent position is perfectly legitimate since it corresponds to the interests and will of millions of human beings who are, and who intend to remain, apart from this interplay of the great powers; who refuse to identify their fate with any one state or group of states.

This is a position which refuses to be treated as if it were only a matter of a competitor to other gatherings which have preceded it. But those among us who at a certain moment in their lives have been forced to break definitively with communism are aware of having taken not an action of renegacy or betrayal, but an act of fidelity to the working class and to the profound reasons which had first led us into the ranks of the revolutionary movement.

The theme posed before us—war and peace—is actually a matter too serious to be left in the hands of diplomats and militarists. For if barely four years after the end of the Second World War we are threatened with a new and more terrible conflict, it is obviously the result of the way in which these diplomats and militarists concluded their war. It may at one time have seemed that the Yalta and Potsdam agreements were a passing necessity, but they are now a misfortune which has already lasted too long. But the Communists dare not criticize Yalta and Potsdam because these agreements bear the signature of Russia. It is the first and most serious reservation in their position on the problem of peace.

The only moral action possible is for us to attempt to understand; to measure our reflections with those of others who may not be in agreement with us. The only honest way to act is by publicly indicating those concrete factors which today threaten peace, to seek a peaceful solution and to judge political forces by their acceptance or their refusal.

The question is too serious. We cannot forget the lessons of the past, nor all the failings of traditional pacifism. We must reject all efforts to stuff up our heads, all hollow verbiage. We must reject inertia, passivity, fatalism and skepticism. We must struggle as if peace depended on each one of us.

To avoid vagueness and the indeterminate, I would like to outline a necessarily summary estimate of present aspects of the problem of peace.

(1) Before all else, among the political causes continually threatening peace must be listed the division of the world into zones of influence and particularly the division of Europe into two parts, each always more opposed and hostile to the other.

(2) Secret armaments and atomic research, in line with the widespread opinion that peace could not survive the end of the present monopoly of atomic energy held by the American army.

(3) The chaos of national economies; costly, irrational and parasitic economic autarchies.

(4) Open or concealed dictatorial regimes.

(5) Obstacles of all kinds preventing free circulation of men and ideas.

(6) Finally the perspective of an economic crisis in the United States more serious than that of 1929; a crisis provoking an unemployment affecting one day perhaps 20 to 30 million proletarians, bringing with it the danger of social revolution and which, according to some, would leave no other solution to the American capitalists than an external war so as to crush the internal enemy.

The Threat to Peace

In my opinion, these are the major aspects of the problem of peace at this moment. These are the themes upon which should be concentrated the reflections of all those truly concerned with the future of the human race. But what is the first observation stemming from this simple and summary enumeration? It is very important.

The threat to peace does not come, as some would like us to think, from a single country. The enemies to peace are not all those ranged on one side. This annoys and wounds all those who have once and for all identified the cause of human liberty and social justice with a particular state, but all that we have suffered during the last thirty years cries out against such a pretense. Today more than ever we must say and repeat that the cause of human liberty can be identified only and uniquely with that of the oppressed and exploited of the entire world. It is not identified with any state; not with Russia, not

with America, not with Israel, not with the City of the Vatican.

This does not mean that in a given historic conjuncture—as, for example, during the Second World War—it is not possible to have an occasional and passing coincidence between the cause of liberty and that of some democratic states, but even then it is only a matter of coincidence, I repeat, and never an identification.

Pacifist gatherings do not dare to proclaim aloud the true origins of the danger of war. In my opinion, such gatherings closely resemble religious processions and services formerly organized to battle pestilence. The epidemic was greatly encouraged by them! Thus we have pacifist campaigns which, by their reticence or lies, are really war campaigns.

The first duty, the most important duty we can render to the cause of peace is therefore to eliminate from within the labor movement any disturbing factor tending to place the workers in the wake of any state whatever. This factor has nothing in common with socialism. The historic importance of socialism, its cultural and revolutionary content, lies precisely in the fact that it has created in the modern world a line of differentiation having no frontiers, customs or armies; a social line passing through countries, cities and countrysides. Let us recall, in this sense, the avenging words of the Inaugural Address to the International Workers Association, written by Marx:

"The emancipation of labor, being neither a local nor a national problem, but a social problem, embraces all countries in which modern society exists and necessitates the theoretical and practical co-operation of the most advanced countries."

I would like to express my opinion briefly on three particular questions: the present struggle for a European federation; our relations with Eastern Europe and the present state of the labor movement as it faces its fundamental historic tasks.

There has been too much talk during recent years of a European federation, and deeds have been inferior to words. The political objective of a federated Europe has gained wide acceptance and support, even on the part of state heads and governments, but we may again see verification of the fact that the most effective way to juggle with the solution of serious questions is to pretend to accept them so as to remove them from the agenda, or to divert popular interest toward purely fictitious solutions. This is the case with economic or simply customs unions, conferences for combining resources and labor power, etc., all of which will remain illusory so long as national states retain their present sovereignty and their traditional structure.

The period of economic nationalism has been superseded. This is the most important cause of our present misery. The well-being of peoples requires broader scope. In what has been reported about the Franco-Italian economic agreement, for example, there is a large measure of illusion, if not real mystification. The ministerial functionaries, the industrialists and agriculturists of both our countries who are to bring about this union do not wish to and cannot sacrifice the established interests they must serve for a higher interest.

Europe cannot be federated without being democratized. We must liberate Europe from the leadership of antique classes which have outlived their historic function. We must awaken a more timely consciousness of its historic tasks in the labor movement. In my opinion, this is the only way to save Europe, for democracy's best defense is its complete realization. A democracy that places itself under the tutelage of its military leaders so as better to defend itself, accomplishes its own suicide. For us and for many Europeans it is obvious that the defense of the alleged spiritual values of our tradition and those of the West cannot be confused with the preservation of outmoded political and economic forms.

A European Federation

A federation of European democratic countries, an open European society, ready to collaborate with all, can be of enormous importance for world peace. What should have and could have taken place in 1918 and in 1945 must be undertaken today without further loss of time.

The present situation of the countries of Eastern Europe poses a truly anguishing problem to those among us who are socialists and intend to remain so. In these countries, profound social transformations by methods which are not ours, but which are facts nonetheless, have taken place. Our critical position toward the lands of Eastern Europe cannot be the same as that of the financiers, industrialists and landlords who have been ousted. Among these former capitalists and expropriated landlords we now find zealous advocates of a Third World War who try to confound their cause of regaining possession of their lost properties with the values of Western civilization. It is time for us to say that when we strive for a reintegration of the countries of Eastern Europe within the European community, we obviously desire a political democratization of these lands but, under no circumstances, a social restoration. Under no circumstances a return of those justly expropriated.

What is the main force upon which we must depend in this struggle against dictatorship and war. It is obviously the working class.

But, accepting what a militant socialist confesses

to you, an abyss exists today between the historic task of the workers' movement and its political consciousness. To eliminate suspicion of any demagoguery, I must add that it is a matter of a more serious unpreparedness than one might think. This applies to socialist cadres, as well as the masses. Leading parties of the working class are so linked up with the autarchic, national structure of capitalism that very often they support immediate corporative interests and sacrifice the permanent interests of the working class, socialism and even democracy.

A European federation would certainly require transitory sacrifices on the part of those working class parties most bound to parasitic and autarchic capitalist parties, but instead of the present sacrifices imposed by national disorganization, these would be revolutionary sacrifices, creative sacrifices of a more just and rational order.

At the same time we thus see the need for clear and concrete views on the present situation, and for reorganizing our forces and means so as to lead an effective struggle. The problem is to reverse the trajectory of decadence imposed upon us since the period of liberation, of giving our thoughts, our projects and action, a new impulse.

But it may be asked: Are there not forces capable of unleashing war despite popular will? Obviously, yes, there are, but at great risk and it depends upon us to increase this risk. For, in the final analysis, the main problem today for the defense of no matter what country is still the answer that simple people—workers, peasants—will give to this question: "For whom and for what must we fight?" No regime can scorn the answer its people will give to this question at the moment of the declaration of war. We must

thus combat all skepticism as to the effectiveness of our struggle. It will not be useless.

But I would not have told you all that I think (and perhaps even the most important thought of mine), if, in finishing, I did not add something else. They are words addressed to perhaps only a small group among you; unknown people to whom I would like to say these fraternal words. It may be that, against our will, we shall soon enter upon very difficult trials to survive which it will be of no use to be astute or skillful or tactically shrewd. To survive, rather, we will have to be integrally of good conscience. There is indeed something more terrible than disintegration of the atom: disintegration of conscience.

The atomic era, the era of absolute physical force, urgently requires as a counterforce that we take our stand with a pure and irreducible conscience. This must also be absolute. Come what may, this will be for us the only means of conquering madness and despair. Come what may (no matter what invasion or terror), those who keep intact in the depth of their soul their faith in life's sacred principles will be the strongest. Their voice will be stifled, they will be cast into prison, they will appear as useless and vanquished human beings but, in reality, even under those conditions they will be invincible, for they will be in harmony with the immortal forces governing life. And, in the end, they will be the conquerors. The world, if it continues, will be reconstructed on their credo. Once more will come the turn of Athens and Jerusalem; the turn of the mind subduing the empire; the turn of life over brute force and death.

IGNAZIO SILONE

Marshall Plan: Phase II

New Headaches for Europe's Economy

If it is true that Western European capitalism has effected a remarkable productive recovery and overcome a series of problems, then, it may be asked, what lies behind all the present difficulty, why is there this permanent cry of "crisis" and "disaster"? The ironic answer, it seems to us, lies in the fact that European capitalism (and we exclude the Iron Curtain nations which, for the moment, must be considered outside of Europe) has progressed back to a state of comparative "normalcy." That is, the character and quality of its current problems are characteristic of declining capitalism: the functional and structural weakness of a sick organism which expresses itself in unemployment and price problems; financial, currency and commercial problems; and, above all, trading, marketing and business problems.

For a variety of reasons we need no list here, the elementary problem of the postwar period—that of setting in motion the wheels of production—must be considered as largely solved, in capitalist terms. Western Europe, from a productive standpoint, is definitely an active and going institution. In 1948, its production increased by 9 per cent, and is now 15 per cent above the 1938 level. Last year's exports from Europe increased by 30 per cent over the prior year. In every field of production, ranging from heavy to consumer's industry, there has been enormous progress. We must understand, of course, that this expansion started from the lowest point conceivable and it is hardly our thesis that European capitalism has achieved an expansion which reverses the historic tendency of a falling off in the *rate* of its productive

increase beginning in the 1920s. Only to take into account the increase in population since 1938 would suffice to brush aside such an illusion. This is no matter of rejuvenation of European capitalism.

Our point, however, is that a material basis, in the form of goods, wealth and services, once more exists and it has long been our contention that this is a minimum requirement for the resumption of political life in Europe, particularly in democratic and socialist terms. The outstanding proof of this, of course, is Western Germany, where productivity has risen now to 86 per cent of its 1936 level.

The essence of this "New Europe" lies in the revival of its economic life which has, in turn, meant a resumption of social, cultural and political life and brought a definitive end to the stagnation of 1945-46. Western Europe lives and breathes again; a fact for which we can be more than thankful!

Who Shall Benefit?

It is our intention to outline some of the new economic and social problems that this revival has created. Obviously, a new struggle for the products of society has commenced. That is the real nature of politics in Europe today: which class and sector of the population shall benefit from the renewal of life? In which direction shall European society turn, now that it again has a comparatively solid floor and foundation under its feet? While confusion may be dominant, it should not be thought of as the former apathy and indifference so characteristic of post-war Europe.

Europe's masses have only general conceptions and negative attitudes as to what they desire. Stalinism, of course, nourishes itself upon this. But there is again time to think, to read and to contemplate. Social life is no longer a question of bare physical survival: masses are working, earning some money and eating regularly.

Today's problems are related to the working and operation of the system itself; therefore, the thinking of masses is related to the problem of how to make the economy operate in an effective manner, to the advantage of all. This means that the gist of European problems is again genuinely social in character, and any revolutionary movement or group desiring to progress must approach all matters with the broadest possible outlook and understanding. The real reason why the so-called Fourth International has vanished from the scene is that it could not understand the nature of postwar Europe's social problems, and confined itself to a "political" approach in that term's narrowest meaning.

The recovery of Europe is largely due to American pump priming, the proper term to describe the first phase of the Marshall Plan. America contributed \$12 billions between the end of the war and the start of the Marshall Plan. To augment this recovery in pro-

duction, another \$5 billion was given in 1948, the first year of the plan itself. This has had two significant and conflicting consequences, in addition to what we have indicated above. First, Western Europe is now able to resume a limited independence not only in relation to America, but to the rest of the world, including Stalinist Russia. Secondly, what has been called the second phase of the Marshall Plan is now upon us. Having saved the patient, so to speak, by an emergency blood transfusion, Dr. Imperialism is now planning to make his demands and collect his fee. But the patient, ungrateful wretch that he is, not only has other ideas, but feels himself at least partly equipped with the strength to carry them out! Western Europe is now capable of offering resistance to the overbearing and arrogant economic demands of America, as we shall see in examining the case of England. Those who felt that Marshall Plan aid meant some automatic enslavement and subordination of European economy to America neglected to examine the multi-sided effects that an elementary productive recovery would have.

We have said that the crisis of Europe differs vastly from that of several years ago. Before explaining these differences, we should briefly state the economic nature of this new crisis:

Dollars Versus Pounds

(1) In part it is a continuation of the old. The shortage of dollars is almost as acute as before, and it is estimated that Western Europe's uncovered dollar balance (deficit) at the end of the Marshall Plan (1952) will still be between \$2 and \$2½ billions. For the year that began July 1, 1949, the shortage will be \$4½ billions, or only about \$190 millions less than the previous year. All participating nations are asking for huge dollar grants, in many cases larger than the previous year, with the exception of England, which has requested only \$923 millions as compared with \$1,239 millions the previous year. All this signifies, of course, that the unbalance of trade remains as distorted as before.

