Fourth International

Economics of Capitalist Decline:

- Eastern Europe Today . . . . . *By Ernest Germain*
- Post-War Latin America . . . . *By Louis T. Gordon*
- Stock Market Blues . . . . *By Robert Phillips*

Marxist Analysis of History:

Revolutionary Course of American Society
By William F. Warde

The English Revolution — 1649-1949
By G. F. Eckstein

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Manager's Column

Reports on the March issue are still coming in.

"Do you think you could dig up another 50 copies for us?" Literature Agent **Howard Mason** of **Detroit** wrote us. "This is in addition to the extra 25 we ordered last week. The last few issues of the magazine have been excellent. I remember one comrade saying, 'They show just what can be done with the magazine.' You can tell from our order what the branch thinks of this latest issue."

A few days later, we received a follow-up from Comrade Mason: "If they are still available, would you send 50 more copies of the March issue. As you can see, this marks an outstanding landmark in Detroit's sale of the magazine. This is due mainly to the greater time being devoted to this phase by two leading trade unionists." These two union men took bundles of the magazine, visisted their friends in Detroit and chalked up impressive sales. We need more trade unionists who understand the **political** importance getting the widest possible circulation for the theoretical magazine of American Trotskyism.

Frank Roberts of **Pittsburg** tells us that "the last issues of the **FI** went over tremendously. We have already sold 45 copies of the March issue and are ordering 35 more. One union business agent took six copies for his group in his local. We are all quite proud of the magazine." Comrade Roberts thinks that "one reason the March issue was so good and so popular was the article on the Association of Catholic Trade Unionists by Art Preis. It was both good, informative and had popular appeal." He suggests that one such article a month be "featured' as an introduction to the magazine. The Pittsburgh members of the SWP plan to weave discussion of articles in **Fourth International** with shop reports in their educational meetings.

"The March issue of the FI has sold out completely," reports Literature Agent **J.C.** of **Flint**. "This I am told is the first time in six years that this has happened in Flint. We would like a special order of 10 extra copies of the April issue."

* * *

Here is **Philadelphia's** reaction, according to Literature Agent **George C.**: "This is another rush order. Please send another 15 copies of the March **FI** as soon as possible. We've already sold the 15 which John brought down on Friday night. Three comrades report that the article selling the magazine in their shop is 'Priests Bore From Within' by Art Preis. They also report that the **FI** is now real workers' magazine. 'You keep up the good work writing, and we'll sell it,' is the comment of these comrades."

Chicago ordered 15 extra copies of the March **FI.**

Literature Agent **Frank Rossi** writes from **West Virginia:** "We are proud of the last few issues. We are especially pleased with the articles by Cochran, Warde and Eckstein. You can't imagine how much easier our work is with the latest orientation as manifesting itself in the **FI.** Contacts are much more receptive."

Fred Martin, Literature Agent for **Milwaukee,** asked for four more copies of the March issue. "The articles of Cochran and Cannon are of widespread interest."

* * *

The **Minneapolis** comrades are "very impressed" with the magazine, says Literature Agent **C.E.S.** The last few issues "are the kind that appeal to workers who want to keep abreast of the political events of the day." Minneapolis ordered 25 extra copies of the March issue to help "lay the groundwork for getting more subs."

Literature Agent **Harry Gold** of **New York** reports that newsstand sales of the March issue registered a significant increase.

H.L. of **Detroit** ordered 12 copies of the December 1948 issue containing "The Revolutionary Answer to the Negro Problem in the United States" by J. Meyer.

Dan Roberts says that "all the comrades" in **Seatle** are "glad that the **FI** is on the beam. We made a special drive to place the March **FI** in the hands of trade-union contacts and we are basing our branch educational on the magazine."

Literature Agent **Phyllis B.** of San **Francisco** ordered 10 additional copies for April "since we are attempting to get them on the stands specifically on the campuses."

"The March and April issues have really gone over the top," writes Literature Agent **Al Lynn** of **Los Angeles.** He tells us that "one of the first jobs" of the new Literature Agent who has been elected "will be the building up of **FI** circulation, the prerequisites for which have been established with the development of its contents."

* * *

From **Cleveland,** we received an encouraging letter from **George Grant:** "The last two **FIs** lifted the monthly magazine to a new high level as the strongest weapon in our arsenal for education of our ranks. The Ohio comrades were unanimous in their enthusiastic reception and appreciation of both issues. The announcement of the contents of the latest **FI** with Germain's contribution on democracy whetted my political appetite. I look forward to its arrival." Comrade Grant suggests a "round-up analysis of the German situation in an early issue; that is, a clear picture of what has happened in Germany since the end of the war and a detailed picture of the present situation."

FOURTH INTERNATIONAL

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EDITORIAL REVIEW

MAY DAY 1949
The Promise of Internationalism

Down through the ages the imagination of civilized man has been fired with the great vision of a world free of war and strife, without national rivalries, without racial and religious strife. The ideal of the "Brotherhood of Man" has inspired all the struggles against inequality and oppression appearing again and again—in the phophecies of the Christian "heretics" tortured and persecuted by the Roman Church as in the genius-like projection of the world of the future depicted by the great Utopians. Yet not until the rise of the modern proletariat could the dream of internationalism be transformed into a material reality and a practical possibility.

The common interests of the propertyless class of wage workers whose historic mission is to abolish private property at its source, the means of production, transcends all national boundaries and differences. The celebration of May First by the workers of all countries, approved and organized by the workers Internationals but recognized by no government until the workers came to power in Russia, has always been a living demonstration of the meaning and spirit of internationalism.

Internationalism today is no longer a prediction of a world-to-be as it was 100 years ago when Marx and Engels wrote the immortal *Communist Manifesto*, a scientific analysis and forecast which has withstood the vicissitudes of time. The burning necessity for a world organization of society arises today out of everyday conditions of existence. Modern means of communication and transportation have bridged the vast distances and linked the peoples of the entire planet into a close and intimate community. The universality of productive forces and technology is breaking down the differences between advanced and backward countries and undermining the foundations of century-old colonial empires. The national state, always an artificial barrier against which clashed the productive forces and world division of labor, is now a total anachronism producing only reaction and barbarism. Nowhere is this more strikingly illustrated than in the chaos and collapse of Europe, the cradle of the national state and once the center of capitalist civilization.

Two world wars and the danger of a third, still more horrible and destructive than those that went before, emphasize that the problem of the national state has now become a life and death question. Science, once the handmaiden of industry and progress, has been perverted into a fiendish pursuit transforming discovery and invention that could create untold leisure and luxury into instruments for the rapid and efficient extinction of the human species. It is therefore not surprising that the idea of world government, of a United States of Europe, of an international community is so attractive to the popular mind or that so much hope was centered on the United Nations. Marx long ago said that being determines consciousness. However, the nostrums of bourgeois "internationalism," whether of the Gary Davis ("citizen-of-the-world") utopian type or the various demagogic varieties ranging from Wallace to Churchill, are no more than a distorted and deceiving reflection of the present reality.

The Waterloo of the modern utopians and phrasemongers is the reality of American imperialism, the anathema of internationalism, which incorporates within itself and in its relations to the rest of the world all the contradictions of the national capitalist state developed to the extremity. The world supremacy of the North American Colossus no more signifies the creation of a harmonious world system than Hitler's conquests signified the "unification" of Europe. The national states continue to exist, now however as puppets and areas of exploitation and not as rivals of American imperialism. Even more than in Hitler's "New Order" in Europe, the American capitalist system, competing with all national economies except the most backward raw material producing regions, multiplies and aggravates existing national antagonisms.

When the American bourgeoisie speaks of its conversion from "isolationism" to "internationalism," it is only saying that it has cast off all inhibitions about interfering in the political and economic life of all countries. The form of this interference itself marks the decline and degeneration of capitalism. Where in the earlier period of its existence, the rise of the national state coincided with the developing and extension of democratic forms, the interference of American imperialism today to "protect" the national state is aimed at instituting or perpetuating the most reactionary regimes, like the Gluksberg monarchy, the dictatorships of Chiang Kai-Shek, Franco and Salazar, the Japanese Zaibatzu and the Nazi industrial overlords in Germany. In conflict with the progressive tradition of struggle against the medieval reaction and obscurantism of the Catholic Church and for the separation of Church and State which accompanied the formation of national capitalism, the American bourgeoisie today by its alliance with the Vatican epitomizes the degeneration of capitalism.

Everything that has happened reaffirms the fact that the proletariat is the only internationalist class in modern society. The working class is impelled to internationalism in outlook and strategy by the very character of its mortal antagonist. Marx and Engels wrote in the *Manifesto* that "*all the powers of Old Europe have entered into a holy alliance to exorcise this spectre (of Communism): Pope and Czar, Metternich and Guizot, French Radicals and German police spies.*" Thirty years later in his famous tribute to the Paris Commune, noting how the French bourgeoisie had abased itself before the Prussian conqueror in order to suppress the workingmen's insurrection, Marx noted that "*class rule is no longer able to disguise itself in a national uniform; the national governments are ONE as against the proletariat.*"

The more the capitalist world changes, the more it remains the same. Yet how puny and feeble was this Holy Alliance of which Marx wrote as compared with the North Atlantic Pact. The reactionary allies of Marx's time were divided by differences in social systems, riven by national ambitions of an ascendant, expanding capitalism. Today, the proletariat of Europe faces a ruling class, so senile and decadent that it does not dare even dream of national ambitions lest it offend its American "protector" upon whose aid its survival depends. Concerted action of all national governments, infrequent in Marx's day because of the relative stability of capitalism, has now been standardized into a system with America as the counter-revolutionary arsenal of the whole world.

Yet precisely at this time when the international tasks and aims of the proletariat are so deeply rooted in the objective situation, so urgent and necessary for the further progress of human society, organized internationalism is at its lowest ebb in the world working class movement. May Day will be celebrated this year in the capitals of Europe but the demonstrations will not occur under the aegis of a great workers International. Nor will the main banners of the marchers be emblazoned with the slogans of "A Socialist United States of Europe," "Aid to the German masses against their imperialist and Stalinist oppressors," "Solidarity with the Indo-Chinese and the Indonesian Peoples." Two factors explain this seemingly contradictory development:

1. The betrayal of leadership, both Social Democratic and Stalinist, of the socialist and internationalist aspirations of the workers of Europe.

2. The retarded political development and the apparent lack of socialist consciousness in the American working class.

Neither factor, as we will try to show, indicates a permanent, fixed condition. Both contain the germs of their own negation from which will emerge a tempestuous revolutionary and internationalist development of the proletariat on both continents.

At the end of the war, the Social Democratic and Stalinist parties had the allegiance of the virtual totality of the working class and the support of the majority of the people on the continent and the British Isles. For different material reasons, the bureaucracies of both organizations restrained the masses, prevented a socialist revolution and saved the tottering capitalist system.

In France, Italy, Germany, Belgium and in a somewhat different form in England the working class faced a problem that was international in character. The revival of economy and a genuine improvement of the conditions of life could no longer occur within a national framework. The active cooperaion of the workers, movement of the several countries was necessary for the victory of the socialist struggle in any one country.

Such a bold program was utterly at variance with the character and tradition of the cowardly and chauvinistic Social Democratic leadership which soon capitulated to its capitalist masters. But the reward for this treachery was far less remunerative than after World War I. Its colonies overseas beset by turmoil and insurrection, its trade outlets in Eastern Europe drastically curtailed, the bourgeoisie of Western Europe, now thoroughly dependent on the American boss, could least of all afford to give concessions to its own workers. The Social Democracy is permitted to enjoy the emoluments of office only on the condition that it dams up the struggle of the masses against inflation, maintains a rigid wage freeze, shoots down striking miners and builds up the instruments of repression.

Thus, these great "patriots," in their hostility to socialist internationalism, have become the most abject flunkeys of American imperialism. But a Social Democracy that cannot dispense reforms is like a chair without legs. It has no attraction for the workers and as a matter of fact has been gradually losing all suuport among the masses.

Superficially, the situation appears differently in England where the masses have received a few concessions as the by-product of a parliamentary "revolution" which swept the Lebour Party into office with an absolute majority. This situation is at best transitory and the terminus to reforms is already indicated in Stafford Cripps' new "austerity" budget. Britain's economy above all is based upon world trade which it cannot successfully hold against the competition of superior American technology. In any case, the American monopolists have no intention of supplying England both with loans and markets. Here again, the solution is embodied in the program of socialist internationalism: in a Socialist Europe and in the industrialization of a Socialist Asia. "His Majesty's Labour Government" are listening today only to the voice from across the seas but the thunderous roar of the British masses, unwilling to see a return of Toryism and worse, will yet force them to turn their heads in another direction.

Social Democracy — and with it the capitalist system—survives in Europe today only thanks to Stalinism which became the dominant power in the workers' movement after the war. Internationalism, and therefore a Socialist Europe to which it is equated, is abhorrent to the Soviet bureaucracy whose theoretical creed is "Socialism in One Country" from which all blessings flow—for the bureaucracy and nobody else. From its earliest days it was mortally hostile to Trotsky's slogan and strategy of a "Socialist United States of Europe." Stalin's conquest of power in Eastern Europe did not serve as a new impetus for the socialist revolution, nor even for the solution of the age-old Balkan question. It only provided a source of new plunder and privileges for the Russian bureaucracy.

The betrayal of the workers in the West was based on the empiric notion that through an alliance with the Soviet Union, the Western capitalist classes would achieve a degree of national "independence" *vis a vis* American imperialism. It was a brilliant theory except that it omitted the advanced stage of decay in these countries, the loss of colonial possessions, the lack of capital which Stalin couldn't supply, the revolutionary temper of the workers and peasants, not to speak of the class instincts and interests of the capitalists of these countries.

In its appeal to these capitalists to join with it in a struggle against the "American Party" is revealed the quintessence of Stalinism. The bureaucrats who constantly betray the interests of the class they represent are always astonished that the representatives of other classes do not behave similarly. Thus it was in China in 1927, Germany in 1933, Spain in 1936—to mention only a few of the tragedies Stalinism visited upon the working class.

Strengthening precisely the "American Party" which it sought to weaken, Stalinism has reached a blind alley. Ever larger numbers of communist workers are becoming conscious that the fiasco of Stalinist policy has brought the twin evils of war and internal reaction perilously closer. Not all the peace "carnivals" can cover up the total bankruptcy of the Kremlin and its agents abroad. Throughout the world the crisis of Stalinism deepens, the friction, schisms and splits spread as the workers are less and less inclined to accept the "internationalism" of the Kremlin, i.e., the subordination of the struggle for socialism and of their own most elementary interests for the power and privileges of the counter-revollutionary bureaucracy.

Tito's successful resistance for more than a year encourages opposition, widening the cracks within the monolithic structure of the Stalinist parties. The indomitable activity of world Trotskyism gives promise that a new internationalism will emerge from the disintegration of the old movement.