(2) Trade between the Eastern and Western sectors of Europe, one of the principal keys required for unlocking general European stagnation, has failed to materialize and grow. This, of course, is essentially a political factor and it appears likely that current political developments will break up this jam before long.

It is often asked, **has the Marshall Plan been a success?** A satisfactory answer would require a complete definition of what is meant by "success," and such an effort would be in vain since each nation and each tendency participating in the plan has its own conception. In general, the Marshall Plan has been partially successful for all those involved in it and a complete "failure" from the Russian viewpoint.

It is the second phase of the plan, now under way,

which will determine whether the risk run by the nations of Western Europe in accepting conditional aid from capitalist America has been worth the game. It is the second phase of the plan which will determine correspondingly for American imperialism whether or not its expenditure of profitless billions up to now has been worth the game, from its standpoint.

It is premature to attempt any answer to this question. We shall only indicate the problems already created as this second phase begins, the tendency of which will be to set Western Europe in constant and growing opposition to the United States, reviving under new conditions that struggle of Europe vs. America which Trotsky formerly described.

Who Is Helping Whom?

First, with the initial phase of the plan largely over, what are the new objectives of the United States in continuing its aid to Europe? We may summarize them as follows:

(1) An immediate objective is the revision of the system of payments already agreed to by the ECA (the control body regulating intra-European aspects of Marshall aid) so as to end the rigid system of holding tight to dollars, and to permit a freer form of currency payments. This was, in part, the heart of the recent conflict between America and England which ended in a temporary withdrawal of American demands.

(2) To force a general lowering of European prices, primarily through a devaluing of all European currencies—including the pound, franc, lira, etc. The purpose of this is to satisfy that aspect of American policy which desires to see an expansion of European exports, making it possible to close the gap further between exports and imports and thus move closer to achieving a balance of trade essential for economic health.

(3) To return as quickly and closely as possible to the prewar system of unfettered trade, under which system America could compete in the European markets on an "open door" basis.

(4) To break up European cartel and price-fixing systems (such as exist still in Germany) wherever possible. This is one manifestation of the broad policy to *limit* European recovery within definite bounds. It may be said, in point of fact, that the Marshall Plan will ultimately become a definite fetter upon the expansion and growth of European economy, but that point is not yet reached.

(5) To break up all closed off international market arenas (such as the so-called sterling area, and the French colonial area) and permit free entry of American competition. This is combined with an unwillingness to permit access to any American markets, including the United States itself.

In face of this, one would expect that the natural

tendency of Western Europe would be to draw together, in some common economic union of self-defense from the danger represented by America. It might seem, in fact, that the oft-heard expression in America in favor of a "United States of Europe" (even Dewey!) would contradict American policy and aid Europe to draw together. But talk in America favorable to European unification must be clearly understood for what it is. Its conception is a strictly limited one, in terms of certain economic measures such as tariff agreements, currency measures to stimulate business and inland transport arrangements, etc., which will aid the short term American perspective of setting Europe up on its economic feet. American imperialism does not want a unified Europe, a solid bloc of nations with a powerful economic base to support itself. It is aided in this by the incapacity of Western Europe to unite itself in any serious way, even against the approaching danger of the new Marshall Plan phase.

The manner in which these diverse factors pull Europe now one way toward unity and now another way toward disunity can be best illustrated by current efforts to loosen up European trade. Here is the New York Times' comment on the results:

The Economic Cooperation Administration is now engaged in a big drive to force Europe to take great risks by loosening trade barriers and making currencies more freely convertible. Europeans are beginning to ask whether there is any use taking risks, including depreciating their currencies, to improve the competitive position of European exports if the only market in which they can earn dollars is to be closed to one community after another as soon as their competition makes itself felt.

The Only Market

The "only market" referred to is, of course, the United States. To put an end to the dollar shortage, Paul Hoffman has declared that America must "double its imports from Western Europe by 1951." The tendency today, given the current regression, is in the opposite direction.

A series of new factors further complicate the picture, and lead to what we have described as the "new crisis" in Europe. There has been a decline in American world prices, but British, French, Belgian, etc., prices remain the same. In competitive terms, English prices particularly are too high. England is struggling to maintain her exports, but to do this she must become more competitive in price offerings. How to do this: by lowering wages and thus dropping production costs, or by devaluing the pound? England is simultaneously struggling to maintain her bilateral trading area (the sterling area) against American encroachment. The whole British trading system is a bilateral one of protected exports, whereas the American trading system is a sharply competitive one, seeking to batter down doors. This is the basis for violent American opposition to the recent British-Argentina trade pact which was, in effect, a barter

agreement; this is the basis for the new Anglo-American rivalry. Britain is fighting to save the pound, preserve whatever dollar reserves it still has, and to keep its protected sterling trading area in the world.

Other immediate factors aggravate this "new crisis." England, seriously disturbed by the possibility of competition from a revived Western Germany for continental markets, desires to push Germany in an easterly direction and is thus anxious to rebuild East-West trade, but the United States works to subordinate such trade to political objectives in winning away the satellite nations. This, of course, is but one part of a larger problem which may well become the key problem of Europe: the astonishing revival of Western German production (now 85 per cent of its 1936 rate) means that Europe's greatest productive apparatus is rapidly getting back into business. In fact, since Western Germany is not permitted any armament production, we have the ironic circumstance that this part of Europe is producing a mass of finished and consumer goods (electrical equipment, books, textiles, etc.) without the burden and hindrance of supporting a war machine! Shall this production flow eastward or westward? This is already a central problem, and there are those who believe that American imperialism will more and more openly encourage revived German capitalism and make of it America's chief prop in Europe. But the question of Germany's new role is a subject in and of itself and demands separate consideration.

The final factor responsible for the "new crisis" is the world-wide business recession, which has depressed orders, trading and transactions in all countries. The buyers' market has replaced the sellers' market and there is no reason to expect any reversal of this trend. The volume of business is dropping and, with the exception of England, where export still flourishes, the problem of unemployment is common to all nations.

We have indicated the important factors influencing the economic life of the New Europe. For the most part, they are familiar and could hardly have come into existence without the substantial recovery we have described. Has this now reached its peak? It appears that only the revival of a serious East-West trade could act as a new stimulus, comparable to last year's Marshall Plan grants, but who can say whether this will come?

There is definitely a "leveling off," and that at a low level indeed! Nowhere can mass living standards compare with prewar standards. The 1948 economic survey of the United Nations, issued in Switzerland, indicated this and, more seriously, indicated that economic autarchy had been stimulated rather than broken down by the Marshall Plan. Borders, tariffs, customs, etc., are as insurmountable and difficult as before. In the long run, of course, this indicates that all the old problems remain as before: economic nationalism and inability to unify; a low level and high-cost productivity; contraction of the internal market, with a more bitter struggle to share the world market, etc. The classic problems of European capitalism are now back with us. The patient, once semi-conscious and prostrate, is now back on his feet only to discover he suffers from a dozen bothersome and incurable ailments!

But nothing can do away with the fact that a substantial material basis exists for the pursuit of the democratic and socialist struggle. It is our opinion that the serious and real struggles of the future throughout Europe will be intensely social in nature. They will be over the fruits of this social and material revival, and plans for substantiating it. The abstract issues of ideological politics and the question of war will recede into the background. The people of Europe have long since heard what each and every political tendency proposes: they now want to know how to carry these things out, in the specific.

HENRY JUDD

England: Grim Island Kingdom

What Is Behind the Sterling Crisis?

Conditions of class strife and recurring social crises, are the daily experiences of continental western Europe. By comparison, the island kingdom of Great Britain appears at first glance as a country of grim and austere stability.

This social stability is expressed in virtual full employment, in a minimum of industrial disputes, and in the lack of any "extremist" challenge to the authority of the ruling government.

The climate of "social peace" which characterises the relations between the opposing classes, and which

is in turn transferred to the relations between the classes and the state, stems from two social forces which today shape British society.

Great Britain was on the verge of bankruptcy after the Second World War. But blood was transfused into the British economy and society by the American and Canadian loans and Marshall Plan Aid. Britain is the recipient of the biggest outlay of Marshall Aid funds.

Yet the Labor Government bought the social stability assured by Marshall aid funds at a very

great, and in the long run catastrophic cost—the integration of British resources and manpower into the American war bloc and political support for its world struggle against Russian totalitarianism.

For a near-bankrupt country, Britain is in the paradoxical position of being able to spend over \$3 billion a year on armaments. This year, sheltering under the peaceful umbrella of the Atlantic pact, she may be spending the fantastic sum of \$4 billion! These expenditures are also made possible by Marshall Plan aid.

In common with both totalitarian Russia and capitalist America, Labor Britain is engaged in the same crippling militarization of its society. It has been drawn into the main drift of our epoch—towards the garrison state.

The second force primarily responsible for assuring that social stability which is of such grave importance for the Atlantic pact powers is the Labor Government itself.

Against this backdrop of economic bankruptcy, and propelled by its inescapable and urgent pressure, the Labor Government has carried out its complete program, as announced in its 1945 election manifesto. Labor leaders cite this as one of the virtues of labor rule. This by itself is claimed as a great achievement; to have carried out a program solemnly promised to the electorate. What a sad and illuminating commentary on capitalist politics this is!

Still, this fact is one manifestation of the novelty and difference between the Labor Government and its predecessors. It is the first political party in Britain to carry out, with a certain amount of vigour and determination, its full, declared program of reform. To a greater degree than most other European countries, the government has used Marshall aid funds for rehabilitating and strengthening the structure of British society. Complementary to the outside aid received, Labor has also put into effect its own response to the crisis. It has enforced the most stringent austerity, spent capital reserves and launched a successful drive for higher production and exports, thereby staving off the collapse of British society.

The Other 80 Per Cent

Twenty per cent of the economy has been nationalized. The other 80 per cent under private enterprise has been placed under rigid governmental control. Working parties, Development Councils, composed of employees, employers and independent members supplying research, statistics, advice on accounting and

design, and on wages, have helped in reorganizing backward industries. Export targets have been set for all those industries engaged in the export drive. In addition the government collects over 40 per cent of the national income in the form of taxation.

This colossal financial power placed in the hands of the state bureaucracy is used both to modernize the obsolete and worn out industries, to retool, to carry out a state determined investment program and to introduce an extensive social security system.

It is these modifications in the traditional structure of British capitalism which confuses those who know nothing about the underlying Marxian fundamentals of socialism, or who have forgotten everything they may have known about these fundamentals, into believing that a genuine socialist program is being carried out, and which blurs the real purposes for which it is being done.

For this program of state intervention and “state planning” has enabled the Labor Government to carry out unabashed, its imperialist policy in Germany, its war against the Jews in Palestine, its colonial war in Malaya, etc. It is a way of holding back the swiftly encroaching twilight of the remnants of the British Empire overseas. In Africa, e. g., Labor seeks to entrench British overlordship with the help of state financed corporations.

And this social security program at home, is chiefly responsible for assuring that solid adherence to the Labor Government, which, without any room for doubt, exists among the mass of the working class. The social security program has contributed increased old age pensions, subsidized food, subsidized housing projects, social insurance and national assistance, family allowances, grants for education, free legal aid and a free medical health service for the British people. All in all, these multiform benefits total up to what has been called the “Welfare State.”

This is one tendency in British Labor which, in spite of all its shortcomings (particularly its bureaucratic management and distribution from the top), is certainly progressive, compared to the past. It has helped to lighten the agonizing load of insecurity and terror of pauperization under which millions of workers existed before.

But these benefits, handed out as they are by the bureaucratic state, which is the impersonal and uncontrolled repository of concentrated national power, can in no way be equated with a genuine socialist democracy. It must be emphasized that the social security program introduced by the Labor Government takes place within this framework, and is directed towards supporting and strengthening it.

In order to save what it considers to be “the national interest”—i. e., the preservation of that part of the British empire which can still be saved; the conservation of “the national interest” in terms of capitalist economic and political interests, whose sur-

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vival Labor sustains, the Labor regime has been forced to cut into the overall profits, taking away the prerogative from the separate and differentiated capitalist segments which make up the conglomerate national capitalist class.

A Nation in Two Camps

This government—involving the redistribution of the national income, and the redistribution of relations between the classes and the state,—is resulting in a political split of the nation into two camps.

The Conservative Party, which is the traditional party of British imperialism, has become the refuge of all the separate ruling class groups and of all those who live within its orbit and who are being victimized by the disintegration of British capitalism. Today it flounders in political and ideological ineptitude, unable to resist or oppose the eruption of the state into the economy and society in general. Because it is the party of the monopolists, the small bourgeoisie, the rentiers, the decrepit aristocracy and the upper sections of the middle class, it continues to exist as a mass force, not really in its own right, but by default of the government's policies.

The Labor Party is still the mass party of the working class, of the trade unions and sections of the lower middle class. But the momentum which carries it along, and which increasingly makes it a force alien to its supporters, grows from the fact that it has become the agency for the bureaucratization of capitalist society. The Labor Government is the trustee of capitalist society in its death agony.

Unless fissures develop within these two blocs of voting power, there is no opportunity for a major third party to develop. The rivalry between these two blocs is not a contest over radical fundamentals. It is a rivalry between parties which accept and have in common (in the main) the defense of the same basic institutions; property relations and political ambitions.

Even Vital Differences

There are differences, even vital differences. But these are not differences relating to ends or goals. They are confined to means, to day to day nuances in the major task of repairing the groaning machine of British capitalism, although these tactical differences do assume a considerable importance in the normal political rivalry for state power between the two parties.

This is how things appear at first glance. But if one looks deeper into the economic, political and social layers which combine and form the pattern of British society, one detects the outline of processes which will, to a greater or lesser degree, crack this facade.

First, there is the problem of the gap in the balance of payments. The problem of the gap is not only a question of dollars. It expresses in the sharp-

est form the irretrievable unbalance of world capitalist relations.