Neither Stalinism, however, nor Social Democracy, have any organized mass strength of real consequence in the United States today. In this fact is revealed both the weakness and the strength of the American working class. Not the least of the reasons for the immense power of American imperialism is its modern technology and gigantic industrial plant which account for a major share of the production of the world. This economic preponderance rests upon the numerically largest and most skilled working class in the world organized in a powerful, ramified union movement. The attitude of American workers toward their own bourgeoisie, their level of class consciousness and combativity has a vital influence on the struggle of the masses internationally.

One has but to compare two recent periods: 1. The post-war years 1945 and 1946 which witnessed the coincidence of a nation-wide strike movement with the "Go-Home" demonstrations of the GI's abroad. In the same period the European masses were engaged in a stormy upsurge which but for the betrayal of their leadership could have brought them to power, without serious fear of the intervention of the American bourgeoisie then preoccupied with its own working class.

2. The period of quiescence and passivity which has followed when American labor, troubled by inflation, confused by red-baiting, lacking a courageous and foresighted leadership was driven from the arena of struggle by the club of Taft-Hartleyism. Untroubled by difficulties with the American workers, the State Department moved about Europe with ruthless energy, arming tottering governments, remaking cabinets, splitting unions, smashing strikes and finally clamping the iron hoops of the North Atlantic Pact around Western Europe.

The workers stood by during this whole period and watched their leaders help the State Department place the first shackles on their allies, the European masses. The one solitary and outstanding exception was John L. Lewis who addressed a stinging rebuke to Truman for feeding the empty bellies of striking French miners with hot lead. Yet precisely this passivity permitted the American monopolists to return their attention to this country and tighten their reactionary grip. Meanwhile their agents in the unions took another step in throttling the democratic rights of the rank and file.

The apparent lack of internationalism among American workers arises from the same causes as its lack of socialist consciousness. So long as the workers are able to wrest concessions from the monopolists, they tend at best toward passivity in world affairs and at worst toward identification with the international policies of the ruling class. A conservatizing force, these reforms will be transformed into their very opposite, a revolutionary factor, once the bourgeoisie is unable to maintain the relatively high standard of living.

The slowly encroaching depression indicates that this time is not in the distant future. Will the American workers submit to unemployment, short work weeks, wage cuts and drastically lowered living standards in order to permit the monopolists to maintain their huge profits and snare the hog's share of the world market while spending billions for world rearmament? Not if the turbulent struggles of the last depression—and the memories of that depression are fresh and green as if they occurred yesterday—are any indication.

The present drift of reaction can only prove disquieting if removed from the context of recent years. Taft-Hartleyism was instituted in the summer of 1947. One year later, moving with a mighty instinctive impulse in the only field opened to them by their leadership, American workers upset the electoral applecart and sent Truman, waving the program of the CIO, back into office. After six months the "Fair Deal," jolted and undermined by the needs of American imperialism abroad is foundering.

What can motivate agents of the monopolies to so flaunt the unambiguous expression of the will of the masses so recently as six months ago except anticipation of the coming crisis? Perhaps they expect the rash of police state laws to intimidate the workers and halt their radicalization. Perhaps they expect that the labor bureaucracy can stop the awakening by transmitting government police state measures into the unions. If so, they have sorely misread the history of the last depression.

Then too, in the Hoover administration as in the first years of Roosevelt, the whip of red-baiting lashed out at the radicalized workers. Just to cite a few examples, "Ironpants" Hug Johnson, Roosevelt's aide, denounced the San Francisco General Strike in 1934 as an "insurrection" while vigilantes smashed the offices of the CP. In Michigan, the Black Legion, financed by the auto barons and winked at by public officials, terrorized militant workers, murdered union organizers and dynamited radical headquarters. On the other hand, the top AFL officialdom railroaded constitutional amendments at conventions barring "communists" from office, expelling militants from the unions and hounding them from the job. But where did it end? Not with reaction—but with the CIO.

Frederick Engels wrote the following observations on the American working class to a friend in this country in March 1892:

> "In such a country, continually renewed waves of advance followed by equally certain setbacks, are inevitable. Only the advancing waves are always becoming more powerful, the setbacks less paralyzing, and on the whole the thing moves forward all the same. But this I consider certain: the purely bourgeois basis with no pre-bourgeois swindle behind it, the corresponding colossal energy of development . . . will one day bring about a change which will astound the whole world."

Decadent capitalist nationalism survives in Europe today as in the world because of its temporary resurgence in America and because of the help it receives from its Social Democratic and Stalinist agents. As the discreditment of the old leadership penetrates the consciousness of the European masses—as the American workers, unencumbered by the Social Democratic Stalinist *swindle*, prepare another "advancing wave"—both props will weaken and crumble. Therein lies the great promise of internationalism on this May Day 1949.

Latin America in Postwar World

By LOUIS T. GORDON

How different is Latin America from the technicolor paradise of Hollywood movies! The standard of living of most of the 130 million who inhabit the 8 million square miles south of the Rio Grande is abysmally low. Even a pair of shoes for daily use is very often a luxury, and eating habits of the masses are a constant challenge to the teachings of dietetics.

This is not due to the racial composition of the population, as even some Latin American writers allege, but to the ruthless exploitation by imperialism, semi-feudal landowners and, to a lesser degree, native capitalists.

Economically, Latin America as a whole is still agricultural and cattle raising. Over two-thirds of its population is engaged in these activities. This does not apply, however, to every country. The backbone of Venezuela's economy, for instance, is oil and she is forced to import half her food supplies. Manufactures are only slightly developed in most countries and largely in the hands of foreign capital. It is not true, however, that Latin America lacks coal and iron for the development of a heavy industry. Brazil, Cuba, Chile, Peru, Mexico and Venezuela are known to possess iron ore of high quality. The basic reason that oil resources are being tapped and exploited but not iron and coal is that the world monopolies are certainly not interested in enabling these countries to develop a competitive heavy industry of their own.

The economies of the Latin American countries rest heavily on the export of one or more raw materials or foodstuffs. In 1938, for instance, 80% and more of the total exports of Argentina, Uruguay, Cuba and Venezuela were accounted for by no more than four items (Argentina: corn, wheat, linseed and cattle products; Uruguay: wool and other pastoral products; Cuba: sugar and its products; Venezuela: oil, asphalt and derivatives). Likewise, in the same year about 70% of the exports of Bolivia, Chile and Brazil were accounted for by tin, copper and nitrates, and coffee, cotton, cacao and oil-producing seeds and nuts. With the exception of Argentina—and even here the viability of her "five year plan" depends to a very large extent on the prices of her foodstuffs in the world market—this continued to be the case in 1948.

Since the products these countries export are produced mainly for that purpose, if prices fall their economies suffer sharp setbacks. Chile provides a good example. Nitrates could be obtained only from Chile until the development of synthetic production in this field. Thereafter Chile had to rely more exclusively on copper. In 1931, however, the price of copper dropped and the whole of Chile's economy broke down.

The unhealthy condition of Latin American economic life is not due to lack of foresight but is a consequence of its predominantly semi-colonial character. The imperialist powers view Latin America merely as a source of cheap food and raw materials and a market for their own products. Great Britain was primarily interested in Argentina for its grains and meat. The British-built Argentine railroad network was designed to facilitate the delivery of these products to the ports for shipping, and the differential freight rates were intended to benefit agrarian and pastoral interests not the manufacturers. Argentina's economy, therefore, was given its special features by British imperialism. The richest lands of the country were devoted to cattle raising and although this accounts for the high quality of Argentine meat it was achieved by sacrificing land which could be devoted to more profitable purposes.

Up to now Latin America, as a whole, has exported raw materials and foodstuffs and imported semi-manufactured and manufactured goods. It is worthwhile noting that the consumer goods imported are mainly for a small percentage of the population living mostly in large cities, the standard of living of the great masses being too low to enable them to buy such goods.

If Latin America continues to follow the old pattern it will be unable to diversify its economic life and thereby raise the standard of living. That's why industrialization is the order of the day. From their own scant resources, however, these countries are generally unable to finance such a development. To do so they would either have to export enough to cover their needs for consumer and capital goods and the servicing of their foreign debt or they would have to obtain loans under exceedingly favorable terms in order to purchase the needed machinery.

The first condition is impossible to meet because the demand for most Latin American products is not elastic; buyers are always few and can bend the terms of trade to their own advantage. Consequently, many Latin Americans have been placing their hopes on the generosity of the U.S., especially since the launching of Roosevelt's "good neighbor" policy. Let us see whether this hope is justified or is merely wishful thinking.

The Pre-war Pattern

In 1937 Latin America accounted for 10% of the value of world exports and 7% of the value of world imports. Seven countries alone (Argentina, Brazil, Venezuela, Mexico, Cuba, Chile and Colombia) accounted in 1938 for 85% of all Latin American exports and 84% of all imports.

30.2% of Latin America's exports in 1938 went to the U.S., 16.8% to the United Kingdom, 10.5% to Germany, 4.1% to France, 1.6% to Italy, 1.3% to Japan, and 35.5% to the rest of the world including Latin American countries. On the other hand, in the same year, 33.9% of all Latin American imports came from the U.S., 11.7% from the United Kingdom; 16.2% from Germany; and about 3% each from France, Italy and Japan.

Before the war, Europe was a very important element in the Latin American pattern of trade both as a supplier of manufactured goods and as a market for a substantial part of its exports. But even before 1939 this pattern began to be disrupted. Since the last depression, European countries have imposed severe restrictions on the import of goods in an effort to attain as much self-sufficiency as possible. The crisis had a second consequence: the prices of agricultural products and raw materials dropped much more than the manufactured goods Latin America used to import in exchange. As a result, the Latin American countries were forced to take such steps as exchange controls in order to protect their economies.

The war, however, virtually severed economic ties between Europe and Latin America. This affected some countries more than others. It must be remembered in this connection that Latin America is by no means an economic unit. The economies of some of the twenty countries are complementary to the U.S. The United States sells them automobiles, trucks, mining and electrical machines, agricultural equipment, cotton, cloth and wheat flour, and they sell the U.S. industrial raw materials and tropical foodstuffs which the U.S. lacks entirely or in part.

Some of these countries, however, produce agricultural and pastoral commodities which are in direct competition with American products. Argentina, Paraguay and Uruguay, unable to maintain a two-way trade with the U.S., have in the past traded mainly with Europe. Brazil used to split its trade between Europe and the U.S.

Before the war, about 50% of the total import and export trade of the Caribbean countries was carried on with the U.S. Brazil obtained about 25% of her total imports from the U.S. and exported about 35% of all her total exports to the U.S. Latin America only absorbed about 17% of the total exports of the U.S., or half a billion dollars, but the Latin American market remained of primary importance for some of the most important American industries. The West Coast South American countries (Bolivia, Chile, Ecuador and Peru) carried on about 25% of their total trade with the U.S. And the East Coast South American countries (Argentina, Paraguay and Uruguay) carried on about 10% of their total trade with the U.S. Although the East Coast South American countries play a relatively secondary role in trade with the U.S., before the war Argentina was the largest buyer of American products in all Latin America.

In the pre-World War II, the U.S. bought more in Latin America as a whole than she sold there. That was inevitable. Latin America has to export more than it imports in order to service its foreign debt and make the payments for the earnings of foreign investments in Latin American enterprises. Latin America would have been unable to balance its payments with the U.S. merely by the sale of goods to this country. A very important source of dollars was provided by American travelers, another source was the shipments of gold and silver to the U.S. This situation was already pregnant with danger. The war brought new disturbing factors.

The Years of the War

The outbreak of the war in Europe seriously disrupted Latin America's trade with the rest of the world. Certain commodities and countries were harder hit than others. Prices of Cuban sugar, for instance, based upon a generally stable demand, fell because of the loss of the European market.

At the beginning, the decline in exports to Europe as a whole was partially offset by increased exports to Great Britain and the U.S., although Great Britain was unable to supply the Latin American countries with most of the manufactured goods they needed. For a brief period in 1940 the U.S. established a favorable balance of trade with Latin America but the situation changed after it entered the war. Continuing to increase its imports of strategic materials, the U.S. was now also unable to ship enough manufactured goods in return.

As a result of this double process Latin America found itself at the end of the war in the possession of large balances of dollars and blocked sterling. Industrialization received an impetus because of the inability of Europe and the U.S. to furnish manufactured goods. The disruption of international trade also led to an intensification of trade among the Latin American countries themselves. Thus strengthened, the native bourgeoisie sought to create the conditions which would favor their survival in competition with more developed industrial countries.

The Postwar Situation

An accumulation of foreign currency, which could not be used to buy manufactured products and capital goods, led to a runaway inflation in Latin America. This process, described in a Mexican journal *(Trimestre de Barometros Economicos*, June 1948), may be considered typical of what happened in most of Latin America:

"The most outstanding phenomena during the war were the disproportionate rise in the prices of some articles, first and foremost of consumer goods; the great foreign demand for almost all our production, and the insufficient increase of the latter, agricultural as well as industrial and mining."

When the war ended and with it the unusual demand for a great deal of the Latin American products, the opposite happened: "A deflation . . . threatens the stability not only of the currency in most of the Latin American countries, but in many of them the very foundations of their economic structures." ("El Banco Interamericano" by Eduardo Villasenor, in *El Trimestre Economico,* Mexico, July-September 1948.)

It is interesting to note that during the war, the prices at which the Latin American countries sold were rigidly fixed but when they were finally able to trade in the American market they discovered that inflation in America had increased prices tremendously. The new president of the Inter-American Economic and Social Council; a Brazilian economist, remarked to the United Press that in 1928, the price of an automobile, for instance, was the equivalent of 20 sacks of coffee while now it is 52 sacks. He complained that while suffering from inflationary prices in the U.S., Latin American countries could not increase the prices of their own products because this would result in a falling demand.

Right after the war, Latin America viewed its future with hope and confidence. It thought that the war had helped them to start on the road to a more diversified and industrialized economic life and that large balances would enable them to modernize their manufactures, increase efficiency and develop natural resources. But these hopes clashed against an impassable barrier. Neither the U.S. nor Great Britain were able to sell the capital goods required. Great Britain's Board of Trade suggested that Latin American countries should buy "a fair proportion of goods which are plentiful and even some proportion of those non-essential and even luxury goods."

On the other hand, American and European industry very soon dislodged their weaker Latin American competitors from most of the foreign markets they had gained during the war. Moreover, American goods could be sold in Latin America even cheaper than the products of local industry. As there were no restrictions on the import of consumer goods, the dollar and gold reserves of many of the Latin American countries were almost depleted without any gain for their economies. They were thus forced to take drastic steps to maintain their dwindling dollar reserves. We are not speaking of Cuba, Venezuela, Uruguay, the Central American republics, the Dominican Republic and Haiti, where dollars are still available, but of the most developed of the Latin American countries—Argentina, Colombia, Mexico, Chile, Ecuador, Peru, Bolivia, and lately even Brazil.