British capitalism established its supremacy in the past by exchanging its manufactured commodities in the world markets against the raw materials, the foodstuffs produced in its colonial hinterland and other spheres of influence. From this flowed its traditional stability. Today this pattern of economic relations has been blown to pieces by two world wars and the intervening political and economic dislocations. In the former colonial or dependent territories, industrialization has taken leaps forward. Britain has lost her primary control of her former markets. What is even more important, she will never be able to recapture them again, in her former dominant role.

Her former sources of supply were disrupted in the course of the Second World War. The terms of trade are no longer in her favor (that is, expensive exports against cheap imports) and they will never again become favorable. For in the rest of the world too, there is the same process of government intervention. Everywhere the state is forced to assure stable prices by subsidies, guaranteed prices to its primary producers.

The dollar shortage must remain permanent, and the attempt of British economic strategy to reach economic solvency and independence is doomed to failure.

Britain is the one country in the world which inherently cannot exist in economic autarchy. It must become either a satellite, a dependency of one or another more powerful economic and political entity (which is already happening in its relations with America) or else try to initiate or fuse itself into some kind of independent and more encompassing economic and political area.

The Labor Government should have, from the first, taken the lead and worked for the formation of an independent democratic Western European Union, as a first step on the road to a socialist Europe. The most irrefutable and crushing condemnation of Labor policy is that it has not taken this lead, or shown any interest in this movement. The contrary is true. The Labor Government has set its course in an undeviating subservience to the American war bloc.

It has become chief representative of Marshallism in Western Europe and it is now facing all the difficulties, all the insoluble problems of capitalist world economics.

Its export drive is now coming into brutal contact with the boundaries of the capitalist world market. The sellers market is waning and the buyers market swells with increasing competition. The current recession in America, by intensifying the hunger of American business for markets, complicates an already delicately poised situation. Derationing of clothing, relaxation of controls in the home market, are the first open signs of increasing competition out-

side. Another example of this incurable malady is the great and growing divergence between the level of costs and prices in the sterling and dollar area.

Sir Stafford Cripps

It is a situation full of the most serious pitfalls for a country whose whole future is staked on its ability to export. To get around this barrier, the government will either be forced to devalue sterling (which Sir Stafford Cripps has vehemently denied) or else to implement other measures of lowering production costs. Whatever method is attempted in the future, the already austere standards of living of the worker must come under further attack. Alternatively, the present standard of living will be stabilized by one or another form of dollar assistance when Marshall aid ends.

But in that case the nation will fall deeper and deeper under the shadow of American imperialism. No matter what concrete details of development will emerge, British economy and society face difficult and stormy years. The *Economist* has summed up the precarious nature of Britain's recovery and the many dangers which face it in this apt way, "like some of the hastily built merchant ships of war-time, all the stresses and strains have been welded into the frame. In a smooth sea, the ship is impressive, but it will break up in the first storm."

It is within this context that one must analyze the latest budget. It too, points unmistakably to support of the present analysis. The budget statement establishes with relentless clarity the fact that no more reforms are possible, that the present benefits must be halted and rigidified, that no cuts in taxation are possible either for the bourgeoisie, or for the proletariat and that the bourgeoisie is to be left alone in its control of its greatly reduced but still substantial wealth and power.

The reform era introduced by the Labor Government is now coming into conflict with the narrow limitations of the Labor program and with the ever growing defense responsibilities which they have assumed.

The main change introduced—a cut in the food subsidies, amounts to a slice taken out of the standard of living of the workers. Sir Stafford Cripps went so far as to threaten to introduce a special new health tax if the heavy run on the health services was to continue. In his own words, "There is not much further immediate possibility of the redistribution of the national income by way of taxation in this country: for the future we must rely upon the creation of more distributable wealth than upon the redistribution of the income that exists."

This is true only when one accepts the permanent existence of the capitalist class, of private property, of the incentives of the profit system. It is also true only when one accepts the tremendous burden of

armaments, the defense of the Empire and embroilment in world imperialist contests.

The whole dilemma on which the Labor Government rests is a very simple one. Either they conscientiously accelerate the breakdown of capitalism by introducing an increasingly radical socialist transformation or they become entangled in the coils of capitalist breakdown and assist actively in the collapse of our world. The Labor leadership has, without any qualms, chosen the second alternative.

Having accepted this course, their commitment is paying off, in the form of electoral reverses. Recent county and municipal elections have registered large victories for Conservative and Conservative supported Independents. Although these results are only of local significance, and do not show any conclusive national trend, they do express the exasperation and hostility of the middle class in all its layers and of the most backward workers, to the Labor regime. They also show the apathy which exists in the broad working class mass. The Labor Government behaves in a similar manner and repeats the familiar disastrous policies of Social Democratic rule.

The County council elections results were also influenced by a wave of dissatisfaction with the budget announcements. But the election results revealed an even more disquieting feature. In London, which Labor has held for more than twenty years, the election results were a tie for Tory and Labor. Instead of appealing again to the electorate, especially to those 60 per cent who had not voted, the Labor leadership of County Hall, usurped the control over the council by using the votes of Aldermen who had been appointed by a previous Labor majority. By this action the local Labor leadership (supported by Head Office) treated the electorate with contempt, seeing in them mere voting cattle who, once they have been driven to the polls, can then be sent back into political inactivity until the next election call is trumpeted forth.

Tory Hue-and-Cry

In London, the Conservatives raised a hue and cry against the anti-democratic Laborites. To prove their absolute devotion to democracy, they then adopted a similar method in Glasgow. There the Labor Party had a majority of one. But the Tories, relying on two non elected, co-opted members, turned their own minority into a majority. Thus we have the spectacle of the two major, responsible, democratic parties violating the democratic will of the electorate in their own power interests and both utilizing for their own purposes, the relics of medieval anti-democratic ritualism.

The statement on policy issued by the Labor Party executive for discussion at the recent party conference is another document which can help us to understand the trends in Britain's social development. This

statement of policy underlines and re-inforces the outline we have given.

Apart from proposals for the nationalization of cement, industrial insurance, the sugar industry, meat wholesaling, and the threat to establish state-owned concerns "to compete fairly and squarely in the public interest with private firms," the program proposes to consolidate and to conserve the existing reforms.

The Labor leadership has now decided to maintain a mixed economy, wherein the private property section will predominate. This program was endorsed by the party conference last month.

It is difficult to foresee any major struggle developing between the loyal, but unenthusiastic rank-and-file and the leadership. Faced with the ever-increasing Tory challenge, the labor masses will continue to support the government.

But this support is not a cast-iron one. Today the working class is held back from open opposition by the existence of full employment and the relief of so-

cial security. Tomorrow (that is, at least after the next elections) and if the Labor Party is returned to power, confronted with the accumulating stresses and strains of British economy, and the tensions resulting from the growing development of the garrison state, the split now latent in the Labor Party, might reveal itself.

If, on the other hand, the Tories are returned, then the precarious stability established by the Labor Government will fall apart. The Labor Party has purchased the loyalty of the working class by reforms. Thereby it has also succeeded in stifling and damning up their class combativeness. If the Tories come to power, this damn will collapse.

Although it is impossible to predict which political combination will emerge victorious at the next election, it can be stated with certainty that all attempts at patching up bankrupt capitalism can only produce either the small-scale havoc of economic crisis, or the fury of atomic destruction.

R. HARPER.

German Labor Trends

A Letter from a German Socialist

The present situation within the German labor movement is characterized by the spontaneous appearance of communist oppositional tendencies. I believe that the crisis of Stalinism is nowhere (except in the countries of Eastern Europe) as obvious as it is in Germany. Two parties have already been created: One, the "Independent Communist" Party in Dortmund (Rühr district) and a "Free Communist" Party in Berlin.

We have been able to get hold of the programmatic statement and a "manifesto" as well as details concerning the person of the founder of the ICP. I am informing you of this so that you do not form an incorrect opinion on the basis of the brief reports in the press. The initiation of the ICP is best described as the adventure of an idiot. The founder of this "party," Klemens Bender, is a former Liberal who, after 1945, contributed to the formation and building up of the "Free Democratic Party" in the Soviet Zone. It seems that he encountered difficulties with the Russian occupying power and that he went to Western Germany, where he devised his curious plan. He has no roots whatever in the labor movement; comrades have inquired in Dortmund about this "party" only to find out that Bender is not even known in the opposition circles of the local CP.

The manifesto justified these opinions about the man. It begins: "The ICP considers the freedom of man as inviolable." It continues: "The ICP is a German par-

ty and serves German interests only. . . . In this the ICP adheres in principle in its political structure to the theory of Karl Marx while at the same time it rejects Leninism and Stalinism as unworthy of discussion and harmful to the people. It views the Soviet structure as a rule of despotism of unprecedented scale.

"In the economic sphere the ICP demands the expropriation of large-scale industries and large estates which contain the seeds of aggressive imperialism." The bad German of this programmatic statement is made even more unbearable by its pathetic style. The last sentence reads: "Only when the working people step from the shadows of their life into the sun, only then will our labors be crowned by success." One cannot help but be tempted to let the working people "step from the shadows of their life into the sun . . . of death"! I just want to indicate to you not to take the ICP seriously.

I still lack reliable information regarding the "Free Communist Party" in Berlin. I read one report on it in a periodical of doubtful character. It does give some glimpses of the party's program, which seem to indicate that there is at least as much confusion. This party rejects the dictatorship of the proletariat, all class privileges, including those of the working class; it is opposed to civil war and armed insurrection. However, it seems that it is composed of old party members of the CP and therefore may find a fair-

sized audience. The founders appear to be one-time members of the RFB (Red Fighters); that's their type, anyway. They demand of the Russians, for example, that they account for the whereabouts of Heinz Neumann, the advocate of individual terror before 1933, and of Willi Loem, the second chairman of the RFB.

I agree with you entirely on the question that no organization that defends the official viewpoint of the Fourth International on the Russian question has any perspective of growth—not only in Germany but everywhere.

I do not know if you are informed about the internal situation of the German organization. I shall answer all your questions about that matter. We are one of the few sections (if not the only one) that is not divided into majority and minority (on the Russian question particularly!).

No Defense of Russia

There is no comrade who holds the views of the Fourth International. The theory of "state capitalism" is undefended too. A real discussion on the Russian question has not yet taken place, but the leading comrades share, in general, the theory of the ISL, i.e., the theory of "bureaucratic collectivism." We have defended this theory in two documents, the one being a criticism of the theses of the second world congress, the other a criti-

cism of the publications on the Yugoslav question. Both will be published, we are promised, in the Internal Bulletin of the IS. The disagreement between us and you lies in the evaluation of the anti-Stalinist resistance movements in the Russian sphere of influence.

You wrote in your letter: "We believe that the place for all socialists is as members of the German SP, working for their own purposes. . . ." There is something to be said about your views on this point. We have, of course, fully understood that we have not the task to be some kind of "left opposition" at the edge of the Stalinist party. The fact that the majority of the Western German workers is now following the Social Democratic Party must determine fundamentally our strategy. Yet I cannot conclude that a *total* entrust tactic is to be applied. (Of course, most of my comrades are organized in various organizations, SP or CP. The conditions for work are locally different ones. Sometimes the work in the CP is more favorable.) The condition of our organization doesn't allow this.

State of Consciousness

The most essential prerequisite for entering into a mass organization is that our organization itself is politically and organizationally firm. As a matter of fact, the German section doesn't meet this condition up to now. Properly, it is not an organization at all. That is, it is still on the way of becoming something that can be called an organization.

You must furthermore consider the condition of consciousness that prevails within the German labor movement. The first task consists in winning over the most advanced part, i.e., the most critical, of the membership and the functional body of the existing parties. Thereby also the chiefly theoretical character of the paper is determined.

Your criticism regarding *Die Internationale*, that it is "abstract propaganda," is only partially justified. We ourselves know too well our weakness. It lies firstly in the lack of educated cadres. The losses were too high, especially those caused by demoralization among the pre-1933 forces. The first issue of the paper was made exclusively abroad. Nobody had any influence on the selection of the themes, etc.

For the second issue we at least contributed with the leading article. The other stuff was taken in, more or less, for embarrassment. The third was made in Germany, after a little clash between us and the IS because of the resolution on Yugoslavia. We demanded to print an article in No. 4 which differentiates itself from that resolution, but we retreated after having got the promise that a discussion article should be published

in the Internal Bulletin of the IS. I am ready to admit that the paper is of little interest and that it deals too little with specifically German problems. The latter is our main trouble. But despite this lack the paper is very much asked for. It is still highly superior to the other publications that are licensed by the military authorities. This—and only this!—circumstance may excuse its many weaknesses.

Our political platform will shortly be finished. It is rather long and mainly theoretical. The historical and international parts take very much space, but this corresponds to the specific weight of these questions in German politics today. The first question you'll be asked by a man who doesn't know of your organization is: What is your position *vis-à-vis* Russia and the USA. Only in the second line come the questions of Western German constitution, etc. There must always be considered that we address our publications not to the masses, but to the critical elements in the existing socialist organization, which have already got some Marxist education (and tradition) and which understand our "theoretical" language.

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It seemed very doubtful to me that the Russians would accept the Bonn Constitution for their zone and the course of the Paris negotiations showed that they are not ready to subject themselves unconditionally. It should not be forgotten that they are not in retreat along the whole line (China), and that the Western powers are rather handicapped by their economic difficulties. I am therefore inclined to evaluate the present state as one of equilibrium, with the Russians having made only a partial retreat because they advanced too far with their blockade of Berlin.

The real issue, in my opinion, is the resumption of trade between East and West, which is a necessity for both sides. Perhaps the vehemence of the Cold War will diminish, but there will be little change in the division of political forces. I suppose that in Germany, too, the political situation will remain as before; the borders between Eastern and Western zones will also remain and only trade will pass over them. Of course, there will be some minor relaxations—the prohibition of exchange of news, for example, has been lifted with the Berlin blockade. We now have Russian newspapers. The *Tägliche Rundschau*, official organ of the Russian military administration, is now published in a Western edition. This will be the state of affairs in the period to come, but no major changes can be expected.

What I particularly want to discuss is the position of the Stalinists toward such actions as the Berlin railway work-

ers' strike and the action of the Ruhr workers against the dismantling of several chemical factories in the Ruhr. From the Eastern zone they sent many messages in which they expressed their "complete solidarity" with the strikers. But nobody takes their talk seriously because every child knows their attitude toward the dismantling, reparations and annexations in the East, which amounted to many times those in the West. Nevertheless, it is interesting to analyze their latest propaganda turn.

German Stalinists

They proclaimed a "state of national emergency" and called for a united "national front" from the workers to the bosses. I quote from the German top Stalinist leader, Walter Ilbricht:

"The objective requirements for a broad national front from the labor movement to the entrepreneur class are given today. In all circles of the people of Western Germany, indignation against the national enslavement policy of the Western powers is increasing. In this situation it is completely false to first pose the question to any German whether he is a convinced democrat. It is just as false to ask this or that person whether he formerly held a membership book in the Nazi Party. Today, the only possible standard is the answer to the question: are you for Germany's unity; are you for a just treaty; are you for the withdrawal of occupation troops?"

Another example will show you how feeble the Stalinist position on the question of dismantlings really is. Western German journalists were given an interview by the deputy president of the Eastern zone Economic Commission, the Stalinist, Fritz Selbmann. One of their questions was: In Western Germany, the problem of dismantlings plays an important role at the present time. What is the situation in the Soviet zone in this respect? At first Selbmann declared that dismantlings came to an end long ago. Then he surprised his guests with the news that the Soviet Union has returned several rolling-mill works which were taken away four years ago. Evidently, the Russians had neither the skilled manpower nor the required factory plants for utilizing these machines. Selbmann also had something to say about the differences between Eastern and Western dismantlings. "An essential difference"—and it was the only one he could enumerate—"between the dismantlings in the East and West is that the former took place immediately after the breakdown of Nazism and not, as in the West, four years after."

What moral indignation! His only accusation against this new robbery is that it should have been done four years earlier!

H. F.

Journey into Sedistan

Life in Germany's Eastern Zone

This was the first time since 1935 that I crossed through German provinces east of the Elbe. Never before was I struck by such insistent comparisons to the Hitler regime.

The rolling stock is now in a shabby state, there is all-pervasive dirt inside the trains, and long, unscheduled stops are frequent. But the behavior of the passengers is the same as in Nazi times.

When I left Germany in 1933, and when I fled a second time in 1935, after a lengthy period of extremely nerve-wracking illegal activity, the last impression of Germany I took with me on my trip from the East clear across the country was the same as the one I had now on my trip from the Elbe to the Oder. I had forgotten much in the meantime. It came back to me only after the train had advanced a few miles into the Eastern Zone. Then, as now, everywhere, low-voiced accusations against the regime. Whisperings and mumblings in the waiting rooms. Before a conversation begins, fearful glances in all directions to make sure that none of the nearby fellow passengers looks like a spy.

I traveled around in the Russian Zone for 14 days. Not in express trains, not having papers with me. I avoided them because of the frequent identification controls, but in the local trains used by the working population. And not once, when the conversation turned to politics, did I find among the passengers anyone who defended the present rulers. Eager supporters of the regime I found only in the villas and spacious apartments of Berlin and the provinces.

Many old-time Communist Party members now live a retired life and hardly participate any more in political life. They are disgusted with the behavior of the Russians and with the line of development taken by the Communist Party in the Eastern Zone. Their place is taken by thousands of New-Communists, who belong to the various layers of the middle class and who entered the SED only after 1945-46. These are the people who, with neither doubts nor reflection, carry out the changing course of the party's Moscow-dictated policy.

A 20-Pfennig Cut

In a small town on the Oder, right next to the new Polish frontier, the majority of the members of the SED is composed of functionaries and employees who, thanks to their party cards, hold positions they are hardly able to exercise—artisans, new settlers and small shopkeepers. Only a few workers have been drawn into the party there. An SED functionary from another small town told me that after its nationalization, all the workers in a street car construction shop

left the union and the party en masse, despite threats of reprisals and that the only one to remain was the manager, a former Nazi. The reason: the 20 pfennigs an hour wage reduction ensuing from the nationalization.

I was able to observe at first hand both the preparations for May Day and the May Day parades themselves. In general, the population considers itself ordered off to the May Day celebrations, just like in Nazi times. A relative of mine, who works in a big enterprise in Adlershof in the Russian Sector, complained about the terror the work council exercises. The workers of this shop were threatened with withdrawal of the supplementary textile rations distributed by the shop if they did not participate in the May Day parade.

In the early hours of the morning of May 1 I took a train to Potsdam from Brandenburg. In my compartment were several elderly workers who were going fishing. It was very difficult to talk politics with them. They were too careful in my presence. Nonetheless, one of them stated that he had sneaked away from every May Day parade under Hitler. He had still participated in those of 1946 and 1947 half-voluntarily, but since last year he didn't care a hoot about anything. In reply to my question whether he thought the Hitler and the Stalin regimes the same thing, he answered: "Today it's worse." Shortly before Magdeburg I overheard a conversation among young workers. They also were obliged to participate against their will. The so-called construction stamp, which is pasted into the work-books as proof of active participation in realizing the Two-Year Plan, was to be distributed before the parade began.

Free Meals on May Day

Other larger nationalized enterprises handed out a free and rationless meal after the celebration. Given the hunger which still prevails in the Eastern Zone, this bait is gladly swallowed. In the East in contrast to the West it was principally the youth who actively participated in the May Day celebrations. Even school classes were mobilized.

I listened to a speech in a small village in the Harz. It was in the usual style. Attacks against the pro-

The author of this travel-description of the Russian zone is a German journalist and socialist well acquainted with German political life. The Russian zone is popularly known as SEDISTAN in Germany, after the initials of the SED Stalinist Party.—Editor.

Western German politicians and against the imperialists. The guest speaker, however, sent over from Magdeburg, aroused secret smiles when he talked about the hunger to which the German brothers in the West are subject. He stated that on the other side of the Russian Zone's frontier, dire need and misery hold sway. But every inhabitant of this village, which is only a few miles away from the zone's frontier, has crossed over at least once already to buy food, clothing and shoes. They know from their own experience that the difference between the Western and the Eastern Zone is as day is to night.

The working population everywhere curses the "free shops" in which food and consumption articles are sold at high prices. Even taking into consideration the fact that wages and salaries are higher in the Eastern Zone than in the West, a worker or employee is still hardly able to pay the price demanded. A cheap mass production suit costs 340 marks, low shoes 230 marks, a bicycle is offered for 800 marks. Popular wit has rebaptized these "H. O."—(Handels Organization—trade organization) into "Hunger im Osten"—Hunger in the East.

A high functionary in the Ministry of Agriculture of Mecklenburg-Schwerin to whom I was introduced as a comrade from the West, explained in the course of our conversation that the Ministry was considering not handing out a single gram of meat to the population during the summer months until October, in order to preserve the cattle stock. When I asked, amazed, how such a thing could be possible four years after the end of the war, he began a long lecture explaining to me how the whole countryside from Stalingrad to the Elbe had been devastated. He has already proposed in 1946 not to distribute any more meat to the population. This measure would indeed have been a rigorous one, but had it been applied, the catastrophic meat situation would no longer exist today. When I called attention to the progress the West has made in this respect, and that we are approaching the time when meat will be unrationed, he replied: "Yes, that could be so, since all the livestock was driven from the East to the West."

Such naiveté disarmed me, and I merely pointed out to him the fact that before occupation by the Red Army, the population was happy enough to have saved their lives and their most necessary belongings from the scene of battle, and that there had not been the slightest possibility of driving away the cattle. He thought that my view was true only in part, but that his own exposition was proved by the facts. (It is unnecessary to state here that the Russians drove the livestock to Russia by the tens of thousands. That is the truth. My functionary was mistaken only in the direction which the herds took.)

He took great pains to explain the agricultural

policy to the "comrade from the West" who was all mixed up. According to his explanation, instead of nationalizing the land, new colonies of small farms were created quite consciously. A great number of peasants and farm workers from the East had to be resettled. By giving them pieces of property, the administration had won supporters and secured a foothold on the land. Added to this was another consideration—each individual owner of a piece of land would strive to the utmost, out of purely egoistic and private capitalist motives, to obtain from anywhere at all tools and cattle. It would have been impossible for the state to supply the big estates with the necessary machinery and tool equipment, as well as cattle. But despite all the efforts of the new farmers and settlers, the tools and cattle they rounded up proved to be insufficient for individual farming. That is why farmer self-help organizations were created. By means of state funds, they were soon extended into village associations. In reply to my remark, "So they are kolkhoses?" he answered, "Yes, but the word 'kolkhoz' is in evil repute among the farmers and so we avoid that expression." He explained further that machinery and tractor stations were being installed.

In the newspapers I read lengthy articles about Russia's touching behavior in delivering tractors—up to now, a dozen in all—in order to stimulate the reconstruction of the Eastern Zone, while the imperialists were shamelessly exploiting the West. That the Russians, however, by dismantling Eastern Zone industry, had taken away the possibility for it to build its own tractors—this, understandably, was hushed up. Various means were employed which would force all farmers who were not members of the village association either to enter it or to perish on their farms. Members of the association benefited by a loosening and lowering of the rigid delivery norms for agricultural products, whereas a higher quota was set for the non-members. At distributions of fertilizers and seed, the association members received preference and the others received a poorer quality or nothing at all. If a farmer did not join the association, he soon was in no position to run his property in accordance with the orders handed out. So the administration could relieve him of his property "in the interests of feeding the population."

I spent a few hours in a settlement of new farmers which is under the jurisdiction of this ministry. A relative of mine—one of the exiles from the East—owns a farm. He also has joined the association. He told me of the terrible initial difficulties before sufficient shelter and stalls, cattle and tools existed. Hunger was great at that time. Almost all the settlers, he informed me, after having been in favor of the regime at first, or at least neutral toward it, were now opposed. Reality looks different from what the functionary from the Ministry hoped for. The

new farmers and settlers are not loyal supporters of the SED and its policy.

According to my relative's statements, it is a long time since the settlers have tasted butter, although they have cows in their stalls. They receive no money, or only a small proportion, for delivery of their products. In the stores of the association, they have to pay for everything in cash. My relative, who had received 10,000 pounds of sugar instead of money in return for delivering sugar beets, was forced to send his daughter from Mecklenburg to Berlin with the sugar, to sell it there on the black market! In this way he received cash to feed and clothe his large family.

A Bitter Feud

A conversation with an old acquaintance of mine, now in a high position in the Economic Division, was most illuminating. According to him, a bitter feud has broken out recently between this Economic Administration and the party functionaries, each laying the blame on the other for the breakdown of the economy in the Eastern Zone. Several important concerns are on the verge of collapse. This also explains the willingness of the Russians and of the German party organizations not only to reintroduce trade with the West but to built it up. I objected that the newspapers stated the contrary, namely, that the capitalist economy of the West was on the verge of collapse, and that the West had begged that the blockade be lifted. Whereupon I received the answer so often given me: "You can't tell the masses everything." This friend openly admitted that the population rejects the rule of the SED. He told me literally: "We know quite well that when the Russians leave, we shall have to go with them or it will be the end of us." This opinion contradicts the much-touted demand for evacuation of the occupation troops.

The SED's entire policy bears the stamp of this split between reality and political slogans. They could not even rely on the police troops, who have been trained according to Communist conception. My conversations, later on, with members of the people's police, both inside the zone and on its borders, were to confirm this.

In the opinion of my friend, the Russians, at their entry and even later, greatly harmed the reputation of the Communist Party. And today the Russians are very skeptical and stand-offish toward the German Communists. The SED is now frantically trying to recover lost ground and is seeking pro forma to make friends with all possible bourgeois tendencies which can still find response among the population. "The party," he said textually, "is opening its jaws wide, like a shark. Let them all come, then, when it is time, the jaws will snap shut and all these bourgeois leaders will have to march the way the party wants them to."

Our conversation took a more dramatic turn when

I asked him what had happened to some friends who had languished in Buchenwald for years. Being opposed to the Stalinist policy, they had once more been arrested, months ago, and since then there had been no trace of them. A month later their families were chased from their homes. He assumed I was ignorant of all this. First he tried to justify the arrests by pointing out that these people had become enemies of the state. However, when I informed him that I knew what the facts really were, that I had already talked to the wife of one of the arrested men, and that such conditions were to be found only under the Nazi regime, he became silent and very depressed.

On the whole, he saw the reality of conditions. He did not agree with the SED policy in many things. His hatred and skepticism toward the real conditions of life in the West, however, still permit him to defend the present system loyally and devotedly, despite its many lacks and weaknesses. In spite of the fact that our political opinions were far apart, he spoken openly and freely to me about every internal party matter, and in general gave me a friendly reception. In the course of my two weeks' trip, this was the first time I could eat my fill of good food! For this, and for the abundant provisions he gave me for my trip, I am especially grateful to him.

During the followings days I often talked to lower party functionaries. It was impossible to enter into a real political discussion with them. The most elementary basic conceptions were foreign to them. These were only fanatics who believed the directives of their SED leadership just as Seventh Day Adventists believe the revelations of the Holy Scriptures. Nonetheless, with few exceptions, even they believed that the behavior of the Russians had harmed them greatly.

Cement, lime and other important construction materials are lacking for the building of homes. The Russians, however, in every town and village, set up pompous monuments in honor of Stalin and his army. Grandiose soldiers' cemeteries, in part installed in municipal park grounds, with cemented graves, testify to the conqueror's might. From my numerous conversations, I think I can conclude that the Russians are slowly drawing away from their "protégés." They are realizing that the Eastern Zone is no Poland, no Hungary, no Rumania, no Czechoslovakia. Time and again I was assured that the Russians were very angry because of the political failures of the SED.