It is apparent that Latin America cannot sell to the U.S. enough to maintain its present level of imports. According to the figures just released by the Commerce Department, in the first six months of 1948 America's imports from Latin America were valued at $1,227 million, exports at $1,699 million. The respective figures for 1947 were $1,085 million and $1,956 million.

Meanwhile Western Europe is trying to restore some kind of viable economic life by a tremendous increase of production as well as of exports. But where will these exports go? Of course, the first thing they have in mind is the recapture of their pre-war markets, especially in Latin America. Great Britain has already taken advantage of the dollar shortage in order to regain its former position in these markets.

On the other hand, the U.S., which captured many of the European markets during the war, will try all the harder to keep them and get new outlets for its production, especially now that the internal market is being rapidly saturated. Exporters are planning to "solve" the problem of payments by asking Congress to supply dollars in exchange for the foreign currencies they would get for their exports. Barter agreements are being studied to get around the currency barrier. At any rate, as a *N. Y. Times* expert writes, "American exporters will now have to fight more aggressively for volume than at any time since the end of the war."

In addition, Western Europe is trying to diminish its imports of goods and raw materials from Latin America in an effort to reduce the gap between exports and imports. "Reports on foreign agriculture issued today by the office of Foreign Agriculture Relations revealed that the food deficit countries of Western Europe not only are having much better crops but also are exerting every effort towards self-sufficiency." *(N. Y. Times,* Jan. 19, 1949)

One of the aims of Britain's four year "recovery program" is to increase production in its African colonies. "Increases are projected in the production of ground nuts, sugar, rubber, tin, copper, cobalt, bauxite and lead." If these plans are realized, the immediate result would be a decline in the prices of the Latin American products. Already, synthetic nitrates and buna rubber compete with the natural South American products. The oil resources of the Middle East are being developed and this too will tend to hamper the position of Latin American oil producing countries.

In brief, Latin American countries are faced with the perspective of a return to the pre-war trade patterns, which would mean the end of their dreams of outgrowing their backward status, unless they are able to industrialize. They know that they can't expect any help from Great Britain which is fighting tooth and nail to bring back the "good old" pre-war days. So they turn to the U.S. which had promised to help them develop their natural resources and to raise the standards of living of their peoples. They must soon come to realize, however, that if they are to industrialize their economies and mechanize their agriculture, it will not be with the *help* of American imperialism but in grim struggle *against* it.

United States and Latin America

Contrary to the idealistic portrait of American history displayed to the pupils in the schools, the U.S. has interfered in the most ruthless fashion in the internal affairs of Latin American countries. Marines were always ready to collect the bills of the American banks whenever necessary. That is why Franklin Roosevelt's "good neighbor policy," launched in 1933, was received in many Latin American circles with relief and satisfaction. In reality, however, there was no fundamental change in American policy. Formally, America ceased to intervene openly in the internal affairs of the Latin American countries, but in actuality she never ceased to decisively influence their policies. Pan-Americanism boiled down to fine words for the nations south of the Rio Grande and political, military and economic advantages for their "big brother," the U.S.

"It is difficult to determine," says one of the reports of the Foreign Policy Association, "just how effective the Good Neighbor policy has been in practice. It was almost immediately overshadowed by the looming prospect of war and the critical need, from the standpoint of the U.S., to enlist the support of the other American republics in the event this country were drawn into the conflict. . . . As war came closer we redoubled our efforts to strengthen 'inter-American solidarity.' The problem of defense—political, economic, propagandistic—came increasingly to absorb the attention of the Americas."

In every Pan-American conference the Latin American countries tried to get some economic compensation in return for their political and military commitments. But the U.S. always managed to put off economic help indefinitely. Continuing this one-way deal, with large benefits coming in and few going out, American imperialism has now chained Latin America to its military machine through the Rio "defense" pact.

A breaking point came at the recent Bogota conference. Fed up with double-talk, many Latin American delegates demanded outright help from the North American colossus. Torres Bodet, the former Mexican Secretary of State, took the lead with an impassioned plea. Admitting the terrible plight of the European peoples, he pointed out that the position of many Latin American peoples was equally bad if not worse. Emphasizing the frightful incidence of malnutrition, he insisted that elimination of chronic poverty in Latin America was as urgent as European recovery. But the plea fell on deaf ears. Marshall stopped the chatter: Latin America would continue to suffer and starve—European "recovery" came first, and that was final. The gabfest would be resumed later at another conference in Buenos Aires.

Mexico proposed the establishment of an Inter-American bank. The U.S. instead offered merely to authorize the export and import bank to earmark 500 million dollars for loans to Latin America, as against the five, six and even twelve billions experts estimate to be required for the development of these countries. But even this paltry sum, the Mexican delegation pointed out, is to be dispensed by a banking agency of American imperialism. This export-import bank had frequently been instructed to make loans to Latin American countries—for the sole purpose of favoring American exporters when there was a slack in demand. To the American delegation this was not at all unnatural. The solution of all Latin American problems, they asserted, was not credits for the establishment of new industries but—didn't you guess it?—the creation of favorable conditions for the investment of foreign capital, meaning of course American capital.

Socialism or Semi-Colonial Status

Would American capitalists benefit by the industrialization of Latin America? Officials in these countries contend that under such conditions "trade is mutually more profitable than intercourse between developed and backward countries. American economic help would raise the standard of living of the Latin American nations thus creating larger markets for the American products."

This is only true *in the long run*. The *immediate* result of an expansion of their own manufactures in Latin America would be a contraction of the market for American products. And the U.S. is not in a position to carry out policies which would endanger in the immediate future her market prospects.

Besides, America is trying to reestablish at least a resemblance of equilibrium in the world market, i.e. the *pre-war* equilibrium. And Latin America is designed to play a very important role in this connection. Of course, it is not the role that Latin America dreamed about. To facilitate the functioning of the Marshall Plan, Latin American countries are expected to sell their products for very low prices. (Up to now Marshall Plan purchases in Latin America have been almost negligible.) This is very frankly acknowledged in official documents relating to the Marshall Plan. In effect, Latin America is being asked by Wall Street to quietly accept its pre-war semi-colonial status.

"The restoration of Europe's economy," says the monthly *Letter of The National City Bank of New York*, September 1948, "is even more important for Latin American republics than for us in view of their dependence upon relatively few export commodities. Normally over 10 per cent of their total production is sold in Europe. Before the war the triangular pattern of trade between Latin America, U.S. and Europe made it possible for some republics to use convertible exchange earned in Europe for purchases here, while other republics passed the dollars earned here to Europe. Certainly the reestablishment of these multilateral trade relationships would place our trade with Latin America on a broader, more stable basis. Progress in this direction requires greater production in Europe, and adaptation of European products to changing Latin American requirements. *On the part of the Latin American republics, moderation is called for in raising tariff barriers to the flow of European products in order to protect some of their budding industries.*"

The real industrialization of Latin America, that is, the development of a heavy industry which would free it from dependence and exploitation by imperialist powers, is impossible under capitalism. The Latin American masses will continue to live in poverty and destitution until they start on the road to socialism.

ECONOMIC NOTES

Stock Market Blues

By ROBERT PHILLIPS

Once upon a time, an ancient fable tells us, the wind and the sun had a contest to determine which was the more powerful. The object of their attention was a man in a field who was wearing a coat—the one who could make the man remove his coat would be adjudged the stronger. First, the wind blew and blew cold and wintry blasts which made the man tighten his coat around him for protection. Then, the sun shone hot and bright and finally the man removed his coat because of the intense warmth.

* * *

And so it is with the stock market. On March 21, Life magazine carried a feature article bemoaning the apathy which characterizes the popular attitude toward the stock market. It was a glowing account of how cheap stocks are today, how $22 million would have been sufficient to purchase control of the Curtiss-Wright Aviation Corp. in 1947 when that company had $100 million in cash in its till. Ten "bargain stocks" each selling for less per share than the working capital of the corporation were described and the opportunities to invest in a "sure thing" were pointedly presented. The day preceding the publication of this article, the 10 "bargain stocks" shot up more than 5 percent in value on the basis of a "leak" while the market remained static. Weeks later, these stocks are slowly sinking back to their pre-Life price.

But this was only the first wintry blast in the campaign to make the "suckers" conscious again. On March 29, the Federal Reserve Board lowered margin requirements to 50 percent (which means that stock equivalent to twice the value of cash put up may be purchased). How did the market react? A brief flurry resulted. For two days, the average rose 2.2 points on a volume of 3.7 million shares. But then it settled back into the same doldrums that have characterized its movement for the last couple of years.

Why this apathy? The financial editors reiterate each day: "The system is sound . . . it is only undergoing a healthy (sic!) return to normalcy." But the investors, the "risk-takers" appear to have no faith in "their" system. In 1929, they bought and sold 1,125 million shares of stock when national income was $87.4 billion or $716 per capita. Yet in 1948, with national income at $228.2 billion, more than 2½ times the 1929 level and $1,485 per capita, sales on the stock exchange totaled a mere 413.5 million shares, about one-third of the 1929 volume. And as if to add insult to injury, financial editors are wont to point out, yields on common stock are 6.6 percent today, while in 1929, they were only 3.5 per cent. Price of stocks too are cheaper. The Dow-Jones average of all stocks is 63.95 today; in 1929, it was 125.43.

But no matter what the "logic" or how hard the "wind" of opportunity blows, the "suckers" just won't part with what little money they have. To help the seduction process along, the Stock Exchange this year authorized the expenditure of $500,000 on a series of advertisements asking the American public to "take a chance" on the capitalist system. And following this lead, the brokers, big and little, have embarked on a nation-wide advertising campaign. Their slogan: "Get a 10-dollar bill for five dollars."

Today's indifference, still unbroken despite the continuing blandishments, is clearly manifested when stocks react more violently to one of Stalin's or Truman's pronouncements on foreign policy than they do to a favorable earnings report issued by U. S. Steel. But soon, the brokers, financial editors, and the editors of **Life** hope, the hot sun will shine and the "suckers" will realize the "wonderful opportunity" open to them.

"It is an unfortunate fact," says **Life** magazine, "that many small investors never get interested in stocks until they are already in the last stages of a bull (rising) market and then they rush in with a frenzy akin to Holland's tulipomania." With the sun then shining in all its fury, the "sucker" is inveigled to part with his clothing and adopt a barrel as his attire.

The "sucker" may once again yield to that great mirror of capitalist insanity—the stock market—or else he may have learned a lesson from the frenzied purposelessness of the late 'twenties and realize, that the speculation markets are, to use Marx's term, a fetishism, which masks real relations (the productive forces) by endowing their disguises (the stock and other speculative exchanges) with the aura of primacy.

The blind faith of the 'twenties in the soundness of capitalism is giving way to a deep-seated cynicism. And it is not likely that the millions to be spent on advertising will bring more than meager results. The "sun" isn't shining very brightly these days.

Triumph of Aristocracy in Early America (III.)

Revolutionary Course of American Society

By WILLIAM F. WARDE

1. THE STRUGGLE FOR THE LAND

A clear and correct conception of the place occupied in American history by Indian society throws much-needed light upon another fundamental question of this country's social evolution—the struggle for possession of the land. That struggle begins with the wresting of the tribal hunting grounds from the Indians and the transmission of this land to new owners belonging to a different type of social organization who needed it for new economic activities—agriculture, trade, mining, ranching, city-dwelling, industry, etc.

At various stages along the route this struggle has involved the principal state and clerical powers of Western Europe as well as the various classes transplanted to American soil. Our land has changed hands several times since the sixteenth century, passing not only from country to country but also from class to class and from person to person. Questions concerning the use, distribution and ownership of the land have played crucial roles in every great American upheaval: in the wars against the Indians, as well as in the fight against British domination (the abolition of crown lands and other royal restrictions, abolition of entail and primogeniture, confiscation and sale of Loyalist estates) and in the Civil War (the Homestead Act, the land question in the Southern states).

The outcome of all this has been to disperse the land among various categories of individual owners and to concentrate the best situated and most productive areas in the hands of a wealthy minority. At no time since the overthrow of Indian tribalism by the bearers of landed private property has the American earth belonged to the inhabitants thereof, even when it formally belonged to the government. For each of these governments, controlled by the propertied classes, served as no more than a temporary custodian before turning titles to the land over to private owners.

The unexpressed assumption of all except the most radical representatives of bourgeois thought on this problem (such as Henry George) is that the land along with the other means of production shall forever be used and abused by private proprietors and any subsequent redistribution will take place within the framework of private ownership.

It cannot be denied that they have what the jurists call a "prima facie" case, since that has been the main trend for over four hundred years and appears to be the unshakable state of affairs today. The monied men with their banks, insurance companies and corporations continue to gather the best part of the land into their hands and reap its benefits. At the same *New York Herald Tribune* forum, where Harvard President Conant in October 1948 spoke about the blessings of democratic capitalism, cries of alarm were raised by other speakers over the mismanagement and waste of our national resources owing to capitalist anarchy and greed.

What the Future Holds

What will be the ultimate conclusion of the contest which began with the dispossession of the Indian? Will the American people permit the small fraction of wealthy proprietors to engross the land and its wealth, to ravage the national resources, and exclude the majority of the population from rational management and enjoyment of the land?

It would be an illusion to think that the struggle over the land which has already passed through so many changes will stop at its present point and at the limits imposed by the interests of the rich. In fact, the fight against their monopoly and misuse of the land is bound to flare up again as it has during every great social crisis.

In his autobiography Oscar Ameringer tells an interesting anecdote in this connection about an Oklahoma cattleman who had firmly opposed socialist ideas until he was ruined by the 1929 depression. In 1932 he approached Ameringer and declared: *"What we got to have is this here revolution you used to preach about."*

"You mean divide up and start all over again?" asked Ameringer.

"No, not divide up," exclaimed the cattleman angrily, *"but own our land and cattle and things in common like the Indians use to do before the government robbed them of everything by giving them title deeds."*

"That's better," Ameringer acknowledged, *"provided we add railroads, banks, packing plants and a great many other things to those you mentioned."*

The impact of the oncoming social crises will undoubtedly call forth similar responses from considerable sections of farmers who today appear eternally wedded to "free enterprise."

The actual cultivators of the soil, small farmers, indentured servants, tenants or slaves, never reconciled themselves in the past to the exploiters of labor on the land, to landlordism or absentee ownership. The embattled farmers carried through the fight for independence and democracy against British-backed feudalism during the First American Revolution. Their vanguard in Kansas first challenged in action the slave power, the forerunners of the farmers who filled the Union armies in the Civil War. The agrarian Populists conducted stubborn struggles against the tyranny of the plutocrats in the last part of the nineteenth century. These memorable precedents prefigure how the toilers on the land, whether small owners, sharecroppers, or wage workers, are bound to assert their presence and power as the oppressions—and depressions—of monopoly capitalism drive them to seek a new road.