The declaration of an NKVD officer to one of the leaders of the VVN is also typical. This functionary had been waiting three-fourths of a year for someone to replace him in the leadership of the VVN, so that he could go to a sanatorium to cure his TB. When nothing was done in his matter, he expressed himself in strong terms, saying, for instance, that he was sick and tired of the whole rubbish. For this he was called

to the NKVD. When he drew attention to his sickness, which he had contracted during his 12 years' internment in a concentration camp, and mentioned that he would simply collapse within a few months if he were not brought soon to a sanatorium, the examining officer answered him as follows: "In Russia a whole generation of us has died of TB." "What he meant was," the VVN leader told me, "you also can just go ahead and die* too."

Countless cases of corruption were reported to me, but these, of course, flourish in every kind of system, except that with us they are dragged before the floodlight of public opinion.

The people's police, who have strict orders to execute a most thorough control of baggage at railroad stations in order to confiscate hoarded goods, carry this out very unwillingly. Almost every city inhabitant, for instance, takes the train out into the country to buy or exchange a few pounds of potatoes. Potatoes are not unrationed, as in the Western Zone. The daily ration per person is 200 grams (2/5 of a pound). In particular the poorer section of the population carry 20 to 40 pounds of potatoes in their knapsacks. This of course is forbidden. Several members of the people's police told me that they certainly would not take anything away from the poor people, despite the fact that they themselves receive a portion of the confiscated goods. The big shots should police in their stead, if they wanted to!

I was able to observe the behavior of the people's police during a baggage inspection at the railroad station of a Berlin suburb. As hundreds of travelers, most of them heavily loaded down, changed from a

*Both the NKVD official and the VVN leader used the German word "verrecken," usually employed only in connection with animals. When applied to humans, it has a distinctive nuance. One of the Nazis' anti-Semitic slogans, often shouted in the streets at Jewish passersby, was: "Juda, verrecke!" (Translator's note.)

Meet Ilya Ehrenburg

"Life is like a vaudeville show, with innumerable changes of costume, but I'm no one in particular. I try simply to obey.

"I believe in absolutely nothing. It isn't my fault. That's how I'm made. My spine is so supple that nothing can straighten it out.

"I've changed my shirt again. Now I'm a despicable swindler, doubling as an indecent fellow with dreamy and idealistic eyes."

These are some of the appreciations Ilya Ehrenburg has of himself in his own works. There is no doubt that he believes only in certain of the things that he says in his behalf. In his novels he

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train coming from the countryside to a suburban one, four of them were singled out and made to stand at a distance. While the policemen were busy with them, all the others passed through the gates unmolested. I could see from the train platform higher up how these four people closed their suitcases and knapsacks up again and passed through the gates in their turn, although they had hoarded goods with them. Thus the police had done their duty and still evaded the order.

At the border I entered into a lengthy conversation with a young member of the people's police, who had not finished his apprenticeship as carpenter when he was called to the war. While in a Russian prisoner's camp, he let himself be inscribed for an educational course, where he was given an elementary dose of Marxist-Leninist doctrine. It was only at the school itself that he and his comrades learnt that they had been selected to play the role of police functionaries in Germany. He would much rather have completed the apprenticeship in his trade, where he had only one more year to go.

He told me they had orders to aim to shoot immediately at everyone passing the frontier who did not halt at command. He and his comrades, however, had no intention of doing that—they preferred looking the other way. You had to be careful of the Russians, he told me, for they shoot immediately, even without previous warning. He also, like many others, had completely false conceptions about life in the Western Zone, and was very glad to hear news about the West and the rest of the world. After presenting him with a can of sardines in oil in token of my gratitude, I was able to cross the border unmolested. I was terribly glad to be back again in the West!

I can state without exaggeration that free elections would give the SED less than 20 per cent of the votes.

ROGER MARTIN

"A Swindler . . . with Dreamy Eyes"

is continuously struggling against himself, destroying everything that represents his "ego." There is no need to refer to Freud to understand that this type of spiritual self-punishment almost always reflects a guilt feeling.

Ehrenburg is today best known as Soviet journalist No. 1. But Ehrenburg is more than that. For a long time he was one of the most brilliant Russian novelists. But the interest in his recent novels lies rather in the positive proof they reveal of the effects of totalitarianism on creative art. Ehrenburg renounced his freedom as an artist. Today his novels can hardly be considered as works of literature.

Ehrenburg once wrote that there are two ways of getting past a high wall: by jumping over it, or crawling under it. He ended up by crawling under it. Yet we must recognize that sometimes he tried to leap.

Ilya Ehrenburg was born in Moscow in 1891. His father was an engineer and business man. His grandfather was a sugar magnate in the Ukraine. Ilya was 14 during the revolution of 1905. Three revolutionary parties were then known in Russia—the Bolshevik, Menshevik and the SR's. Each had an illegal circle in the schools. Ehrenburg belonged to the Bolshevik group, probably because it was the strongest in the college he attended.

These circles met in private apartments. *Political Economy* by Bogdanov and the works of Marx were the most important books studied. After they read a chapter or two of *Capital*, a qualified student explained them to the group. The members of these circles were young people of both sexes. Those were glorious days!

At 16, Ilya was expelled from grammar school for revolutionary activity. His identification card prevented him from continuing his studies elsewhere. Ilya's father succeeded in having this card withdrawn and so Ehrenburg could continue his studies. At 17, he actively participated in all workers' meetings. In this period he was known in party circles as "the long-haired Ilya," a nickname given to him because of his ungroomed head of hair which covered his forehead during his heated arguments.

The police were not long in getting wind of his activity. Ilya was arrested and spent more than a year in prison before being freed under bond. His father paid the bond which let him free on condition that Ilya leave the country immediately. Ehrenburg accepted and fled illegally to France.

In Paris he was received with open arms by the party comrades. But prison life influences men differently; some are demoralized, others strengthened in their faith. Ilya was not, properly speaking, demoralized, but he had lost his taste for political questions. For some time he attended meetings which were held in the back room of the old Café du Panthéon on Boul' Mich', but he soon gave up any political activity. Ilya's family derived great pleasure from this but they were soon to be disillusioned. Friends of the family warned them that their son intended to enter a monastery.

The heroes and heroines of the last century frequently entered a monastery to escape from their sufferings. Their entrance met no obstacles. But in reality this did not happen with the same ease in every instance. French monasteries customarily asked a fixed sum, payable in advance, of their novitiates. Besides, Ilya was a Jew and could not be formally converted without the consent of his parents. He finally had to abandon his plan and his father, having

learned of his new decision, once more began to send him a regular monthly allowance.

Ilya did not abandon Christianity. During the years that followed, he evolved in two different worlds at the same time. The first was Catholicism and its clergy, especially the Jesuits, who had some distinguished intellectuals in their ranks. Ehrenburg had many night-long discussions with them. During the day he enthusiastically studied the history of Catholicism at the Bibliothèque Nationale.

Ilya and Diego

The little cafes of Boulevard Saint-Michel were the other world in which Ilya developed. Ilya carefully avoided the Panthéon, where the group of Russian Marxists used to meet, and used to spend his time at La Source, where young writers and artists held sway. Diego Rivera, whose fame had not yet spread beyond the boundaries of Boul' Mich', was the leading figure. Ehrenburg became his intimate friend and admirer. Diego Rivera encouraged him to paint. Ilya's paintings were not bad but did not compare with the Mexican's. Rivera, who was a cubist, made too heterodox a painting of his friend, who did not like it. Long discussions of cubism ended the friendship of the two men and Ilya once more returned to the poet's corner and gradually began to devote himself to poetry.

At the beginning of 1914, Ilya published his first book, *Verses for the Virgin*, a little book filled with fervor. The poems were not uniform in value, but all of them expressed the same sentiment, a profound identification with Catholicism.

At the declaration of war in 1914, Ehrenburg became a correspondent for a Petrograd daily. It was an organ mildly liberal in character and patriotic. Ehrenburg's articles tended toward chauvinism and nationalism. They were his first efforts in journalism. All that can be said of them is that they did not strengthen his position as a writer. Ilya was not unaware of it and was distressed. His chauvinism was only a new attempt to find a spiritual hearth, but it was too crude and schematic to ring true.

In 1917 the Russian Revolution offered another opportunity. Ehrenburg remembered his revolutionary past in the hope of again finding his lost soul. He made the decision to return to Russia at once to give his all to the rising movement. This was no longer easy. Communications with Russia were non-existent and the war was still raging on all fronts. Ilya had heard of the famous sealed train in which the German general staff had permitted other revolutionaries and Lenin to cross the Reich to return to Russia. But Ilya did not succeed in getting back to Russia by this means.

His ties with the Bolsheviks had long since been broken and although his articles appearing in the

Petrograd paper had never mentioned his playing around with Catholicism, yet they had discredited him among his old friends. He turned to Lenin, who did not remember Ehrenburg but had not forgotten "Ilya with the long hair."

Lenin liked to quote an old Russian proverb which said, "In a large family, a little piece of thread must be saved." During a revolution, this proverb gained a greater significance and with Lenin's help Ilya was again able to return to Russia.

A few months later the Bolsheviks took power, driving out the Kerensky government. Ehrenburg spent almost four years in Russia, but in 1921 he was already a relentless enemy of the Bolshevik regime.

He left for Berlin, the center for Russian émigrés, and took part in opposition work. During his stay in Russia he had published a new volume of verse, *Prayers for Russia*, which was of great interest to some generals in the White Army. They reprinted some of his poems in the daily paper of their army. But the leaders of the anti-Soviet movement were soon to become disillusioned with Ilya. He attacked the Bolsheviks only because they had destroyed old churches and other historic relics, but he took good care not to take a clear political position. When pressed to state his position clearly, he replied he was writing a novel.

The novel, *The Extraordinary Adventures of Julio Jurenito and His Disciples*, suddenly gave him worldwide fame. He was translated into several languages, including Spanish. The book, a satirical novel, attacked socialism and capitalism alike. His leading character, a Mexican, is an allegoric figure, a sort of Mephistopheles who wants to put an end to the whole world, without excluding Russia and its pseudo-socialist system. Ehrenburg has his Jurenito say of this system that its grandiloquent orders can only succeed in transforming human beings into robots incapable of thinking independently. When he is arrested in Russia by the Cheka, Jurenito addresses the commissars as follows: "You have a great mission on earth. You must convince men that the irons with which you brand them are in reality the loving arms of a mother." Before dying Jurenito (echoing the author's thought) sends his last kiss "to all his brothers who without programs and principles simply love the howling of the wind and adventure."

Ehrenburg published this book in Berlin but it was soon reprinted in Russia in several editions. That was still possible in this period. At this same time there was published in Moscow, on Lenin's demand, a still more biting criticism of the Soviet regime, the famous book of A. Averchenko, *Twelve Blows in the Back of the Revolution*.

At this time Ehrenburg left for Paris and with great concentration began to write one novel after the other. He worked most of the time in the "Rotou-

dade" and when in 1926 this cafe was put to another use, he crossed the Boulevard Montparnasse and emigrated to the "Coupole."

The "Coupole" was open day and night. At four in the morning the place was cleaned, and the customers were asked to move to the back of the room while the cleaning was taking place. Ilya was the most regular witness of this ceremony.

Ilya and God

Hundreds of people were acquainted with his face, his long, almost simianlike arms. He wrote for hours, smoking his pipe, impervious to interruptions.

He was a brilliant and clever conversationalist although a bit cynical. While chatting with friends he tried to show them that he had no beliefs, not even in God. He had definitely abandoned the religious period of his existence. Instead of faith he now cultivated hate.

His special hate was the great men he held responsible for all the calamities which beset humanity. About 1926 a French writer who had just heard a lecture by Madame Curie told Ilya that he regarded this woman as an outstanding individual. Ehrenburg sardonically replied to his informant: "Wait a few years and you will see another great man make powerful bombs from this radium she has discovered."

When the Nazis took power, they publicly burned all the books they disapproved of. As for the Russians, they did not burn books, but after the Moscow Trials, the vast majority of the books published during the revolution disappeared. Nobody knew what became of them.

Many of Ilya's works are among the books that disappeared. Upon their publication, Ehrenburg was criticized several times by the Soviet press. But his books had many readers and no doubt influenced a considerable number of young Soviet writers during the period between the two world wars.

Ilya and Trotsky

It is now impossible to find in Russia copies of Ilya's first works. One of the reasons for their disappearance is that he several times mentions the names of Trotsky, Bukharin and other Bolshevik leaders of the first period. "He speaks like Trotsky, each sentence contains an idea," says one of the characters in a work by Ehrenburg.

But that is not the real reason for the disappearance of Ilya's works. Ehrenburg is a serious and conscientious artist. His characters, whether Communist or not, are well delineated and are true artistic creations. This means that the reader can do something else than "recognize" them or identify himself with them; any serious second-rate writer can write a "true" novel, but Ehrenburg sums up in these characters the authentic psychological and moral problem of the revolutionary upheaval and, as the Russian

Revolution became crystallized into a totalitarian mold, the clear artistic vision of Ehrenburg became a danger signal.

What was needed now was a simpler art which rejects complications. In *A Little Street in Moscow*, a novel by Ehrenburg, a certain Pankrator, a *nouveaux riche* of the Revolution, says to a friend while pointing out to him a Soviet police agent, "This gum-shoe no longer defends either the revolution or the proletariat or anything resembling it. He is here in the street to protect me and my money."

Ehrenburg wrote this novel when the upstart bureaucracy was still practically absent from the Soviet Union, but at the beginning of a period which was to lead to the formation of a new ruling class. Ehrenburg saw the danger.

Good literature anticipates life. Many of Ehrenburg's novels live today in Russia and we can discover their origin in his work; for example, the hero of *The Life and Death of Nicholas Kustor*, Michael Lykov of *The Profiteer*, the Communist Yur of *The Summer of 1925* and many others. Lacking faith, enthusiasm, without any foundation, they were turned into blind functionaries who are no longer driven by anything but a "system" only distantly related to the revolutionary spirit which inspired their youth.

Is there anything surprising in the bureaucracy's trying to suppress the work of an artist who paints the internal mechanism of its development? To see this artist end up by identifying himself with this very bureaucracy is the astonishing thing.

The most extraordinary of Ilya's first works is perhaps *The Amazing Life of Lazik Roitschwanz*. Lazik, a Jewish tailor in a little city, is dragged into the Revolution but is not part of it. While the world is in turmoil, Lazik ponders over the theoretical problems of the Hebraic tradition. Ilya could not have written this book if he had not known of the teachings of the Talmud in his youth. Arrested in Moscow for an alleged violation of the law, Lazik remains indifferent to his fate and a problem dawns upon him and engrosses him completely: if two Jews find a *taled* in the street, whose is it, the one who saw it first or the one who picked it up? In other words, which is more important, the eye or the hand? In such a serious situation, Lazik ponders over this fact: May a Jew eat an egg laid on Saturday?

These meditations are, so to speak, a flight for Lazik, a trick to escape everything he cannot control. "Good luck is a word found in an old dictionary which is non-existent. You can, of course, change your name as some do and call yourself Spartacus, Rosa Luxemburg or Apollo the Enthusiastic. Yet what's the use? When history goes marching past

in the streets, all Mr. Everybody can do is to die in ecstasy."

Ilya and Stalin

Only after writing this tale did Ilya begin to see it clearly. The French say that there are two kinds of marriages, those of love and reason. Ehrenburg's marriage with the Kremlin is one of reason.

The rulers of Russia liked Ehrenburg not only because he was popular in his own country but because he was as well known in Germany, France and other European countries. As for Ilya, he had serious reasons for wanting to make peace with the Soviet authorities. The Soviet government had no special agreement and could still publish works of authors who live abroad without paying them royalties. Only those who were subject to the regime received their royalties from Moscow.

It is no longer impossible to think that in the last analysis, the all-powerful Russia of Stalin, patriotic and imperialist though it may be, is more in conformity with the tastes of the former correspondent of the Petrograd daily than the one he left in 1921.

During the first years of his "marriage," Ilya retained a certain independence and dignity. But he submitted completely when the Spanish Civil War broke out. Ilya was *Izvestia's* correspondent in Spain. He reached Spain when many murderous hands of the GPU were liquidating socialist leaders one after the other. Thus fell Andrés Nin, Kurt Landau, Marc Rein and so many others.

Under the pressure of the Soviet government, the members of the POUM were framed up. That was the first attempt to transport the Moscow Trials to Europe. Ehrenburg's tack was to inform his readers of *Izvestia* and to make them believe that all Spanish anti-Stalinists were Trotskyist saboteurs, agents of Hitler and Franco. He did his work conscientiously and his articles were immediately translated and published in the Stalinist press of the whole world.

But an artist cannot with impunity give up his integrity. The novels that Ehrenburg wrote on his return from Spain to Paris were so bad that it seemed they could have been written by somebody else. The characters are always Communists who are robots. The author sets them up and has them utter words borrowed from the editorials of *Pravda*. This is the new Soviet man who has no doubts about any problem. Those who, by chance, may have some doubts end by committing suicide, the doubt being a sort of frustration.

Ilya pro Ilya

Ilya was soon the most famous Soviet correspondent. His popularity was so great in the army during the war that the soldiers were given special orders not to roll their cigarettes with the newspaper in

which his prose had appeared. Stalin himself could not pride himself with such a mark of favor. [He contented himself with an order that his prose not be used for another, more mundane purpose.]

There is no question of Ilya's sincerity when he wrote his anti-German articles. He always had a deep hatred of the Germans. His most violent articles were born of his hate. But when Russia's policy toward Germany changed, Ehrenburg was among the first victims.

The head of party propaganda, Aleksandrov, violently criticized his anti-German position in *Pravda*. The tone of Aleksandrov's article showed that the Russian bureaucrats—who are always ready to use men like Ehrenburg—could no longer have any confidence in him. That is perhaps one of the reasons why Ilya, despite his great literary past, is not the head of the Union of Soviet Writers, presided over by Fadeyev, who has no talent.

The difference between a Soviet writer and a Communist writer abroad is the following: the former knows what is now happening in Russia, while the latter lives in a state of relative ignorance. Take Aragon's case: he can continue to write novels which have some value; and Howard Fast, who, in New York, draws on the American past to write second-rate popular books, giving the impression he believes

in what he is doing. But neither Ehrenburg nor any other Soviet writer can today write anything honest in Russia unless he has the heroism of a Pilnyak, or a Zostchenko. That is why Russian novelists—and there are excellent ones—publish nothing. There are some who have been silent for ten years.

Ilya Ehrenburg now lives in one of the most luxurious houses in Moscow. He is a rich man who on national holidays can bedeck his chest with two rows of decorations. When he came to New York in 1946 he told a reporter that American stores sold only rubbish, but he would nevertheless buy something to bring back to his two dogs. It seemed he wanted to indicate by that that what was sold in Moscow was of superior quality.

There is reason to suspect that Ehrenburg is not happy. He is very ambitious and his greatest ambition is to be a great novelist. During his first stay in New York he accidentally met a friend whom he had known in Paris. He acted as if he did not recognize Ilya, who came up to him and asked if he did not know him. His former friend then replied: "Sure, I know you. You are none other than Ilya Ehrenburg, who used to be a writer." Ehrenburg did not dwell on it but he later confessed to a friend that this remark had deeply hurt him.

MARTIN THOMAS

The American Recession

Current Theories of Overconsumption

Economic journals and popular magazines are again featuring articles concerning the possibility of a business recession in the United States. Despite the unprecedented period of prosperity enjoyed by this country since the start of World War II, those economists who are willing to bank their professional reputations on a continued expansion of American production coupled with full employment and a steadily rising standard of living for the entire population are few and far between. Remembering the crisis of the '30s, most writers have switched over to an entirely different type of thinking: that crises are part and parcel of "our way of life," unpleasant, yet necessary for the preservation of "our democratic system"; that some government intervention is essential to minimize the effects of crises and hasten the return of prosperity; that such governmental interference should remain at a minimum, and that government effort must be focussed in directions where it will not compete with private industry to any major degree.

To a very large extent, this type of economic thinking has its roots in the acceptance, to some degree or other, of an underconsumptionist analysis of

capitalist economy. This analysis of capitalism is held not only by bourgeois economists, however, but by a very large number of Marxist writers, many of whom confuse the underconsumptionist theory with Marx's analysis of capitalist crises, and preach a more or less sophisticated version of the underconsumptionist argument. To the serious student of the Marxian analysis, however, it is essential that underconsumptionist fallacies be avoided, and limitation to a reformed capitalism be clearly understood.

In essence, the underconsumptionist argument may be summed up as follows: All value is created by labor. By working on a raw material and transforming it into a finished product, additional value is created. The worker receives (in wages), however, only a portion of the increase in value which his labor has produced. These wages are the value of his labor power, the value of the number of goods and services required to maintain himself and his dependents on the "standard of living" basis existing in his community. Since the increase in value which he has created is more than the value of his wages, the balance can be expropriated by the capitalist and becomes his profits.

No disparity as yet exists between the above conclusions and a simplified Marxian analysis (see below). From this point on, however, any resemblance between Marxism and underconsumptionism is wholly coincidental.

Underconsumption Arguments

The underconsumptionist argument continues: Because the worker receives back, in wages, only a portion of what he produces, he can only buy back goods equal in value to the wages which he has received. The persons from whom the capitalist purchased the raw materials and machinery necessary to produce the finished product, in turn, can only buy back finished goods equal in price to the goods purchased from them. This leaves our capitalist with finished goods, equal in value to his profit, or surplus. This profit cannot be realized in cash, however, until these surplus goods are sold and money realized from their sale. But who is to buy back these goods? The capitalist class is relatively small, and constantly decreasing in numbers. The quantity of goods which it is possible for them to consume is necessarily limited. Given maximum consumption on the part of the capitalist class, it is still impossible (?) for them to buy back more than a portion of these surplus goods. The balance remains on wholesaler and retailer shelves as an unsold and unsalable inventory, from which the profit cannot be immediately realized.

As this inventory mounts, production is suspended and layoffs occur, the result of natural desires on the part of our capitalist to dispose of his unsold inventories before proceeding with the production of further commodities. This in turn means a decrease in employment and in total wages, a curtailment of buying power and a resultant stockpile of additional unsold inventory.

When unsalable goods reach a certain peak and unemployment hits a high level, the country finds itself in the grip of a cyclical crisis, with its resultant manifestations. When the unsalable inventory is reduced (production falls below consumption, export increases, or a war enables two warring capitalists to destroy their own and their opponent's goods) it again becomes possible to sell additional goods as produced, workers are rehired, new machines bought and a period of relative prosperity reappears.

Not only is the above theory a vulgarized and grossly inaccurate approximation of the workings of capitalist society, as pictured by Marx, but it tends to give rise to a series of dangerous misconceptions regarding the capitalist society in which we live.

If we were to accept this theory, for instance, we would be face to face with the following:

1. Capitalist crises can be resolved by increasing wages. The working class could then buy back a larger portion of the manufactured commodities, making it possible for the capitalists to consume the balance and avoid crises.

2. If the capitalist class steps up its own spending—more and better swimming pools, private airplanes, guns, cannon, atomic bombs, public works, increased services, larger and more expensive bureaucratic apparatus, etc.—there is no reason why crises should come about at all.

3. Why, therefore, waste time in attempting to replace a system which can so easily be reformed?

Seeds of Disintegration

Unfortunately, the seeds of disintegration inherent in capitalist society are planted far deeper than advocates of the underconsumptionist argument realize. Theoretically, it is quite possible for a capitalist society to be in equilibrium, that is, produce exactly as many commodities of each type as are required in any given period of time by the entire population. That portion of the total product which would be required by the working class and the individual capitalists in order for them to live would be available in the form of consumer goods necessities. The balance would be manufactured into consumer goods luxuries (by definition: consumer goods used by the capitalist class exclusively, including yachts, private aircraft, exclusive clubs, war material, etc.) and capital goods, including both machinery and raw materials.

In actuality, however, the tendencies toward disproportion in our economy so strongly outweigh the countertendencies as to make disequilibrium and relative overproduction the prevailing rule. Any consumer goods item which can be sold at a fairly good rate of profit and whose production does not require too high an initial investment is soon being produced by numerous competing industrialists, each anxious to obtain a "fair share" of the profitable pie. The resultant competition soon brings the profit down to the average rate and finally below average. Capital is at this point transferred away from the production of this item and on to some other commodity, but not before several investors have enjoyed that common yet unpleasant experience of having made a negative profit.

Market and Overproduction

Of and by itself, the market tends to govern relative overproduction of individual commodities such as has just been described, and prevents an acute crisis from developing from this fact alone. Another and far more serious form of disequilibrium, however, cannot so easily be negated.

Because of the tremendous cost of capital equipment required to produce machinery and raw materials (steel, aluminum, coal, etc.), production in these fields is controlled by a limited number of capitalists. A certain amount of over-all planning is therefore possible in the capital goods industry, competition is less keen, relative overproduction not so common and overexpansion more easily avoided. As a result, the production of consumer goods material tends, in nor-

mal times, to increase at a far more rapid pace than the production of capital goods commodities. This, in turn, creates a disproportion between the two departments, making exchange between the departments imperfect, and resulting in the piling up of unsold commodities. This tendency is further heightened by what may be called the "anti-damp" tendency, as opposed to the "damping" tendency described by many bourgeois economists. This tendency may be briefly summed up as follows:

The average machine (fixed capital) usually wears out only after a period of approximately ten years. During this time a portion of the value of this machine is constantly being transferred to the commodities which it produces. At the end of the ninth year, however, our machine is still producing just as many items as it did in the first year, regardless of its loss of value. It need, therefore, be replaced only after it is completely worn out at the end of the tenth year (barring earlier obsolescence). During the ten-year period it has been in use the money representing the value of its wear and tear, plus sufficient funds for accumulation, must be set aside by its owner for eventual replacement of the machine.

If the machine is a fairly new invention, all capitalists have been forced to purchase it at approximately the same time, if they were to continue production on a competitive basis. Not all the machines wear out at the same time, however, and the bourgeois economists therefore concluded that a "damping" or leveling out tendency sets in, whereby after a period of time just as many machines tended to wear out in any given year as in any other year, preventing a rush of orders all at once, followed by a period of slack. But an anti-damp tendency exists (Marx) which far outweighs this damping tendency. This results from the fact that times are always equally conducive for the purchase of machines and tools. During a period of depression, for instance, with small chances of high profit and a very good chance of taking a considerable loss, capitalists will delay or completely suspend the replacement of their capital goods equipment. When conditions begin to pick up, however, and profits are again possible, a terrific rush to re-equip plants will ensue. The same situation holds true during a war, when many consumer goods are no longer produced, and the capital equipment is therefore not replaced. The war is no sooner over, however, than a need arises to replace the fixed capital of all these plants on or about the same time. Each war and each crisis, therefore, is the start of a cycle which through the anti-damp tendency is the starting point of the next prosperity-crisis cycle.

Commodity Stockpiling

The whole structure and nature of capitalist society and the market tends to aggravate and heighten a crisis once it has started. The stockpiling of large quantities of unsold commodities, one of the first

signs of disequilibrium and impending crisis, eventually forces down the price of these goods to well below value in an attempt to "move" the stock. Inability on the part of the weaker industrialists to continue in business with these lower prices results in bankruptcies; inability to meet debts as due, sale of bankrupt stock at below the cost of production (in an effort to realize cash to meet debts) and a stoppage of production due to the inability to sell goods at a profit (given the new market price).*

Little by little, the bankrupt stocks are consumed, fixed capital must be replaced, cost of production drops, due to an increase in productivity, a lower wage rate is imposed upon the working class if possible, and the economy begins slowly to recover from its period of crisis.

Side by side with these tendencies, augmenting the worst effects of the crisis and having a definitely paralyzing effect upon the economy of its own, is a deeper, graver and more far-reaching tendency in capitalist economy. This is sometimes referred to as "the theory of diminishing returns," and known to Marxian economists as the tendency toward a fall in the rate (and eventually the mass) of profit.

Although it is extremely difficult to go into the many complicated factors which Marx uncovered to show the existence of this phenomenon, I will try to present it in rough summary form.