Whatever phases the struggle for the land will go through as class antagonisms become more pronounced, the method of its final solution has already been indicated by Marx:

> "From the point of view of a higher economic form of society, the private ownership of the globe on the part of some individuals will appear quite as absurd as the private ownership of one man by another. Even a whole society, a nation, or even all societies together, are not the owners of the globe. They are only its possessors, its users, and they have to hand it down to the coming generations in an improved condition, like the good fathers of families." (Capital, Vol. III, pp. 901-2.)

Just as the private ownership of one man by another had to be abolished in this country 76 years ago, so the socialist revolution of our time will have to abolish private ownership of the land.

The destruction of primitive communism based on common land ownership by the Indian tribes was indispensable to the development of American capitalism. The rapid growth of unalloyed bourgeois relations in the United States was made possible by the thoroughness with which the bourgeois forces swept aside all precapitalist institutions, beginning with those of the Indian.

Now this historical cycle is coming to a close and a new one is opening up. The main direction of American society since the crushing of the Indian has been away from primitive collectivism toward private property in more and more developed capitalist forms. In the reversal of social trends now under way, the main line of progress is away from private property and toward collectivism in socialist forms.

When the American people, under the leadership of the industrial workers, succeed in their task of converting capitalist landed property into public property, they will in effect revive on a far higher level and in more mature forms the common ownership of the soil and the collective use of the means of production that we meet on the very threshold of modern American history.

Thus the struggle for the land in America is reproducing, at its own pace and in its own peculiar ways, the basic pattern of development being traced out by civilized society as a whole. This pattern, too, has been explained and foreseen by the founders of Marxism.

> "All civilized peoples begin with the common ownership of the land," wrote Engels. "With all peoples who have passed a certain primitive stage, in the course of the development of agriculture this common ownership becomes a fetter on production. It is abolished, negated, and after a longer or shorter series of intermediate stages is transformed into private property.
>
> "But at a higher stage of agricultural development, brought about by private property in land itself, private property in turn becomes a fetter on production as is the case today, both with small and large landownership. The demand that it also should be negated, that it should once again be transformed into common property necessarily arises. But this demand does not mean the restoration of the old original common ownership, but the institution of a far higher and more developed form of possession in common which, far from being a hindrance to production, on the contrary for the first time frees production from all fetters and gives it the possibility of making full use of modern chemical discoveries and mechanical inventions." (Anti-Duhring, pp. 156-7.)

Champions of capitalism such as Conant imply or imagine that, thanks to its unique features and exceptional capacities, capitalist America is set apart from the rest of the capitalist world. All its peculiarities and powers, however, will not suffice in the future, any more than they have in the past, to enable the bourgeoisie in this country to escape the operation of the laws of the class struggle. These laws, which formerly worked in their favor, are now more and more turning against their régime. Although American capitalism may follow paths marked out by the special conditions of its own historical development, these lead toward the same ultimate destination as its European counterparts: the graveyard where obsolete social systems are buried.

2. THE REAL METHODS OF BOURGEOIS ADVANCEMENT

The transition from ancient Indian collectivism to the various forms of production rooted in private property also casts considerable light upon the ways and means by which the forces of bourgeois society arrived at their present eminence in America.

In their catalogue of crimes against humanity, the spokesmen for capitalism include the expropriation of property without "just compensation," the use of violence to overturn established regimes and the resort to extra-legal measures. They add, as the crime of crimes, the extermination of entire populations, for which the term "genocide" has recently been coined. These self-professed humanitarians ascribe such aims above all to "Marxist" and "Communist" devils. In contrast they hold up the angelic respect for property rights, love of peace, regard for law and order, preference for gradual change by democratic consent and other virtues presumably inculcated by American "free enterprise."

This is a handy set of principles to justify the capitalist regime while defaming its opponents. But all these principles have little application to the conduct of the bourgeoisie in American history. They have been honored, if at all, more in the breach than in the observance.

Historians fired by zeal to indict the opponents of capitalism (for these offenses) should first direct their attention to the ancestors of contemporary American capitalism. No class in American history invaded the property rights of others more ruthlessly, employed violence so readily, and benefited so extensively by revolutionary actions as has the American bourgeoisie on its road to power.

The precursors of the monopolists acquired their property by expropriating the Indians, the British crown along with its Loyalist lackeys, and the slaveholders, not to mention their continued stripping of the small farmers and self-employed workers. They affected these dispossessions of other people's property, not simply by peaceful, legal or democratic means, but in extremely violent, high-handed and militaristic ways. Wherever they could not get what they went after by bargaining or money, they took by main force or direct action.

The conquest of the Indians, as we have seen, takes its place in this series of events as the earliest and crassest case of the rapacity, ferocity, and duplicity with which the bourgeois forces smashed the impediments on the way to their objectives. They themselves committed the supreme crime they falsely attribute to the aims of revolutionary socialists. The extermination of the Indian was the outstanding example of "genocide" in modern American history—and it was the first rung in the ladder by which the bourgeoisie climbed to the top.

The transmission of the continent into their hands was not accomplished by peaceful agreements. It is common knowledge that virtually every treaty made with the Indians for over four hundred years was broken by the architects of the American nation. By brute force, by the most perfidious deeds, by wars of extermination, they settled the question of who was to own and occupy the continent and to rule it. The treatment of the Indians exemplifies to what lengths the owners of private property can—and will—go in promoting their material interests.

3. SOCIAL SIGNIFICANCE OF THE ASSAULT UPON THE INDIANS

The methods by which the white invaders disposed of the Indian problem had far-reaching results. Ancient Indian society was shattered and eradicated and powerful masters placed over them and over North America. The main social substance of that sweeping change consisted in the conversion and division of tribal property in land, owned in common and cooperatively used, into private property. This continent passed from the loose network of tribal communities into the hands of kings, landed proprietors, planters, merchants, capitalists, small farmers and town-dwellers who directed and composed the new society.

The conflict between the red man and the white is usually represented as essentially *racial* in character. It is true that their mutual antagonism manifested itself and was carried on by both sides under the guise of racial hatred. But their war to the death was at bottom a *social* struggle, a battle for supremacy between two incompatible systems of production, forms of property and ways of life. Like all profound social struggles the scramble for the sources and acquisition of wealth was at its root. In this case, the chief prize was individual ownership and "free" disposition of the land and its products.

These material stakes account for the obdurateness of the conflict which persisted through four centuries and for the implacable hostility displayed by white settlers *of all nationalities* toward the Indians *of all tribes*. This was also responsible in the last analysis for the impossibility of any harmony or enduring compromise between the two. One or the other had to yield and go under.

That is how the materialist school of Marxism interprets the cruel treatment accorded the Indians and the reasons for their downfall. If this explanation is accepted, prevailing views of early American history must be discarded. School children, and not they alone, are taught nowadays that the first great social change in this country came from the patriots' fight for independence in the last quarter of the eighteenth century. In the light of the foregoing analysis, this long-standing misconception has to be rejected.

The colonial uprising, for all its importance, was neither the first social transformation in America, nor can it be considered the most fundamental one. It was preceded, interwoven, and followed by the white invasion and penetration which overthrew the Indian tribal network. This process of struggle, undertaken to install the rule of private property and its corresponding institutions in place of communal property and its specific institutions, was an even more radical social upheaval than the contest between the colonists and the mother country.

The struggle of the eighteenth century was waged between forces and institutions which, although rooted in different countries and in different historical backgrounds, nevertheless shared identical relations of private property at their foundations. The fight against the Indians on the other hand arose from the unbridgeable chasm dividing archaic society from modern civilization, primeval communism from budding capitalism.

4. THREE MAIN STAGES OF AMERICAN HISTORY

The grand course of social evolution on American soil falls into three main stages. It starts with the development of the Stone Age many thousands of years ago. This primitive period reached its peak in the Aztec, Mayan and Incan cultures, and came to a close with the invasion of the white man at the end of the fifteenth century.

The second great epoch begins with the bringing of civilization by the Europeans. It proceeds through the various phases in the formation and transformation of bourgeois society which have culminated in the national and world supremacy of the American monopolists. The third stage, arising out of the second, had its inception with the birth of large-scale industry and the wage-working class.

What are the relations between these three overlapping epochs which mark off decisive steps in the advancement of American society? It is characteristic of the low theoretical level of bourgeois historians that they do not even broach this question, although it is fundamental in American history. They view capitalism as the sole system of society with solid substance and enduring structure; all others are passing phantoms. Indian tribalism, as we have noted, is to them a forgotten relic; socialism a horrible specter or an impossible fantasy—while civil society in its capitalist forms remains an eternal necessity. Consequently they cannot see or admit that there *are* distinct stages of American history; that these distinct epochs are interlinked in a necessary chain of connection; or that any significant sequence of development can be discerned in the complex social process.

Nevertheless, behind the sequence of social forms which bridged the transition from savagery to civilization on this continent, there is a lawfulness. Although it had endured for thousands of years, the communal organization of the Indian tribes had to give way before the superior forces of private property. When the feudalists tied up with English rule and later the slaveholders blocked the further development of the productive forces, they, too, were extinguished by the creators of capitalist power.

The bourgeois thinkers concentrate attention upon that side of American historical development whereby precapitalist methods of production and forms of property were displaced by ascending bourgeois relations. They largely ignore other aspects of the same process. It is true that the regimes following Indian tribalism multiplied the powers of production through the practices and passions of private ownership and "free enterprise," improved techniques, widened culture and opened new vistas to mankind. But these acquisitions had to be paid for by increased inequality and the intensified oppression of the rulers over the ruled. Precious qualities of freedom and fraternity were lost in the shift from primitive collectivism to modern capitalism. As a result of the prevailing class division of society, humanity has remained stunted and defective.

Where Capitalist Thinking Ends

Yet bourgeois thinkers assume that the triumph of capitalism coincides with the highest attainable summit of human existence. History is to be halted while the American people perpetually salute their capitalist commanders in the reviewing stand. How does such an outlook essentially differ from that of the slaveholders who could not adjust themselves to the advent of higher social forms?

In reality, the steps leading to the consolidation of capitalism were only a prelude to the building of a truly civilized life for the American people, and not at all the crowning acts of American civilization. These remain to be taken as the next great stage of our evolution matures and as we move toward socialism.

In the anti-Marxist polemics of spokesmen for capitalism, there is a fatal inconsistency. On one hand, they point to the unlimited potentialities of abundance in the manufacture of motor cars, atom bombs, supersonic planes, and other things—in a phrase, to the dynamic nature of our productive forces. On the other hand, they demand that these productive forces remain forever encased in capitalist ownership. While everything else is subject to improvement, capitalist control of the productive facilities and the political system which protects it are to be considered immutable. These alone are exempt from radical reconstruction and so close to perfection that they cannot be surpassed, at least not in any foreseeable future.

Whatever changes there may be, they say, must remain within the boundaries of capitalist relations and cannot overstep them. The method of social development must be restricted to small doses of change portioned to the needs of the ruling class.

There is no warrant for such arbitrary assumptions in American history, in the dynamics of our productive forces, or in the present state or prospects of class relations. The forms of property and methods of production in America have undergone at least three vast transformations in the past. When Indian tribalism, British-born feudalism and Southern slavery collided with the new bourgeois forces of production, they were demolished. How absurd it is for the defenders of capitalism to bank for its salvation upon the very expansion of the productive forces which, increasingly stifled by capitalism, must lead to its downfall.

America's Violent Transitions

These students of history stubbornly refuse to learn from the past when the slow, steady evolution of social conditions exploded at critical junctures into tremendous upheavals which overturned the old order. American history is full of such sudden transitions and forward leaps. After the Indian tribes held the continent for thousands of years, invaders burst in from overseas, ousted the natives, and built an entirely different type of society here. Mother England dominated her thirteen colonies for over a century and a half until abruptly within a decade a definitive break occurred between the former ruler and the American people. Then, beginning with 1800, the planting power became predominant in national affairs—until the election of Republican President Lincoln in 1860 unleashed the Civil War.

Such reversals of existing conditions, resulting in a radical reconstruction of American society, are not at all restricted to the past. They are inherent in the present situation of American capitalism which faces the same prospect as Indian tribalism, colonial feudalism and chattel slavery. It has become obsolete and opposed to progress. The major evils from which mankind suffers are directly attributable to the outworn institution of capitalist private property. The emancipation of mankind from poverty, tyranny and wars is inseparable from the liberation of the means of production from the grip of capitalist ownership and monopolist control.

At the same time the colossal expansion of socialized production under capitalist auspices has given birth to a new mighty social power. This is the industrial working class which is itself the principal force of production in modern economy. This class heralds the coming age of atomic energy used for constructive, not for destructive purposes. By its ideas, outlook and actions, labor opens up an unrestricted historical horizon for humanity in the socialist future of the free and equal. The material prerequisites for this new form of production and collective life form and ripen within the capitalist structure itself.

This new social power has already announced itself through the swift insurgence of the CIO in the late 'thirties when, after operating like uncontrolled despots in basic industry for many decades, the monopolists suddenly were challenged by powerful unions of industrial workers. These organized workers are now knocking on the doors of political power.

Let us assure both the witch-hunters and the witch-doctors of capitalism that the American monopolists will not be overthrown, like the Indians, by foreign forces.

They are destined to be dislodged from within, like the feudal landlords, the English crown and the Southern slavocracy. This job will be done by social forces generated under their own system and provoked by their own reactionary rule.

Fear of Marxist Enlightenment

The instinctive dread of this prospect accounts for the malevolence of the monopolists toward the workers and the belligerence of their intellectual defenders toward the socialist-minded vanguard. These banner-bearers of reaction do not dread so much the importation of ideas from abroad, for they welcome fascism and other brands of obscurantism. What they fear is the enlightenment and inspiration Marxism can give American workers in working out the ways and means of their emancipation. Hence the irreconcilable hostility toward "the philosophy of Marx, Engels and Lenin" expressed in Harvard President Conant's call to ideological battle.

When the pioneers of bourgeois society confronted their precapitalist foes, they had both the power and the historical right to conquer. Their plutocratic heirs of the twentieth century have neither. In our time the workers are the pioneers and builders of the new world, the bearers of a higher culture. They embody a more efficient method of production and are fully capable of assimilating, mastering and applying all the achievements of science and technology, including the science of social change and the techniques of struggle for political power.

Uprooting all the abominations of class society and cultivating everything worthy in the techniques, knowledge, and culture taken over from capitalism, the artificers of the coming society will vindicate the achievements of the past by surpassing them. The "liberty, equality and fraternity" known in America's infancy, which the bourgeoisie blasphemed and buried, will be regenerated and enjoyed in its finest forms through the socialist revolution of the working people.