Marx on Value

All value, says Marx, is created by labor. The worker, who labors, gets paid for his labor power, or the value of commodities and services which he requires to maintain himself and family at a level consistent with the average standards prevailing in his community at the time. The value of the worker's labor power must be less than the increase in value which his labor creates, otherwise he cannot be profitably hired by the capitalist and will remain unemployed. The increase in value brought about by the worker's labor, less the value of his labor power, represents the capitalist's surplus.

To operate efficiently, a capitalist must use the very latest productive machinery, else his costs per commodity produced cannot remain competitive. The tendency within the economy, therefore, is to invest constantly a greater and greater proportion of capital in machinery and raw materials and a smaller and smaller proportion in labor power.

The value of the machinery and raw materials consumed enters unchanged into the value of the finished product. No surplus, therefore, is created from that portion of the capitalist's investment, yet competition from other capitalists forces him to invest

*With many large factories being geared for high production, the increase in percentual overhead resulting from a cut in orders often increases costs to the point where production of orders in reduced quantities becomes unprofitable even at the price at which these goods had been sold by the very same firm when ordered in larger amounts.

an ever larger percentage in these "unprofitable" items and an ever smaller percentage in the profit-creating labor power. Use of these machines, however, increases the productivity of labor. More goods are therefore produced in the same period of time, bringing down the value of labor power (cost of goods consumed by the working class) and increasing the percentage of each worker's produce which it is possible for the capitalist to expropriate. This is a countertendency to the fall in the rate of profit.

Nevertheless, this greater "rate of surplus" can only be expropriated from an ever smaller proportion of the capitalist's investment. With the rate of profit falling, the mass of investment must be constantly increased to obtain a continued increase in the mass of profit. As productivity increases, however, so large an investment must be made in capital goods for every dollar invested in labor power, that it becomes impossible (profitably) to hire the same quantity of workers as in the past, given the available investment capital. Workers, no longer profitable, are laid off. Less labor hours, however, means the production of less value. Even with an increase in the rate of exploitation, therefore, the point must eventually be reached when the *mass* of surplus must drop. At this point the crisis becomes secular and permanent. Given the continued existence of capitalism, a crisis of this sort can be resolved only by imperialism and war, and then only for a limited period of time.

The above short summary does not take into account any but the most obvious features of a capitalist crisis. No attempt has been made to include the entire schemata of Marx's thinking and what has been presented is in an oversimplified and incomplete form. The three volumes of *Capital* cannot, unfortunately, be condensed into the space of this short article.

The Cause of Crises

One thing, however, is extremely important and, I hope, evident from the above presentation. Crises are *not* caused by inability of society to consume all that it produces, but by disequilibrium and a falling rate of profit. An increase in workers' pay will not solve a capitalist crisis. It will heighten it by bringing about a further cut in the rate of profit. The capitalists, being well aware of this point, do all they can to cut wages. The continuation of capitalism, therefore, is dependent upon a constantly increasing rate of exploitation. For his own protection it is essential that the worker protect and expand his standard of living, but with no illusions regarding its "beneficial" effect on capitalist crises.

From the point of view of the capitalist, mounting unemployment (up to a point) need not be a sign of crisis. A "labor pool" means lower wages, and if the mass of profit continues to rise this surplus of labor power is looked upon by the capitalist class as a boon

rather than an evil. Only when the mass of profit begins to fall does the bourgeois economist become concerned with the conditions of the world.

In conclusion, the United States is today at the beginning of what appears to be the oft-predicted post-war slump. The reasons for this crisis must be found in the anti-damp tendency resulting from World War II. The production of capital goods equipment is finally slowing down. Many large firms, including General Motors, appear to have completed their recapitalization in 1948. By the end of 1949, there is every reason to believe that the call for capital goods equipment *for this country* will be temporarily reduced to a low point, resulting in disequilibrium and serious crisis.

The smashing of the European economy, however, and the resultant need for rebuilding at least that section of Europe under the American imperialist orbit, makes a period of relative prosperity for the next several years entirely possible, depending upon the European political picture and the consequent "advisability" of extending additional loans for rebuilding European productive potential at this time.

In view of the reluctance of both Russia and the U. S. to start an immediate shooting war, it appears very likely that a "peace agreement" will be concluded between them within the next year. Loans to Europe will then be considerably increased and the present crisis will be of short duration. Inability to conclude such an agreement, on the other hand, will result in a speeding up of the war economy, and the outbreak of open hostilities, resulting in a crisis of an entirely different type from the one under discussion.

It does not appear too likely that such a war will materialize in the immediate future, however, and a prognosis of short but perhaps fairly sharp cyclical crisis, followed by negotiated peace in Europe, increased loans, recapitalization and relative equilibrium, a fairly prosperous economy and the gradual building up of the war economy appears to be the most likely aspect of the next immediate period in American economic history.

The secular crisis which follows Europe's recapitalization, however, will be far more severe, in all probability, than the crisis of the '30s. Its arrival, or the war economy and war which come in its place, all else being equal, may well be the scissors which rips to shreds the remnants of our capitalist economy.

A. KIMBAY

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The Year One of the Russian Revolution

X—Last Installment: Life and Culture in 1918

For this final installment from Victor Serge's The Year One of the Russian Revolution, we skip to the last chapter for a picture of intellectual life and living conditions in Russia at the end of the first year of Soviet power. Famine, civil war, economic breakdown under the cordon sanitaire of the Allies, have taken their toll. The long-looked-for German revolution has taken place, but it is still under the control of the right-wing Social-Democrats and the bourgeoisie.

We regret that we cannot continue publishing further sections of this most interesting work. It is hoped that the entire book will one day be published in English.—ED.

The shift among the advanced bourgeoisie was clearly reflected in literary circles. It may be said that every Russian writer had been openly hostile to Bolshevism.

We already know the attitude of Maxim Gorky, even he who had been associated with Lenin for years. We have seen him flay "the brutal socialist experiment of Lenin and Trotsky," which could end only in "anarchy and the free play of instinct." Gorky became one of the first to rally to the revolution, to recognize its grandeur and the necessity for its defense. He published the following general appeal:

"The experiment conducted by the Russian working class and the sympathetic intellectuals, a tragic experiment which may cost Russia every last drop of her blood, is a great experiment, a lesson for the whole world. In its time almost every people feels it has a messianic mission, feels itself called on to save the world, to give its best to the cause. . . . Come with us toward the new life we are building amid all our suffering and mistakes, without sparing ourselves or anyone else."

Leonid Andreyev, Ivan Bunin, D. Merezhkovsky, and A. Kuprin, the most influential Russian writers, who had all played the part of revolutionists under the old regime, remained unrelentingly hostile to the new government; but with astonishing intuition the poets grasped the deeper meaning of the revolution. In a few months time, the greatest Russian poets came over to the revolution and gave it a whole literature of exceptional strength.

The classicist Valery Brussov hailed the coming of the "just barbarians" who were to renovate civilization. Alexander Blok, the disciple of the mystic Soloviev, wrote the most popular and the purest of the masterpieces of the heroic period,

The Twelve. Twelve Red Guards travel through the darkness and snow, arms in hand and preceded, unknown to them, by an invisible Christ with a crown of roses. . . . This Christian conception of the revolution was also to be found in the *Christ Is Risen* of the symbolist Andrei Biely, and in the profoundly orthodox mystic poems of Nicholas Kluyev and Sergei Yessenin.

By 1919 all the great prose writers were either very hostile or openly counter-revolutionary, with the exception of Gorky; almost all the great poets had rallied to the new regime.

With the exception of these great works, literary production was almost completely interrupted. If they wrote at all the writers devoted themselves to politics.

In the working class and the party the Proletcult movement (proletarian culture groups) was enlarged. The ambition of these circles was to renovate the whole of capitalist culture in conformity with the aspirations of the proletariat. They dealt with great problems. In the cities they formed lively enough little groups occupied with the theater, poetry, and literary criticism. They produced only a few poets and even these frequently fell into commonplaces about the factory and victorious work and proletarian heroism.

Education, The Sciences, The Arts

The class war raged also in intellectual circles. Men of letters refused to shake Alexander Blok's hand after he wrote *The Twelve*. Any association whatever with the Bolsheviks was infamy in the eyes of many literary men.

Almost the entire Academy of Sciences remained stubbornly hostile to the new government. It took years of hard struggle to break the resistance of the university faculties. The immense majority of the teachers were hostile; their trade union was only gradually purified and reorganized; the schools were conquered for the proletariat inch by inch.

The Commissariat of Public Education under Lunacharsky undertook a radical transformation of the curriculum. The old system of lower schools reserved for the people and high schools practically reserved for the bourgeoisie was replaced by a single work-school system. The old method of training subjects for the czar and believers for the Orthodox Church was succeeded by a necessarily improvised anti-religious socialist program based on work instruction. It was necessary to prepare producers for intelligent social functioning.

They drew up a plan for combining school and factory. In order to better

impress the equality of the sexes from infancy, the schools were often coeducational, boys and girls meeting in the same classes. But everything had to be improvised. The old textbooks were good only for fuel. The greater part of the old teaching staff resisted, sabotaged, misunderstood, and only awaited the end of Bolshevism.

The schools themselves were tragic ruins. They lacked paper, pencils, notebooks, and pens. In winter the ragged children met around little stoves installed in the middle of the classrooms, where they often burned the remaining furniture to keep out the cold. There was one pencil for each four children; the teachers were starving.

Despite this immense poverty a tremendous impulse was given to public education. Such a thirst for knowledge was revealed in the country that new schools, adult courses, universities, and workers' colleges sprang up everywhere.

Innumerable experiments discovered new and hitherto unexplored fields. Schools for backward children were founded; a whole system of kindergartens sprang up; and abbreviated adult courses put education within the reach of the workers for the first time. The conquest of the universities began somewhat later.

At the same time, the museums were enriched by the confiscation of private collections; extraordinary honesty and care were shown in the expropriation of artistic treasures. Not one single well-known work was lost. It happened that valuable collections had to be removed in the midst of riots, as in the case of the Hermitage collection; but they were returned safe and sound.

The scientific laboratories carried on heroically. Taking their share of the general privation, on strict rations, and without lights, fire, or water during the winter, the scientists, whatever their basic political beliefs may have been, generally continued their customary labors.

In the evenings the nationalized theaters played their usual repertoires, but before a new public. The ballet corps gave performances during the terror which was exterminating the very aristocracy for whose pleasure it had been created; but the gold-decorated halls were filled with workingmen and women, with Young Communists whose hair was close-clipped to avoid the typhus-carrying lice, with Red soldiers on leave from the front. With the same voice that had once thundered *God Save the Czar*, Chaliapin sang *The Song of the Flea* for the trade-unionists.

Expressionist painters decorated the public places for celebrations. Wooden or plaster monuments to the heroes of the French Revolution and the founders of socialism were raised. Most of these quite mediocre works have since disappeared.

The newspapers lost the richness and variety of democratic times. They were gradually limited to three sorts of journalism all emanating from the same source: the Soviet newspapers, the two *Izvestias* in the two capitals, the Communist Party papers, the two *Pravdas* and the trade-union papers.

The life

The winter of 1918-19 was terrible in the large cities, ravaged by famine and typhus and lacking fuel, water and light. The water and sewer pipes froze in the buildings. Families gathered around little stoves called *Bourzhoviki*, an ironic derivation from "bourgeois." Old books and furniture and the woodwork and flooring from empty apartments were used for fuel. Most of the wooden houses in Petrograd and Moscow were torn down and used for firewood.

The interminable Russian nights were lighted only by candles and night-lamps. The toilets did not function and heaps of sewage gathered in the courtyards under the snow, ready to cause new epidemics with the return of spring. Long lines of customers were permanently stationed outside the cooperatives. Vast illegal markets, periodically ransacked by robbers, were held on the city squares. The survivors of the former bourgeoisie came there to sell their last possessions. Domiliary visits and requisitions combated the inevitable speculation.

The blockade gradually killed off the weaker people. The dictatorship of the proletariat did the impossible in looking after the needs of the working class, the army, the fleet, and the children. The former middle and wealthy classes were hardest hit by the famine. It was not rare to see old people fall starving in the streets. The mortality rate, especially among the babies and old people, rose steadily. The number of suicides, on the contrary, diminished considerably.

After chasing the dispossessed bourgeoisie out, the workers took over their modern houses. Every apartment peopled with armed proletarians, Bukharin wrote, must become a revolutionary fortress. Unfortunately the comfortable arrangement of the bourgeois apartments frequently made it impossible to adapt them to the needs of their new occupants. Thus quarters were lacking for childrens' homes, for schools, and for community lodgings. The architects of the old regime had designed the houses for quite another purpose.

The Soviets instituted the obligations to work for the bourgeoisie in the form of compulsory public works. However,

the bourgeoisie was largely successful in dodging this duty. In September there were only four hundred bourgeois to be found in Petrograd for "rearguard work." Requisitions of warm clothing were undertaken. Every bourgeois had to furnish one complete winter outfit.

The legal recognition of free union, the facility of divorce, the authorization of abortion, the complete emancipation of women and the end of male and church authority in the family did not produce any real weakening of the family ties. This destruction of obstacles made life simpler and healthier without provoking any noteworthy crises. In Petrograd and Moscow, crime was reduced to a peacetime level. Prostitution never disappeared entirely, but the disappearance of the wealthy classes who were its main support reduced it to relatively insignificant proportions.

Religious life continued a nearly normal course, although a certain number of actively counter-revolutionary priests were shot by the Cheka. The clergy was divided into two camps: the partisans of active resistance led by the Archbishop Tikhon, and the partisans of passive resistance. The Communist Party and the Council of People's Commissars several times affirmed that no obstacles would be placed in the way of believers.

The standard of living varied sensibly from one region to another. All of the cities sank into complete darkness in the evening. Petrograd, the most exhausted and danger-ridden, lived an austere and calm life. The same privations were received more nervously in Moscow, already a bureaucratic capital, where the tonic air of the front was lacking. The cities of the Ukraine were prey to the partisan and robber bands, constantly pillaged and burned, devastated anew by every new occupant, and lived in a constant state of terror; a panicky clamor mounted over Kiev as evening fell. At times it seemed that the bandits were the real rulers of Odessa.