It is the capitalist proprietors who are the barbarians in the midst of modern society, resorting in their desperate struggle for survival to the most fiendish weapons and practices. To remove them from the seats of power is the central task of our generation. Mankind cannot resume its upward climb until civilization is rescued from capitalist barbarism.

Cromwell and the Levelers

Tercentenary of English Revolution: 1649 - 1949

By G. F. ECKSTEIN

On January 30, 1649, Cromwell and his officers executed Charles I. But the Levelers, leading the common people of London and the rank and file of the army, rose against the military government, demanding the election of a new parliament based on manhood suffrage, and advocating a social program which showed that *for them* the revolution had not ended but had just begun. A military revolt broke out in May. Fairfax and Cromwell took the field against the rebellion in person: the revolutionaries had to be struck down before they could make contact with other regiments. On May 17 they were routed and the Leveler threat to the regime was over. Guizot, describing the ceremonies and the costly gifts which the new power lavished upon the conquerors, notes that these transports of joy showed the terror into which they had been thrown.

For nearly three centuries the truth about the Levelers remained on the whole in obscurity. But within recent years the perils of democracy have stirred a new interest in them. A. P. S. Woodhouse of the University of Toronto, under the inspiration of A. D. Lindsay, the Master of Balliol College, Oxford; Don Marion Wolfe, with the encouragement of the late Charles Beard, and William Haller of Columbia University, have done truly brilliant work in this field. Haller has also collaborated with Godfrey Davies, an Englishman, perhaps the greatest English authority on the English seventeenth century and, at the time of his collaboration with Haller, already director of the Huntington Library at Pasadena, California. Woodhouse, Haller and Wolfe had all previously done work on Milton, idol of non-conformism and the great hero of two centuries of intellectuals on free speech, tolerance, humanist education, etc.

The petty-bourgeois democrats, shaken by the crisis of democracy, are probing into its origins. The result has been to raise John Lilburne and the Levelers to a status which challenges Cromwell and Milton as the precursors of modern democracy. Two English writers, W. Schenk and Margaret A. Gibb, within the last few months in England, have sought to appropriate the Levelers, and Lilburne in particular, for that combination of Catholic ideology and "social reform" which distinguishes the Popular Republican Movement in France and the party of de Gasperi in Italy. They have made a bold modern adaptation of the old Catholic thesis that Charles I represented the common people against the bourgeois, capitalistic House of Commons. Lilburne and the Levelers do not suffer but rather gain from these desperate attempts to link the church with a popular mass movement. The British Social Democracy on this question has had nothing of any importance to say, if indeed it says anything at all.

Not so with the British Stalinists. In April 1949, they celebrated the tercentenary with a number of the *Modern Quarterly* wholly devoted to the Puritan Revolution. The

British *Communist Review* of March 1949 has three articles devoted to this subject. The American *Science and Society* published a long article on the English Revolution in their special number celebrating the hundredth anniversary of the *Communist Manifesto.*

These numerous publications bear the stamp of Stalinism. They win useful but very cheap victories against the bourgeois historians on the question of monopolies, land legislation, feudal tenure, "class struggle," etc. They find space for a long article on Harrington, author of a seventeenth century Utopia; they write on Winstanley, the leader of the Diggers; they have room for a particularly stupid article on Milton, the very intellectual whose shortcomings have been so resolutely pointed out by the modern writers. But such is the organic Stalinist hostility to the independent action of the masses that despite their phrases, Lilburne and the Levelers in their writings count for less than in the works of the petty bourgeois of today. The Stalinists *know* better but that does not prevent them from describing the Levelers as men who fought bravely, but who had a program that was in advance of their time—and there they leave them. Marx and Engels knew that the Levelers were before their time and said so often, but they wrote also:"*We find the first appearance of a really functioning communist party in the bourgeois revolution at the moment when the constitutional monarchy is removed. The most consistent republicans, in England, the Levelers, in France, Babeuf, Buonarroti, etc. are the first who proclaimed these 'social questions.'*" ("The Moralising Criticism and Critical Morality," *Marx-Engels Gesamtausgabe,* Abt. I, Bd. 6.)

It is obvious that in this rehabilitation of the Levelers, current political tendencies are expressing themselves. We wish here to give some indication (no more) of the light that the theories of Marxism, aided by modern history and modern historical research, throw upon one of the greatest but hitherto rather neglected revolutionary movements in history.

There is no need to emphasize what is already known. The revolution was the revolution of the rising capitalist class against the monopolies and other restraints on free competition of the feudal-monarchic state. The special national peculiarity of the British bourgeois revolution was that sections of the country gentry were capitalist, rearing sheep on land from which the peasants had been driven. Thus in 1640 they were able to combine with the merchants and lead the yeoman farmers and the artisans and apprentices of the town. The government of the King never had a chance and as early as 1644 was severely defeated at Marston Moor. Charles was executed only in 1649, and that he was executed at all (with all that this implied) was the work of the Levelers, the rank-and-file soldiers in the army, the people of London and the neighboring countries.

Cromwell's Revolutionary Army

The army has so far had the leading role in the accounts of the revolution. This needs to be corrected. True, the army was an entirely new army—a political creation. After the first skirmishes, Cromwell told Hampden what was necessary. Cavalry was the decisive arm. The Royalist cavalry consisted of "gentlemen's sons and persons of quality." The Parliamentarian horse were "old decayed serving men and tapsters and such kind of fellows." "Do you think," said Cromwell, "the spirits of such base and mean fellows will ever be able to encounter gentlemen that have honour and courage and resolution in them? . . . You must get men of a spirit that is likely to go on as far as gentlemen will go, or else you will be beaten still."

Cromwell found this spirit in a class army, the yeomen farmers with the artisans of the towns, psalm-singing, preaching, God-fearing men. Cromwell built his own regiments from the ground up and the new Model Army was modeled on these. It was a thoroughly democratic army, promotion being by merit. Ireton, Cromwell's son-in-law and second-in-command to him, had been a lawyer. Among the colonels you could find a drayman, a cobbler, a butcher, a grocer's man, a brewer's clerk, etc. The country gentlemen saw this force with terror, and their generals after 1644 would not defeat the Royalist troops. Cromwell had to force them out of the leadership of the army.

But despite all that it did, the revolutionary army acted politically as the representative of the revolutionary people. By 1646 the rank and file of the army were under the leadership of the Levelers, and Levelers were a loose organization of kindred political thinkers who from stage to stage expressed the rapidly developing political consciousness of a great social and political mass movement. For centuries most historians have misrepresented them as a small but noisy minority grouping. The modern students have demolished this, but they do not understand the baffling relation of the Levelers to the people which centers around the relation of politics to the religious ideas which seem to dominate the thinking of the time.

Religious Disguise of Social Currents

For decades before the Revolution the Puritan gentry had sheltered, encouraged and subsidized preachers who toured the country mobilizing support for the Puritan religion. These preachers and their sponsors were Presbyterian. Like the King's party they fully accepted the dominant role of the church as the social framework of society. What they wanted was to substitute a Calvinist theocracy, Puritan priests taking the place of Episcopalian bishops. They proposed to bind society into synods and to discipline the people far more sternly than the Episcopal regime, which indeed was rather lax until the pressures of Puritanism and the crisis of the monarchy turned it into tyranny.

But the mere fact of going to the people and preaching a new form of religion was a *highly political* act. The maturing classes used this problem to differentiate themselves and mobilize for social and political action. The country gentlemen remained Presbyterian, the lower middle classes leaned to what became Independency, the masses became Baptists, Separatists, Ranters and an infinite number of other sects. The Presbyterian preachers were startled at what they had unwittingly unloosed, but inasmuch as their propaganda was essential to their own aims, they had to continue.

The breakdown of a society causes what has hitherto been accepted in principle to become the object of insoluble conflict. The same process can be observed in the French Revolution, and the most striking historical example of it is the long-drawn-out battle in the United States today over the interpretation of democracy. At the first serious clash it will be discovered that the battle over bourgeois parliamentary democracy covers social conceptions and aspirations to which this type of democracy is entirely subordinate, and nowhere will this be more marked than among the great masses of the people.

Class Divisions of Contending Factions

This is precisely what happened after 1645 when it became clear that the King was defeated. The Presbyterians in Parliament wanted to come to terms with Charles, but to do this they had to get rid of the army. Cromwell and Ireton were in a minority in the Parliament but they had the army. Lilburne and his friends, Walwyn the merchant, Overton and Wildman, were supporters of Cromwell but were leading a tremendous agitation which was concentrating more and more on the social evils of the times and demanding complete tolerance in religion. For the Presbyterians this was political death, for it meant that the Presbyterian state as they conceived it for the control of the people would be impossible.

Looking at this situation Charles, though a prisoner of Parliament, was supremely confident that he would win in the end. He intrigued with Presbyterians, with Cromwell and the Independents, and with the Scots who, as Charles' subjects and as Presbyterians, had taken up arms against him but who above all did not want to be subordinated to an English Presbyterian Parliament. Cromwell was moving heaven and earth to come to satisfactory terms with Charles and Parliament. But Parliament sought ways and meant to arrest and even plotted to murder Cromwell; later they put Lilburne in jail where, however, he continued to write and organize. It is during this period that Lilburne and the Levelers become fully conscious of themselves. The brilliance and energy and comprehensiveness of their mass agitation and organization initiate the age of modern politics.

In March 1647 a great petition was presented to the Commons. It called for the abolition of tithes, for the abolition of the Merchants Adventurers Co., for relief to imprisoned debtors and assistance to the poor, for limitations on fees of all judges, magistrates, lawyers and government officials. It demanded the abolition of the veto power of the King and the House of Lords.

The Commons ordered the petition to be burnt. Lilburne who had hitherto been a fervent admirer and supporter of Cromwell broke with him for his subservience to Parliament, denounced the Parliament as a tyrant and oppressor and called for a new constitution and new elections. Lilburne, himself at one time a soldier, now turned to the army, not to Cromwell, but to the rank and file.

For centuries the entry of the army into politics was believed by many to have been the secret work of Cromwell. Near the end of the nineteenth century the Clarke Papers were discovered and selections from them published. Clarke was secretary to the Army Council, took down debates in shorthand and accumulated other material. Some of these debates were admirably edited and republished by Woodhouse in 1938, and that is the edition used here. We can say at once that it is socialism, the *proletarian* cause, not bourgeois democracy, that has everything to gain from these debates which are in many respects unique in political history.

The Clarke Papers show how dangerous was the temper of "the under officers and soldiers" in the spring of 1647. These soldiers before the revolution had not taken any interest in public or state affairs, but now they drafted an "apology" to their officers. They wanted among other things their pay, an act of indemnity for all actions committed in the war and that they should not be sent by force out of the country, i.e., to Ireland. The officers did not initiate anything. The men organized themselves—two men from every troop who were known as Agitators.

Expedition Against Ireland Rejected

Parliament sent down Cromwell and other officers to investigate the situation. One question debated was the sending of the army to Ireland. The officers were ready to go. The Agitators on behalf of the men refused. Marx and Engels who took no fatalistic view of the inevitable defeat of the British Republic said that it met shipwreck in Ireland. At that time they did not know this material which in fact was published after Marx's death. But for this refusal there never would have been any republic at all. Cromwell reported that the officers having joined with the men had been instrumental in tempering their demands and preventing them from acting independently and corresponding with one another as they had been doing up to that time.

In June, fearful of Parliament, Cromwell asked the army to go to Holmby House to safeguard the King who was in the custody of Parliamentary Commissioners. Cornet Joyce exceeded orders. He brought the King away entirely. In that month also Cromwell appointed a General Council of the army to consist of the officers *and* the Agitators. Revolutionaries know what that meant. He aimed at controlling the men by corrupting the leaders.

The soldiers wanted to march on London and enforce their demands. Cromwell opposed this. And here begins a sequence which, with regret, we are unable to document through the lack of space. First the Agitators propose, and Cromwell and Ireton oppose or temporize. In a brief while, they are forced to do what the Agitators had proposed, whereupon the same thing happens again. By marching to Uxbridge, the army had forced the retirement from the House of eleven reactionary members. In July, however, a mob from the city invaded the House and forced the Independent members to fly to the army for protection. On August 6, the army had to march into London to enable the Independents to resume their seats in the House.

It was some months later in October that there took place the great debate of the General Council of the army at Putney. Ireton was preparing political proposals for the King and Parliament and the Council met to discuss them. The Agitators presented proposals which today are best known under the heading of the *Agreement of the People*. This astonishing document demands *democracy by natural right, virtual manhood suffrage, dismissal of the present Parliament, biennial parliaments, freedom of religion—all without mentioning the King or House of Lords which were by implication abolished.*

The old Agitators had been dismissed as too conciliatory and new ones had been appointed. Wildman, by now known as one of the leaders of the Levelers, had also been sent to speak for the army. Cromwell was in the chair. Edward Sexby, an Agitator, attacked Cromwell and Ireton at once: *"Your credits and reputation have been much blasted. . . ."*

Cromwell carefully rebuked Sexby for singling out him and Ireton. He said that whatever he had done in regard to the army in Parliament he had done according to the policy of the Council, in the name of the Council. But at other times he had acted in his capacity as a member of Parliament and then had never used the name of the army. There was some sparring and an Agitator called upon them to get on with the business.

Lieutenant-General Goffe called for a prayer meeting. These meetings were common at the time. The faithful got together and prayed in turn *ex tempore.* A meeting might last for a dozen hours and much could be said in prayer to break down a stubborn opponent. Ireton and Cromwell thought Goffe's proposal a fine idea. But some of the men's representatives made it clear that they suspected the purpose: "For my own part I am utterly unconcerned in the business." Cromwell replied: "I hope we know God better than to make appearances of religious meetings covers for designs or for insinuation amongst you."

Cromwell and Ireton then engaged Wildman in a long controversy as to whether it was right to break an engagement entered into, referring to their engagement with the Parliament. The Agitator from Cromwell's regiment broke it up. "If engagements were proved unjust," he would break them "if it were a hundred a day." Repeatedly the meandering talk of the high officers is roughly broken into by sharp short speeches from the men. At the next session the demands were read. The first demand was for manhood suffrage.

Human Rights and Property Rights

Ireton asked if the men who had signed the document knew what they were doing, and here Rainborough, a high officer, lost his temper—a thing that the soldiers' representatives never did:

> For really I think that the poorest he that is in England hath a life to live, as the greatest he; and therefore truly, sir, I think it's clear, that every man that is to live under a government ought first by his own consent to put himself under that government; and I do think that the poorest man in England is not at all bound in a strict sense to that government that he hath not had a voice to put himself under.

All the sparring was now over. Ireton replied with a long, controlled but passionate outburst: "Those that choose the representers for the making of laws by which this state and kingdom are to be governed are the persons who, taken together, do comprehend the local interest of this kingdom; that is, the persons in whom all land lies, and those in corporations in whom all trading lies."

Consistent democracy is no sooner concretely proposed, for the first time in modern history, than immediately, without a second's delay, what it would ultimately mean to property is posed.