New Relation Between the Party And the Masses

An observer who crossed Russia in those days would have reported the singular and false impression of general hostility among the people for the Soviet government. This hostility was very real among the dispossessed, among the majority of the middle classes. Important as it was, the evolution we traced affected only the most advanced and intelligent elements.

The masses of the petty bourgeoisie in the country were too close to the kulaks not to resent the attacks on the latter. In the cities the petty bourgeoisie had formerly gained its living from its service and business with the big bourgeoisie, and its situation now seemed hopeless. Here and there, the petty bourgeoisie was more numerous than the pro-

letariat, which was used up by the civil war. We are already acquainted with the modifications that took place in the social composition of the proletariat itself.

The proletariat was nevertheless the only element on whose fidelity the revolution could count. But even the proletariat suffered too much. The individual worker was not able to see beyond the small horizon of his own life. The education and information which might permit him to understand necessities, perspectives and consequences were often lacking, and his selfish instincts resisted the higher interests of society when the latter demanded sacrifices. The workers suffered too much not to complain, to recriminate, to become desperate at times. The anti-Soviet parties made good use of this state of mind in their agitation. If the Russian working class was able to resist and finally vanquish all its enemies, the main responsibility rested with the Communist Party.

The party had only 250,000 members at the time, but those who joined were selected by history itself. It is true that a certain number of adventurers were to be found in its ranks, where they hoped to share the eventual fruits of power. Negligible from the point of view of numbers, this minority of false Communists did great harm, contributing to the discredit of local authorities. Thus they appreciably facilitated Denikin's conquest of the Ukraine, where they gravitated to the granary. But the immense majority of the workers who joined the party volunteered for the civil war and accepted all kinds of dangers.

At times the working class became disgusted and lent an ear to Menshevik orators, as during the great Petrograd strikes in the spring of 1918. But when it was faced with the choice between a dictatorship of the White Guards and a dictatorship of its own party, there was, and there could be, no other choice but that every last man took down his gun and lined up silently beneath the windows of the party headquarters.

The party saw, thought, and willed for the masses. Its intelligence and organization made up for their weakness. Without the party the masses could have been no more than a swarm of men with imperious needs, confused aspirations, and gleams of intelligence lost in the mob for lack of a conductor to carry ideas into action on a vast scale.

By its incessant propaganda and agitation, always speaking the unvarnished truth, the party raised the workers above their narrow individual horizons and revealed to them the vast perspectives of history.

Every attack was concentrated on the party, and every defense force rallied to it. During and after the winter of 1918-19 the revolution became the work of the party. That is not to say that the masses were any less active in the revolution, but

their activity was of a different sort. Thereafter they acted only through the party, in the same way that a very diversified organism makes contact with and acts on the outside world only through its nervous system.

A certain transformation came over the party as a result. It was closely adapted to its new functions and the new conditions. Discipline became stricter to facilitate action, purify the party, and paralyze alien influences. The party was really the "iron cohort" that it was later called.

Its thinking, nevertheless, remained living and free. The Anarchists and Left S-Rs of yesterday joined its ranks. Since he had been wounded and since the German revolution had vindicated his policy, Lenin's prestige had grown even greater, but his simplicity still triumphed, so that none feared to criticize or contradict him. His was purely the authority of universally recognized intellectual and moral superiority.

The former democratic regime of the party gave way to more authority and centralization. The needs of the struggle, and the influx of new members who had neither Marxist education nor temper, forced the Bolshevik "old guard" to ensure their own political hegemony.

A new code of law was elaborated inside the party, and by extension became the law of the newly formed society. It was a soldiers' and workers' law, founded on the revolutionary mission of the proletariat. Necessity, utility, conformity, and solidarity were its cardinal principles. It knew no better justification than success and victory. It demanded the constant subordination of individual to general interests.

Every Communist and participant in the revolution felt himself the unimportant servitor of an immense cause. The greatest compliment one could pay such a man was to say: "He has no private life." Yesterday, at the command of the party, such a man was an army commissar leading the troops at the front; today he was a member of the Cheka ruthlessly carrying out his orders; tomorrow he might be speaking to the peasants in the country at the risk of being murdered in the night, or managing a factory, or carrying out some perilous secret mission among the enemy.

There was not a party member who did not fill two or three, or five or six, posts at once, and change around from day to day. The party did everything. No one discussed its orders. "Conformity to the goal" was the general rule.

The moral health of the party was reflected in its absolute honesty. It scorned the customary lying formalities and equivocations, the game of two faces, one for "the elite" and the other for "the masses." It scorned to differentiate between thought and word, between word and action. Everything was called by its

right name. Ideas were clear and simple in their grandeur.

Idea, word, and action were all part of a single drive which was at once the cause and the consequence of a clear

proletarian policy. For social lies rise out of the desire to satisfy, or appear to satisfy, interests which are in reality incompatible.

VICTOR SERGE

Books in Review

Economics

ECONOMIC RECOVERY PROGRAM,
by Seymour E. Harris, Harvard
University Press.

Can ERP solve the key problems of Europe and its relations with the United States? Seymour E. Harris, Harvard economics professor, bids caution in his sober and scholarly book, *The European Recovery Program*. Writing as an advocate of ERP, but highly critical of many aspects, he warns, "Above all it is essential that the ERP should not be oversold as the Bretton Woods program was to some extent."

Mr. Harris focuses on the economic aspects of the program without himself forgetting that "political and military developments are likely to be decisive." By thus delimiting his subject matter he subsumes the most favorable social conditions: preservation of peace and successful neutralization of Stalinism. Consequently we can see clearly how knotty the problem of Europe really is. Even if the intricate economic factors can be brought into balance, "decisive" events can supervene. And the latter is outside the scope of this work.

The author views two aspects of European recovery. Destruction of industry, and general economic and social dislocation of the war created an acute crisis which is being overcome by ERP relief measures and by a gradual rise of production and national income. (Although even by 1951, he points out, Europeans will not live as well as they did in 1938.) He warns that ERP must not "become too much a businessmen organization" and it must not be conceived simply as "an organization for dumping surpluses." For the chronic crisis of Europe lies elsewhere and cannot be settled by such measures.

"The most difficult problem confronting Europe," he writes, "is not the expansion of output but rather the elimination of the large deficit in her balance of payments." This standpoint is thoroughly documented by statistical material. Europe requires tremendous quantities of commodities from the United States but it cannot earn the dollars for payment.

In the last 33 years, Europe received \$80 billion in goods from the United States which it could not pay for at all

and an additional \$20 billion which it had to buy with gold shipments. It must buy in the United States but it cannot sell its own goods in markets where it can get dollars in exchange. As the competitive position of the U. S. vis-à-vis Europe improves, the difficulties of Europe multiply. Even if ERP succeeds in its stated objectives, Harris fears that the long-term obstacles to European equilibrium will not be overcome. And he concludes: "Here is the most perplexing problem of all."

The problem is even more perplexing than the author concedes. For what he sees in terms of its manifestation in trade and finance is in reality a social dilemma of vast implications. Given a world dominated by American capitalism with its control over vast quantities of heavy industry unmatched anywhere in the world and its ability to choke opponents out of the market with cheap products, what place is Europe, also a producer of manufactured goods, to play in the worldwide division of labor and industry? Viewed in terms of historical development, what is it to produce and where is it to sell? The author gives no hint of a reply.

Will the United States be able to finance ERP without disorganizing its own political and social stability? Mr. Harris replies: Yes. But his prescription for continued social health is an ill-tasting medicine: "... high taxes, and economies in public expenditures; control of the use of scarce resources, with particular emphasis on discouraging excessive investment and non-essential use generally; a resulting stability of prices with pressure upon labor and farmers to desist from inflationary policies."

Possibly, possibly. But it is a program which reads more like the War Deal than a Fair Deal.

BEN HALL

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Under Two Despots

ALS GEFANGENE BEI STALIN UND HITLER, by Margarete Buber-Neumann, Verlag der Zwölf, Munich, Germany; 285 pages (published in England under title: *Under Two Dictators*, Gollancz).

Margarete Buber-Neumann, whose testimony at the now famous Kravchenko trial highlighted the procedure itself, has published this overwhelming account of her seven years' imprisonment under two totalitarian systems. The book created a sensation in Germany, where its circulation is extensive, and is widely discussed today in England. Unfortunately, no American publisher has yet taken the initiative to make it available in an English translation in our country.

The merits of the book lie essentially in the fact that its author has permitted her experiences to speak for themselves. Recognizing both her abilities and her limitations, Margarete Buber-Neumann has not attempted to draw deeper sociological or psychological conclusions from her tribulations in Stalinist and Nazi concentration camps, but rather has told us her own story, in a simple and moving narrative style.

Beginning with the period of the purging of all foreign Communist elements in Russia, she takes us through the Moscow prisons, the so-called hearing and trial and her sentencing to ten years' imprisonment in Siberia. The horrors and sufferings of life in a remote Siberian desert area are described, and then the pathetic and illusory journey back to Moscow, where, instead of freedom, she and others were turned over to the Gestapo on a bridge crossing the Bug River near Brest-Litovsk! To make sure there was no mistake, full records of her political life and association as a member of the German Communist Party were supplied by Stalin to the Gestapo!

Then began the long five-year internment in a German KZ; the notorious Ravensbrueck camp near Berlin itself. The stories, anecdotes and incidents described by the author make fascinating, if melancholy, reading. The inner relations of the camp, the disciplined Stalinist fanatics who awaited the arrival of "their" army; the struggle for retention of life itself—all this reaches its climax in her flight out of the camp before the invading Russians, toward the West and the comparative safety of the approaching American forces.

Frau Buber, as we have mentioned, narrates her story without political inference or conclusion. With the exception of one comparison, which we shall mention, the reader is left to draw his own analogies between the vastly differing terror techniques of the two systems. But in describing the trial procedures of the GPU and the Gestapo, she draws an interesting contrast:

"... many of them (the Gestapo) were brutes and bullies, comparable with

the worst type of GPU men, but their methods of examination were different from those of the GPU—or perhaps I should say, rather, the object of their examination was different.

"The GPU examiners aimed from the beginning, not at finding out whether there was any factual basis for their suspicions against their prisoners, but at establishing their 'guilt' and securing sufficient 'proof' for a heavy sentence without all the preliminary bother of bringing them to trial.

"The Gestapo men, on the other hand, were still bound, if ever so loosely, to the judicial traditions of a civilized country, in which, in the ordinary way, an offender had to be charged and brought up for trial."

The German Stalinists have, of course, launched a violent campaign to discredit her book. Their principal attack seems directed at her husband, the former German Communist Party leader, Heinz Neumann, who vanished forever in Stalin's camps many years ago. Now it is true that Frau Buber tends to whitewash the political role of Heinz Neumann throughout the book, but this has no relevancy of course to the book's validity. Neumann was a notorious Stalinist in his day and a faithful executor of the fatal "social fascist" policy in Germany, as is known to all. Stalin destroyed him when he became critical of indications that a rapprochement with the German Fuehrer was in the wind.

Neumann's life ended in failure and tragedy. His wife, who seems to make up for her lack of political understanding with a fine, human quality and capacity, has told us a valuable story in the struggle against barbarism in both its fascist and Stalinist forms. Her book should be widely read and circulated.

H. J.

MacArthurland

JAPAN DIARY, by Mark Gayn. William Sloan Associates, New York.

One of the better of the current crop of the foreign correspondents, Mark Gayn's book hews close to its purpose of presenting a political diary of the crucial year of the occupation of Japan in 1946-47. While occasional moralizing detracts somewhat from the lucidity, it remains at all times an intelligent and skilled observer's work. On the occasions when Gayn attempts to gain historic perspective or sociological depth he produces a blur. But there is no better reference available for these decisive years. The book reads easily and interestingly.

Summarizing his impressions, Gayn writes, "... we have failed in Japan as we have in China and Korea. We have succeeded merely in producing a backlog of hatred." The book is a devastating indictment of every phase of the occupation.

In the initial flush of victory Wash-

ington's policy directive encouraged democratic practices even if it meant popular violence against Japan's ruling classes. This same directive also retained the Emperor and ordered MacArthur to operate exclusively through the existing state machinery. That these two objectives were at cross purposes did not for one moment bother upper echelons. In the first months a sharp conflict developed over just this contradiction.

In the third month of the occupation Gayn reports "a dramatic cleavage has developed within Headquarters, dividing all policy planners into two warring camps. One of these believes that Japan should be reshaped drastically. The other opposes fundamental change on the grounds that a conservative Japan is our best ally in the coming struggle with Russia." As international tensions deepened the scales were decisively tipped in favor of the latter group.

U. S. military administrators had natural predilections for conservatism. As Gayn puts it, the military mind distrusts men in masses unless they wear uniforms. The sometime inchoate and "disorderly" popular movements which broke like a wave over the old order, under inspiration of the defeat of the master class, were simply not according to plan. Anyone who proposed reforms by any means or a second sooner than MacArthur's edict was automatically under suspicion of being a Communist. That suspicion fell even on high ranking army officers who dared utter the barest critical breath.

Gayn adds a new anecdote to the MacArthur legend which illustrates the changed relationship between the occupation and the Japanese state. "At first encounter (with the Emperor) the general was sternly formal. He was representative of the victors. . . . Time passed and at a subsequent meeting the Emperor said to General MacArthur: 'Our constitution forbids us to have an army. I'm concerned over the future.' General MacArthur reassured him: 'The U. S. will assume responsibility for the defense of Japan.' At the following interview, General MacArthur for the first time addressed the Emperor as "Your Majesty."

On a journalistic level the insights are very good. One cannot help but be impressed with Gayn's conscientious pursuit of facts. He belongs to that sturdy liberal school of correspondents who combine critical zeal with relentless fidelity to truth but is, alas, too poorly schooled in politics, history and sociology.

JACK BRAD

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