Ireton denounced the proposal philosophically, as being dependent upon a theory of "absolute natural right." He ended by saying that to do this "we shall plainly go to take away all property and interest that any man hath either in land by inheritance or in estate by possession, or anything else." Rainborough, a true democrat but of a liberal, intellectual, aristocratic type, replied in an equally passionate speech. Every man had the "right" to vote. Ireton drew the arrow to a head:

> Is it by the right of nature? If you will hold forth that as your ground, then I think you must deny all property too, and this is my reason. For thus: by that same right of nature (whatever it be)* that you pretend, by which you can say, one man hath an equal right with another to the choosing of him that shall govern him—by the same right of nature, he hath the same (equal) right in any goods he sees—meat, drink, clothes—to take and use them for his sustenance. He hath a freedom to the land, (to take) the ground, to exercise it, till it; he hath the (same) freedom to anything that any one doth account himself to have any propriety in.

Complete democracy contains in principle communism.

Rainborough denounced Ireton for implying that those who were for this proposal were for "anarchy," and the debate revolved now around manhood suffrage as leading inevitably to the abolition of property, and anarchism. But though Ireton and Rainborough and then Ireton and Wildman led the arguments, yet the two men who dominated the debate were Cromwell and Sexby, the Agitator.

"We Have a Birthright . . ."

Sexby always spoke briefly:

> I see that though liberty were our end, there is a degeneration from it. We have engaged in this kingdom and ventured our lives, and it was all for this, to recover our birthrights and privileges as Englishmen and by the arguments urged there is none. There are many thousands of us soldiers that have ventured our lives; we have had little propriety in the kingdom as to our estates, yet we have had a birthright.
>
> But it seems now, except a man hath a fixed estate in this kingdom, he hath no right in this kingdom. I wonder we were so much deceived. If we had not a right to the kingdom, we were mere mercenary soldiers. There are many in my condition, that have as good a condition (as I have); it may be little estate they have at present, and yet they have as much a (birth) right as those two who are their lawgivers, as any in this place.
>
> I shall tell you in a word my resolution. I am resolved to give my birthright to none. Whatsoever may come in the way and (whatsoever may be) thought, I will give it to none . . . I do think the poor and meaner of this kingdom . . . have been the means of the preservation of this kingdom. Those that act to this end are as free from

*The words in brackets represent emendations of the manuscript which in places is very imperfect.

anarchy or confusion as those that oppose it. . . . But truly I shall only sum up (in) this. I desire that we may not spend so much time upon these things. We must be plain. When men come to understand these things, they will not lose that which they have contended for. That which I shall beseech you is to come to a determination of this question.

Cromwell answered Sexby. "I confess I was most dissatisfied with that I heard Mr. Sexby speak, of any man here, because it did savour so much of will. But I desire that all of us may decline that. . . ." He was afraid of the determination which marked the stern words of that plain-speaking soldier. He suggested that the proposal should be "amended" and a committee should be appointed.

Why Have We Fought?

Rainborough refused any compromise and Sexby here spoke again, replying to Cromwell's rebuke:

I desire to speak a few words. I am sorry that my zeal to what I apprehend is good should be so ill resented. . . . Do you (not) think it were a sad and miserable condition that we have fought all this time for nothing? All here, both great and small, do think that we fought for something. I confess, many of us fought for those ends which, we since saw, were not those which caused us to go through difficulties and straits (and) to venture all in the ship with you. It had been good in you to have advertised us of it, and I believe you would have (had) fewer under your command to have commanded.

But if this be the business, that an estate doth make men capable—it is no matter which way they get it, they are capable—to choose those that shall represent them, I think there are many that have not estates that in honesty have as much right in the freedom (of) their choice as any that have great estates. Truly, sir, (as for) your putting off this question and coming to some other, I dare say, and I dare appeal to all of them, that they cannot settle upon any other until this be done. It was the ground that we took up arms (on) and it is the ground which we shall maintain.

Concerning my making rents and divisions in this way. As a particular, if I were but so, I could lie down and be trodden there; (but) truly I am sent by a regiment, (and) if I should not speak, guilt shall lie upon me, and I (should) think I were a covenant-breaker. I do not know how we have (been) answered in our arguments, and (as for our engagements) I conceive we shall not accomplish them to the kingdom when we deny them to ourselves. I shall be loath to make a rent and division, but for my own part, unless I see this put to a question, I despair of an issue.

Cromwell was determined never to let Sexby speak without as soon as possible making it clear that while he was ready to listen to everyone else, Sexby was for him the enemy. In the course of his next speech he dropped the following: ". . . I did hear some gentlemen speak more of will than anything that was spoken this way, for more was spoken by way of will than of satisfaction. . . ."

During the discussion it was implied that the Agents, representing the men, were responsible for the proposals, whereupon an unknown representative of the men put an end to it. He said, and this is his sole contribution: "Whereas you say the Agents did it (it was) the soldiers did put the Agents upon these meetings. It was the dissatisfactions that were in the Army which provoked, which occasioned those meetings, which you suppose tends so much to dividing; and the reason(s) of such dissatisfactions are because those whom they had to trust to act for them were not true to them." Almost every rank and file intervention is to the point, forceful and plain.

Compromise on Struggle Against Monarchy

The debate shifted to the King and the Lords. Ireton defended a compromise with them. Wildman, the Leveler, in his smooth, insinuating, merciless manner, tore Ireton to pieces.

On November 1, the debate on the King and the House of Lords continued. There were the same long speeches, and Sexby protested: "I think that we have gone about, to heal Babylon when she would not. We have gone about to wash a blackamoor, or to wash him white, which he will not. . . . I think we are going about to set up the power of kings, some part of it, which God will destroy. . ."

Sexby was no sooner finished than Cromwell spoke: "As for what that gentleman spoke last (but) that it was with too much confidence, I cannot conceive that he altogether meant it." In the course of many days of debate Cromwell never missed Sexby once, and he was equally alert to guide and direct other speakers in the direction he wanted. While Ireton dealt with ideas, Cromwell dealt with people as representative of tendencies. It was a masterly display and shows that here as elsewhere he was a great politician.

Ireton was routed in the debate. Petty told him that on the one hand he treated King and Lords as if the matter were not important enough to divide them, and at other times he would be arguing as if the fate of the kingdom depended upon King and Lords. Wildman showed that Ireton was ready to deprive the people of their rights but was battling for the rights of King and Lords against whose tyranny and oppression they had all fought. Under this barrage the confident, able, and aggressive Ireton wilted and at one time was reduced to saying that if God decided that King and Lords were to be destroyed, God would not need the mistakes of Ireton or the mistakes of Wildman.

The men's demands were refused but they remained so resolute that Cromwell before long abolished the joint council. History was to show that at every crisis the men were correct. Officers had been ready to go to Ireland. The men stopped it. The men had demanded that the army take charge of the country. The army had to do so in the end. The famous purging of the Parliament by Colonel Pride, the execution of the King, the abolition of the monarchy and of the Lords, all these proposals came from the Agitators or their representatives. Cromwell and Ireton opposed each but were forced to carry them out.

Summing up this debate and the debates as a whole, we may say this. The whole modern problem is posed there in embryo, the relation of property to democracy. Secondly, the class forces and their political representatives of the time stand out unmistakably in essence and in form. Thirdly, it is not difficult to see in them the germ of their counterparts of today. And one far-reaching conclusion emerges. As the debates went on, the representatives of what Engels once called the pre-proletariat, both the spokesmen and the men themselves, cover themselves with glory.

In honesty of purpose, determination, plain-speaking, trenchant statement, grasp of the concrete, and elevation of feeling and perspective they throw Ireton and Cromwell, great men as they undoubtedly are, into the shade. Again, listening closely, at times you can hear the very voice of the English worker. There is nothing alien to England in these bold revolutionaries, the brothers of the sansculottes and the *enrages* of the French Revolution and the Russian Bolshevik workers of 1917. They it was who forced Cromwell and Ireton to bring the revolution against the monarchy to a conclusion.

We noted that behind all the polemics and the debating ran the duel between Cromwell, the great leader of the bourgeoisie, and Sexby, the representative of the common soldier and the common people. No sooner was Charles executed than this conflict broke out. Cromwell won, but by the time he had defeated and suppressed them he had wrecked all possibility of success for the Republic.

Economic Trends in Eastern Europe

By ERNEST GERMAIN

With the end of the war, the Soviet "buffer" countries entered a period of political, economic and social paroxysms, which was far from ended with the constitution of the governments known as "people's democracies." To be able to estimate the real significance of the transformations undergone by these countries during the last two years, it is first of all necessary to know the facts. Now, working-class public opinion in general is unfamiliar with the economic evolution of these countries regardless of whether it is deceived by the will-of-the-wisps of Stalinist propaganda or whether it accepts preconceived schemas as conforming to the truth. That is why we believe it to be useful to assemble as much data as possible on the economic evolution of the "buffer" countries which can serve as the basis for a Marxist evaluation of the recent transformations experienced by these countries.

It is necessary, however, to preface this exposition with two notes of caution. We have deliberately excluded from this study all facts relating to the economy of Finland and Albania which formally should be included among the "buffer" countries. As far as Albania is concerned, the extremely backward character of this small country creates economic problems for it which bear only the remotest resemblance to those confronted by the other countries of Eastern Europe. Finland, although tied by a 20-year mutual assistance and friendship pact and by clauses in the armistice to the Soviet zone of influence, also has gone through a very special evolution. During the summer of 1948 this led to the elimination of the Stalinists from the government and to the formation of the homogeneous and minority government led by the Social Democrat, Fagerholdm. Since then Finland has passed through a violent social crisis which calls to mind the one in France and Italy and deserves a separate study. In any case, it does not enter into a study of relatively parallel tendencies of development in the six other "buffer" countries.

Our second note of caution relates to the validity of the data. We have tried to keep strictly to official and semi-official sources, that is in general those of a Stalinist or Stalinophile character. But the objectivity of the statistics and economic references of a country is in direct ratio to its general cultural level and in inverse ratio to the economic difficulties it experiences; and both because of incompetence as well as self-interest, the governments of the "buffer" countries are incapable of presenting complete and verifiable facts. It is necessary therefore to take all the figures we adduce with reservations and never to lose sight of the fact that the essential elements of economic reality can elude a study based upon official figures since the latter simply conceal all evidence concerning economic reality.

The principal scourge which has visited the economy of the countries in the Soviet "buffer" zone since the end of the war is inflation. The inflationist tendency of their economy was already manifest during the war as a consequence of the enormous cost of armaments, of the occupation and of the devastation experienced in one form or another in these six countries. The following table shows the huge expansion of money in circulation:

CURRENCY INFLATION
June 1939 and Dec. 1945
(in millions)

Date		Bulgaria (levas)	Hungary (pengos)	Poland (zlotys)	Rumania (lei)	Czecho-slovakia (crowns)	Yugo-slavia (dinars)
June	1939	2,891	885	1,848	38,683	10,740	6,921
Dec.	1945	69,921	765,446	26,319	1,212,925	120,000*	350,000*

*April, 1945.

This major inflation of the volume of money naturally let loose the train of familiar evils: raising of prices, lowering of real wages, lowering of productivity, scarcity of primary necessities, barter, inventory accumulation by industry and wholesale trade, speculation, flight of capital, etc. Even before the coalition governments, which were formed in these countries after the armistice, could think of remedying this situation a new set of conditions aggravated inflation in most of them and caused a complete monetary collapse. These were: the cost of Russian occupation; the reparations imposed on the countries which had formerly been allied to Nazi Germany; the extreme dearth of foodstuffs or the famine resulting from the successive crop failures in 1945-46 and in 1946-47 caused by severe drought and floods in all the "buffer" countries (Yugoslavia and Bulgaria were less affected than the others); the economic consequences of the first social changes (the first wave of nationalizations and agrarian reform) which, in the beginning, in all these countries caused a stagnation and even a drying up of industrial and agricultural production. Here is an illustration of this in the figures for agricultural production:

PRODUCTION OF BREAD GRAIN
(thousands of tons)

Date	Bulgaria	Hungary	Poland	Rumania	Czecho-slovakia	Yugo-slavia
1934-38 (aver.)	1,787	2,917	8,531	3,749	3,148	2,636
1946	1,632	1,551	3,328	1,671	2,437	1,973
1947	1,410	1,690	3,478	1,755	1,732	2,300

PRODUCTION OF FORAGE
(thousands of tons)

Date	Bulgaria	Hungary	Poland	Rumania	Czecho-slovakia	Yugo-slavia
1934-38 (aver.)	1,215	3,184	4,076	6,768	2,537	5,407
1946	775	2,013	1,774	1,572	1,885	1,949
1947	1,184	3,050	2,127	5,000	1,602	4,595

In face of the enormous volume of money in circulation, the almost complete disappearance of the circulation of commodities resulted in a constant depreciation of money, which in turn became the essential cause for the aggravation of the inflation. **Monetary reform** thus became an imperative need in all these countries as the point of departure for economic recovery.

They undertook this reform in a hand-to-mouth manner under widely different circumstances, impelled by conjunctural considerations in each of the national economies.

POLAND limited itself to a pure and simple currency conversion in January 1945. Monetary circulation which had reached 26,319,000,000 zlotys in December 1945 climbed to 60,066,000,000 in December 1946 and to 91,483,000,000 in December 1947. It was only in the course of 1948 that a relative monetary stabilization took place. (We will return to this later.)

YUGOSLAVIA undertook a monetary reform after "the liberation" in April 1945. Currency conversion, the confiscation of war profits and the tax on fortunes accumulated during the war reduced monetary circulation at one blow from 350 billion dinars in April 1945 to 6 billion in August 1945.

CZECHOSLOVAKIA, after having passed through an intermediary stage of amalgamating the different currencies in the former Sudeten provinces (annexed by Hitler), in Bohemia-Moravia (former German protectorate) and in Slovakia (formerly an independent state), turned to monetary stabilization in November 1945. Currency conversion was limited to 500 crowns per person and the sum of a month's wages for all workers and employees in the factories. The remainder was blocked in the form of accounts against the "funds for monetary liquidation" which were progressively unfrozen after an inquiry into the origin of personal fortunes. These "funds" comprised a mass of real goods (goods sold by the enemy, German and Hungarian credit, revenue from a tax on the growth of capital during the war) and, as a result, accounts could be unfrozen without appreciably augmenting monetary circulation. This was fixed at 24,233,000,000 crowns in December 1945, at 45,589,000,000 in December 1946, and at 58,539,000,000 in December 1947 which appeared as relatively normal, given the increase in production.

Runaway Inflation in Hungary

HUNGARY experienced a complete monetary collapse. The exorbitant character of Russian reparations and the enormous costs of occupation played an important role in this collapse. The price index, taking August 31, 1939 as 100, had jumped to 2,431 in October 1945, 41,478 in December 1945, 435,887 in February 1946, 35,798,361 in April 1946, 862,317 million as of June 1-15, 1946, 3,006,254 billion as of July 1-7, 1946, 399,623 quadrillion as of July 24-31, 1946.

On August 1, 1946, the Hungarian government took measures for monetary stabilization, abolishing the old currency—the pengo—and replacing it by a new money—the florint. The scope of the inflation had even surpassed that of Germany in 1923 as is very clearly indicated by the rate of exchange which was fixed at:

1 florint to 400,000,000,000,000,000,000,000,000,000 pengos.

The exchange made for all money in circulation at first brought the price level down to around 2 to 2½ times the pre-war level (in Czechoslovakia, after currency conversion the level of prices was arbitrarily fixed at 3 times the pre-war level). The new currency rapidly stabilized, monetary circulation rose to 375 million florint at the end of August 1946, to 968 million at the end of December 1946 and to 1,992 million at the end of December 1947, which corresponded approximately to the increase of production.

BULGARIA, although not experiencing a runaway inflation of the same kind as Hungary, saw its volume of currency multiply at the end of 1945 to about 2,500 percent over the pre-war level. Moreover, the situation was complicated by the circulation of treasury bonds bearing 3 percent interest which immediately caused (in line with the well-known economic law, "bad money drives out good") their complete disappearance from circulation and consequent hoarding by the population. The government therefore decided, on March 7, 1947, to initiate the redemption of all notes in the denomination of 200, 250, 500, 1,000, and 5,000 levas as well as all treasury bonds, allowing only 2,000 levas per person, more than half the sum total of the monthly paycheck in the factories.

Contrary to the other "buffer" countries, they committed the fatal error at the time of monetary reform of ordering the closing of stores for two days after the proclamation of the currency reform. This naturally led to a complete disappearance of all prime necessities for many long weeks in the big cities. The Bulgarian government, applying a policy of freezing big monetary fortunes in the form of bank accounts, reduced the total sum of money in circulation from 74,206 million levas at the end of 1946 to 72,684 million at the end of 1947.

RUMANIA experienced a similar evolution to that of Hungary. Monetary circulation of the lei rose from 38,683 million in June 1939 to 1,212,925 million in December 1945, and to 6,117,603 million in December 1946. The rate of exchange for the dollar on the black market which had been 30,000 lei to the dollar at the beginning of 1946 climbed to more than 2 million lei by the middle of 1947. A vast speculation also ensued with gold coin which were minted in 1945. Monetary reform of August 15, 1947 fixed the rate of exchange at 20,000 old lei for one new one. The maximum that could be exchanged varied between 1.5 and 5 million old lei and the remaining notes were blocked without interest. As in Bulgaria, a moratorium was proclaimed. Money in circulation at the end of 1947 rose to 24,536 million new lei.

Three Common Characteristics

All these operations have three important features in common:

(a) They involved violent actions convulsing the life of the whole population and "stabilizing" it at an extremely low level. The immediate interests of the workers were sacrificed to the needs of a "stable currency," the point of departure for economic reconstruction. Later on, we will see the concrete consequences of this reform on the **proletariat** of countries like Hungary and Rumania.

(b) In the hands of governments dominated by the Stalinists, monetary reform became a specific instrument for **redistribution** of national wealth and income. Each time those hardest hit were the hoarders, the well-to-do peasants, black market speculators, the small and middle industrialists who were unable to acquire raw materials, the rentiers, people living from fixed incomes, etc. In some concrete cases, especially in Yugoslavia and to a lesser degree in Hungary, monetary reform was one of the essential instruments of carrying out a virtual expropriation of the middle class which did not flee the country.

(c) Monetary reform concentrated an enormous volume of liquid capital in the hands of the state and automatically gave it control over the entire banking system. The state became the prime regulator and distributor of all industrial credit. In this sense, currency conversion became the effective point of departure for the various hybrid forms of planning introduced one after the other by all the "buffer" countries. At the same time there was concentrated in the hands of the state the initial funds for accumulation and investment permitting the execution of the "plans."

The First Anti-Capitalist Measures

In 1945-46, Poland, Czechoslovakia, Yugoslavia and to a lesser degree Bulgaria, experienced a first wave of nationalizations which had very clear common characteristics. They were, at the time, the result of the revolutionary upsurge of the proletariat in these countries (occupation of factories later nationalized), the physical disappearance of the former proprietors (the question of German property in countries which had been at war with Germany), and of the pre-war structure of these countries where the state sector was always very important because of the weakness of native private capital.

However, this first wave of nationalizations in all these countries permitted the survival of a very important private capitalist sector not only in trade and the credit system but also in industry. Thus before the second wave of nationalizations in 1948, 20 percent of Czech industrial production and almost 40 percent of Polish industrial production was accounted for by the private sector. In Hungary, except for heavy industry in which two-thirds of production was accounted for by stateized enterprises, private industry controlled at least 80 percent of industrial production up to the beginning of 1948. As for Bulgaria, Cyril Lazarov wrote in the central organ of the Stalinist party, **Rabotnitchesko Delo**, October 31, 1948:

> **Despite the defeat which was suffered on the economic plane, the capitalist class nevertheless maintained commanding positions in the economic life of the country . . . as much in industry as in trade and agriculture. In 1947, the situation in industry took the following form: the share of the cooperative sector in the total value of production was 11 percent while the private sector rose to 65 percent. . . . During this year there were 740 persons in our country who accounted for a total income of more than a billion leva.**

In Rumania, the whole of industry remained private property save for the stateized National Bank and the various mixed companies or German properties seized by the Russians.

It was only in 1948, and obviously according to a preconceived plan, that a second wave of nationalizations carried out in a purely bureaucratic fashion by decrees in all six countries completely eliminated private capital in the banking sector, eliminating it in large part in the industrial sector and severely curbing it in trade.

The Second Wave of Nationalization

BULGARIA: Through a decree proposed on December 23, 1947 and later adopted, 7,000 industrial enterprises (practically all industry) were nationalized. Only 500 of these enterprises employed more than 50 workers. All the others were small. The enterprises working with foreign capital (with the exception of the former German properties seized by the Russian state) were included in the nationalization. The former proprietors were indemnified in principal by state interest-bearing bonds redeemable in 20 years. But all proprietors who had put their factories at the disposal of the police in the struggle against the partisans between March 1, 1941 and the end of 1944, were excluded from this indemnification. So also were those considered foreign agents or spies or those who had participated in political activity against the new regime beginning with August 1944. In practice, this clause limited the application of indemnification measures to foreign capital. This quasi-total nationalization of industry was accompanied or followed by complete nationalization of the banks and of foreign trade as well as by important measures of nationalization in domestic trade. In the above article in **Rabotnitchesko Delo,** Cyril Lazarov puts the state share of wholesale trade at 64 percent and its share in retail trade at 22.3 percent.

HUNGARY: On April 29, 1948, Parliament passed a law nationalizing all mining and metallurgical enterprises and all enterprises engaged in the production and distribution of electric power which employed more than 100 persons. Moreover, certain smaller enterprises occupying key positions in their sector were also nationalized. With the exception of the former German properties seized by the Soviet state, all enterprises in which foreign capital participated up to 50 percent were excluded from nationalization. Indemnification of former proprietors was provided without the limiting clauses applied in Bulgaria, and the Supreme Economic Council immediately gave advances on these indemnities to bourgeois families applying for them.

The over-all result of these nationalization measures is the following division of the working force employed by Hungarian industry in the various sectors: 73.8 per cent in the state sector; 5.3 per cent in the communal sector; 3.6 per cent in the mixed companies; 18.8 per cent in the private sector. The whole banking system, as well as around 20 per cent of wholesale trade, were later also nationalized.

Measures Taken in Poland

POLAND: A series of nationalization measures during the years 1947 and 1948 resulted in the increase of the state's role in the industry of the country from 60 to 80 per cent. However, 40 per cent of building construction was carried on by private firms (**Kurier Codziecny, July 14, 1948**). At the same time, the development of state commerce saw a vigorous rise, especially in 1948, and was the essential means for the stabilization of the prices. On the other hand, the part of private capital in foreign trade which was nil in 1947 has been constantly augmented and now amounts to between 10 and 15 per cent. The total share of the private sector in retail trade is estimated at approximately 70 per cent. Finally, the banking system was completely nationalized by the law of November 12, 1948. The two banks which took the form of joint stock companies after the first banking reform following the "liberation" were closed. It is true that important private participation is permitted in "The Bank of Foreign Commerce," a joint stock company in which the state, however, holds the major interest.

RUMANIA: In a surprise move on July 11, 1948, the Rumanian government proposed a law providing for important nationalizations and obtaining its passage after a discussion which lasted three hours. As a result of this measure the following were nationalized: all oil companies including those in which foreign capital participated (with the exception of the mixed Soviet-Rumanian company); two big factories belonging to the British Unilever trust, the banks, the insurance companies, the railroads, the radio and the telephone companies, the shipping companies and all ships, making a total of 702 enterprises of all types. All factories in the metallurgical industry employing more than 100 workers were nationalized. Similarly for all factories in the lumber industry using more than 20 horsepower and all factories in the textile industry using more than 100 horsepower, etc. The former proprietors are to be indemnified by state bonds redeemable against profits earned by the newly nationalized enterprises. Those owners who were guilty of sabotaging Rumanian economy and those who had illegally left the country are deprived of compensation.

CZECHOSLOVAKIA: The state sector which comprised around 60% of industry was considerably enlarged after the February 1948 crisis. Included in the nationalization were: numerous enterprises in the building and food industries, big hotels and restaurants, tourist centers, the musical instrument industry, hospitals, the printing and book industry, the transport system, the banks, all foreign trade and domestic wholesale trade. The private sector comprised only 8% of industry but still retained its dominant position in retail trade.

YUGOSLAVIA: A law passed on April 28, 1948 nationalized approximately 3,100 private establishments including the following: 10 mines, 65 small power plants, 200 printing plants, 100 movie houses, 350 sanitariums, hospitals, hotels, bathhouses, etc., all ships or vessels carrying more than 50 passengers. Compensation of former proprietors in the form of state bonds without any limiting clauses was provided for. Moreover, former proprietors are permitted to retain up to 30% in liquid assets of the newly nationalized enterprises and to receive the remainder of liquid assets in state bonds. This law virtually nationalizing all small industry above the artisan level was followed by measures taken on May 21-28, 1948, expropriating 1,105 merchants in Belgrade who were accused of speculation. All wholesale trade was thus nationalized.

* * *

Remaining Strength of Bourgeoisie

What conclusions can be drawn from these various measures as to the specific weight of the bourgeoisie in the economic life of the buffer countries? As late as the end of 1947, only in Yugoslavia was the industrial bourgeoisie completely eliminated except for small establishments; in Czechoslovakia and in Poland, the bourgeoisie retained strong positions in light industry; in Hungary it still occupied a preponderant position except for the metallurgical sector and the mines; in Rumania and in Bulgaria, it still dominated practically all sectors. Moreover the commercial bourgeoisie in a manner of speaking retained all its positions in these countries.

Today the situation is drastically modified. In Yugoslavia and Bulgaria, the industrial bourgeoisie has been completely eliminated and the commercial bourgeoisie reduced to small retail stores. In Poland and Czechoslovakia, some secondary sectors of small industry (a strong position in the Polish building industry) and wholesale trade remain in its hands and a preponderant position in retail trade. In Hungary it retains a slightly less important position in light industry (75% of the clothing industry; 35% of the paper industry; 32% of the chemical industry, etc.). In Rumania it preserves a preponderant position in medium-sized industry in several sectors.

However in none of those countries can we speak of a disappearance of the bourgeoisie, not even of its reduction to a point comparable in Russia during the period of the NEP. For example in Yugoslavia which has pushed nationalizations the furthest, D. Vukovich writes (**Borba**, November 25, 1948) that the share of the capitalists in the national income in 1948 will rise considerably to 11.22%; that of the workers to 25.07%. Now if we are to believe official statistics, the number of Yugoslav workers is about to pass the million mark. Since it is extremely difficult to conceive of the existence of hundreds of thousands of capitalists after all the nationalization measures, the logical conclusion to be drawn from these figures is that there still remains an enormous disproportion of income between the workers and the capitalist elements who are "hard pressed by the government."

Reconstruction and Industrialization

The struggle against inflation opened the road to economic revival. The successive nationalization measures have placed this revival within a specific framework. How successful has it been to date?

All six countries in the Soviet buffer zone, covered in this study, have tried to elaborate a plan of reconstruction and industrialization. This began when general economic conditions made this possible. The suppression of runaway inflation was the first indispensable prerequisite for the elaboration of these plans. It is also clear that a minimum of preliminary recovery permitted the state at a minimum to find the means to feed the working class enough to be able to demand from it a certain increase in productivity, the touchstone of all the "plans." That is generally the reason for the considerable lag between the beginning of economic revival and the publication of the drafts of the plans.

The first two plans announced, the Polish three-year plan and the Czech two-year plan, were both to take effect on January 1, 1947. Reconstruction was their principal objective: in fact, the annexation by Poland of the "western territories" (former Silesia and German Pomerania) and the expulsion of the German Sudeten population from Czechoslovakia imposed the task of **internal colonization** on both of these countries. This took the form both of the resettlement of peasants in the newly acquired areas and of large industrial investments in these regions. These plans therefore in essence aimed at returning, under completely altered social and national conditions, to the prewar level of production in those regions which now formed part of their national territory.

The projected investments are large and should absorb 20% to 23% of the national income, a very high percentage, higher than that of the first Russian five-year plans. The division between agriculture and industry and between heavy and light industry, in both cases is especially favorable to heavy industry, agriculture receiving only 7% to 9% of the appropriations in Czechoslovakia and from 13-15% in Poland.

The **Bulgarian** two-year plan went into effect on April 1, 1947. It is of a very different type given the economic conditions of this country. In relation to national income, the rate of investment is much lower: 9% for the first year, 3% for the second. Although the emphasis was put on an accelerated industrialization which should permit Bulgaria to rapidly surpass the extremely low level of industrial production in 1938, the plan has an essentially agricultural objective and consists in an attempt to return to the 1938 level of agricultural production.

The Yugoslav Five-Year Plan

The **Yugoslav** five-year plan which went into effect on April 30, 1947, after a long period of discussion and elaboration, has extremely ambitious objectives. It provides for the industrialization of the entire country aiming both at endowing the Yugoslav Federation with a heavy industry and with giving an impulsion to the development of light industry in the particularly backward federated republics. The projected investments are extremely high: they absorb 42% of the national income! The plan provides only 8% of investments for agriculture and nevertheless envisages a total transformation of agriculture.

The **Hungarian** three-year plan, elaborated at the same time as currency reform, was to go into effect immediately after this reform on August 1, 1947. Its objectives are much more flexible than those in the other plans. The sum total of investments provided covers 10% of the national income. (It must be noted that Russian reparations constitute a charge on the Hungarian economy which prevents a major increase in the rate of accumulation.) 30% of these investments are allocated for agriculture and only 26.5% for industry. The Hungarian plan aims especially at the reestablishment of the pre-war structure of the country's economy, at the augmenting of agricultural production and at the development of light industry. Of all the plans it appears to be the only one which takes most into consideration the necessity of immediately improving the standard of living of the workers. Moreover we will see later that together with Poland, Hungary is the one country in the buffer zone which actually reached the 1938 level in 1948.

Finally, **Rumania**, bogged down in inextricable financial difficulties, and had not yet succeeded by 1947 in getting industry started, contented itself with promulgating a plan

(June 15, 1947) for economic and financial recovery whose principal aim was the struggle against inflation. It was only on December 27, 1948 that the Rumanian Parliament passed a law promulgating a "one-year plan" which provided a 40 per cent increase of industrial production for 1949. This would place production above the 1938 level.

Czechoslovakia and **Bulgaria,** whose plans ended in 1948, elaborated two five-year plans in the course of the current year providing for an accelerated industrial upswing. We will return to these plans in the conclusion of this survey but we will content ourselves here with noting that the Bulgarian "super-industrialization," which is quite similar to the one in Yugoslavia, has received a supreme benediction from Stalin in person, just as the Yugoslav five-year plan had been received with enthusiasm by **Pravda** before the conflict with Tito!

How the Plans Were Carried Out

To what extent were the provisions of the various plans realized by the end of 1948?

In **Bulgaria** only 77 per cent of the goal for 1947 was attained. (Terpetchev in **Izgrev**, Feb. 15 and 24, 1948.) The greatest lag was in agriculture, especially in products for export (raisins and fruit). As a result, the figures for 1948 have been revised: industry is to surpass the 1947 level by 36 per cent and agriculture is to surpass the 1947 level by 86 per cent, which puts the objectives for 1948 slightly above the initial objectives for 1947. These have been realized for industry where the index of production reached 170 (1938 equals 100). But the results for agriculture were far from positive. **Rabotnitchesko Delo** for October 15 and 17, 1948 indicates that, despite the good harvest for the year, only one district on October 10th had delivered a volume of products corresponding to the goals set, 13 districts had delivered between 80 and 90 per cent of these goals and numerous districts had not even fulfilled half of their quota.

Industrial production in 1947 in **Hungary** witnessed a rise in heavy industry and a serious lag in light industry. While heavy industry had already surpassed the 1938 level, at the end of 1947 Hungary was only producing 2,000,000 pairs of shoes as against 4.7 million in 1938. It produced 140 million meters of cotton cloth as against 184.8 million in 1938. In November 1948, according to Rakosi, the index for mining and metallurgy industry was 137, for the chemical industry, 123, and for textiles 110 (1938 equals 100). As for Hungarian agriculture, it experienced a complete recovery from the drought and now enjoys a period of prosperity.

Poland: The industrial production of Poland, basing itself on the new Silesian basin, attained the 1938 level during the course of 1947, then progressively improved to 130 and to 140 by the middle and end of 1948. Here also a considerable lag separates the sector providing means of consumption and the one providing means of production. Polish agriculture, still operating at a deficit in 1947, succeeded in 1948 in satisfying all the national needs and has embarked upon a vast program of the export of cattle raising products.

Rumania: Here there are few or no figures but from all the evidence Rumania has been the most retarded of all the "buffer" countries in its economic revival. The 1938 level of production has not been attained in either industry or agriculture.

Czechoslovakia: As the most advanced of the "buffer" countries, it is also the one which has experienced the most complicated organic difficulties in the development of the productive forces. The index of production, which had reached 87 in 1947 (1937 equals 100) leveled off at around 100 in 1948; this level was reached in the first months of the year. It should be noted that the output of the consumer goods industries was hardly 80 per cent of 1938. Agriculture experienced a serious crisis which we will deal with later on.

Finally, **Yugoslavia** has certainly experienced industrialization at a rate far superior to the other "buffer" countries. Tito claimed in a recent speech that the goals of the plan for 1948 were fulfilled 100 per cent. However, the above-cited article by D. Vukovich in **Borba** sets the rate of investment in relation to national income in 1948 at 38.33 per cent although the plan provided for a rate of 42 per cent.

In general, economic recovery was therefore realized within the prescribed framework but with agriculture generally lagging behind industry.

January 1, 1949.

—Translated from **Quatrieme Internationale.**

(A second installment will be published in a subsequent issue of **Fourth International.**)

The Meaning of Hegel

By *GEORGE PLEKHANOV*

Following is the concluding installment of the essay by the great Russian Marxist, George Plekhanov, written on the 60th anniversary of Hegel's death and published for the first time in 1891 in Neue Zeit, theoretical magazine of the German Socialist Party. The translation by F. Forrest was checked against both the original German and Russian texts.

* * *

Let us summarize what we have said. As an idealist Hegel could not look on history otherwise than from an idealist viewpoint. He employed all the powers of his mental genius, all the colossal means of his dialectic, in order to lend some sort of scientific guise to the idealistic interpretation of history. His attempt proved unsuccessful. The results obtained seemed unsatisfactory even to him and he was often forced to come down from the misty heights of idealism to the concrete soil of economic relations. *Each time he turned to economics, it raised him from those shoals where his idealism had led him. Economic development turned out to be that prius (primary cause) which conditions the entire course of history.*

It was by this that the further development of science was determined. The transition to materialism, achieved after Hegel's death, could not have been a simple return to the naive metaphysical materialism of the 18th century. In the sphere which interests us here, i.e., in the sphere of interpretation of history, materialism had first of all to turn to *economics. To have acted in any other way meant not to go forward but backward in relation to Hegel's philosophy of history.*

The materialist interpretation of nature does not yet mean the materialist interpretation of history. The materialists of the last century looked upon history with the eyes of idealists and, moreover, very naive idealists. To the extent that they were occupied with the history of human societies, they tried to explain it by the *history of thought.*

For them the famous proposition of Anaxagoras, "Reason governs the world," was reduced to the proposition that human *understanding governs history.*

They attributed the sad pages of human history to the errors of the understanding. If the inhabitants of a particular country continue to patiently bear the yoke of despotism, it is only because they have not yet understood the superiorities of freedom. If they are superstitious, it is because they are deceived by priests who have invented religion for their own benefit. If humanity suffers from wars, it is because it has been unable to understand how wasteful wars are. And so forth.

The remarkable thinker J. B. Vico had already said at the beginning of the last century: *"The course of ideas is determined by the course of things."* The materialists of the last century held the exact opposite to be true; the course of things in society is determined by the course of ideas, while the latter is determined—well, let us say, by the rules of formal logic and the accumulation of knowledge.

The absolute idealism of Hegel was very remote from this naive idealism of the Enlighteners. When Hegel repeated, after Anaxagoras, that "Reason governs the world," on his lips this did not at all signify that human thought governs the world. Nature is a system of reason, but this does not mean that nature is endowed with consciousness: "The movement of the solar system takes place according to unchangeable laws. These laws are Reason, implicit in the phenomena in question. But neither the sun nor the planets, which revolve around it according to these laws, can be said to have any consciousness of them." *(Philosophy of History*, p. 11)

Aims and Results

Man is endowed with consciousness; he sets definite aims for his actions. But it does not at all follow from this that history pursues the path that people wish. In the result of every human action, there is always something unforeseen and it is this unforeseen side which frequently, or more correctly almost always, comprises the most essential achievement of history, and it is precisely this that leads to the realization of the "World Spirit." "In world history an additional result is commonly produced by human actions beyond that which they aim at and obtain." *(Ibid,* p. 27)

Men act as their interests demand and as a result of this there comes something new, something which was, it is true, contained in their actions but not in their consciousness or in their interactions. *(Ibid,* p. 27) States, nations and individuals pursue their private interests and special aims. To this extent, their actions are unquestionably *conscious and thinking.* But, while consciously pursuing their private aims (which are also as a rule permeated with certain general strivings toward good and right), they unconsciously achieve the aims of the "World Spirit."

Caesar strove for autocracy in Rome. This was his personal aim. But autocracy was at the time a historic necessity. For this reason, in realizing his personal aim, Caesar rendered a service to the "World Spirit." In this sense one can say that historic figures, as well as whole nations, are the *blind instruments of the "Spirit."* It forces them to work in its own behalf by dangling a bait before them in the shape of private aims, and urging them forward by the spurs of *passion,* without which nothing great in history is ever achieved.

In relation to human beings there is in this Hegelian view no mysticism of the "Unknown" whatever. The activity of human beings unfailingly finds its reflection in their heads, but the historic movement is not conditioned by this mental reflection. *The course of things* is determined not by *the course of ideas,* but by something else, something independent of human will, hidden from human consciousness.

The *accidental nature* of human whims and calculations gives way to lawfulness, and consequently to *necessity* as well. This is what makes *"absolute idealism"* unquestionably superior to the naive idealism of the French Enlighteners. Absolute idealism stands in relation to the Enlighteners much as monotheism is related to fetishism and magic. Magic leaves no room for lawfulness in nature: it presupposes that "the course of things" can be disrupted at any moment by the intervention of the medicine man. Monotheism attributes to god the establishment of the laws of nature, but it recognizes (at least in the highest stage of its development when it ceases to accept miracles) that the course of things is determined once and for all by these established laws.

Thereby monotheism allows to science a great deal of room. In exactly the same way absolute idealism, by seeking an explanation of historic movement in something independent of human whim, posed before science the problem of explaining historic phenomena in conformity with lawfulness. But the solution of this problem eliminates any need for the *"hypothesis of the Spirit"*—a hypothesis which proved itself completely worthless for the purposes of such an explanation.

If the views of the French materialists of the last century on the course of history boiled down to the proposition that human understanding governs history, then their expectations of the future may be expressed as follows: Henceforth everything will be arranged and brought into order by enlightened understanding, by *philosophy.* It is remarkable that the absolute idealist Hegel assigned a far more modest role to philosophy.

"One word more about giving *instruction* as to what the world ought to be," we read in the preface to his *Philosophy of Right.* "Philosophy in any case always comes on the scene too late. As the *thought* of the world, philosophy makes its first appearance at a time when the actual fact has consummated its process of formation, and is now fully matured. . . . When philosophy paints its grey in grey, a shape of life has meanwhile grown old. And though philosophy can bring it into knowledge, it cannot make it young again. The owl of Minerva does not start upon its flight, until the evening twilight has begun to fall." (page 20)

There is no doubt that Hegel here has gone too far. While entirely agreeing that "philosophy" cannot make young again a senile, outlived social order, one might ask Hegel: But what hinders "philosophy" from showing us, naturally only in general outline, the character of the *new* social order which is to replace the old? "Philosophy" examines phenomena in the process of their becoming. And in the process of becoming there are two sides: birth and dying out. These two sides can be looked upon as separated in time. But just as in nature, so especially in history, the process of becoming is, at each given period, a *twofold process:* the old is dying out and from its ruins *simultaneously* the *new* is being born.

Must this process of the birth of the new really forever remain hidden from "philosophy"? "Philosophy" seeks to know that which *is* and not that which is someone's opinion it ought to be. But what *is* there in each given period? There is, to be precise, the *dying out of the old* and the birth of the new. If philosophy knows only the old that is dying, then this knowledge is *one-sided.* It is incapable of fulfilling its task of knowing the existing. But this contradicts Hegel's assurance that the conceiving reason is omnipotent.

Such extremes are alien to modern materialism. On the basis of what is and *what is outliving itself* it is able to judge what *is about to become.* But one must not forget that our conception of *what is about to become* is basically different from that conception of *what ought to be (sein sollenden)* against which Hegel directed the foregoing comment about the owl of Minerva. For us that which is *about to become* is the necessary result of that *which is outliving itself.* If we know that it is precisely *this* and not *something else* that is about to become, then this knowledge we owe to the objective process of social development which prepares us for the knowledge of that which is *becoming.* We do not counterpose our thinking to the being which envelops us.

But those against whom Hegel polemicized held entirely different views. They imagined that thinking can, as it pleases, modify the natural course of development of *Being.* Therefore they did not find it necessary to study its course and take it into consideration. Their picture of that which *ought to be* was gained, not by studying the actuality around them, but by inferring it from the judgments which they held at the particular time concerning a social order.

But these judgments were themselves nothing else but inferences from the actuality around them (predominantly its *negative* side). To base oneself on these judgments meant to guide oneself by inferences from this very actuality—but inferences which were accepted completely uncritically, and without any attempt to verify them by the study of the actuality whence they arose. This is like trying to familiarize oneself with an object, not by looking at it directly, but at its image in a convex mirror. In such circumstances, errors and disillusion were inescapable. And the more men forgot the origin of their pictures of what "ought to be" in the reality surrounding them; the more they believed that, armed with these pictures, they could deal with reality as they pleased; all the greater became the gap between what they strove for and that which they accomplished.

How remote is modern bourgeois society from the kingdom of reason of which the French Enlighteners dreamed! By ignoring reality, men did not free themselves from the influence of its laws. They only deprived themselves of the possibility of foreseeing the operation of these laws, and of utilizing them for their own aims. But precisely because of this their aims were unattainable. To hold the point of view of the Enlighteners meant not to go beyond the abstract contradiction between *freedom* and *necessity.*

At first sight it seems that if necessity reigns in history, then there can be no place in it for the free activity of man. This egregious blunder was corrected by German idealistic philosophy. It was Schelling who demonstrated that viewed correctly, *freedom proves to be necessity, necessity —freedom.** Hegel completely solved the antinomy between freedom and necessity. He showed that we are free only to the extent that we know the laws of nature and of socio-historic development, and only to the extent that we, *while subordinating ourselves to these laws,* base ourselves on them. This was the greatest conquest in the sphere of philosophy as in the sphere of social science. This conquest however, was exploited fully only by modern dialectical materialism.

Dialectical Method of Thinking

The materialist interpretation of history presupposes the dialectic method of thinking. Dialectics was known before Hegel, but it was Hegel who succeeded in employing it as did none of his predecessors. In the hands of this genius-idealist it becomes the powerful weapon for knowing all that which exists.

"Dialectic" says Hegel, "is . . . the soul of scientific progress, the Principle which alone gives an immanent connection and necessity to the subject-matter of science . . . the refusal to abide by any one abstract form of the understanding is reckoned as mere fairness. As the proverb has it, live and let live. Each must have its turn; we admit the one, but admit the other also. But when we look more closely, we find that the limitations of the finite do not merely come from without; that its own nature is the cause of its abrogation, and by its own means it passes into its opposite." *(Enzyklopedia,* 81 and *Zusatz.)*

So long as Hegel remains true to his dialectic method, he is a progressive thinker in the highest degree. "All

* Schelling remarks that freedom is unthinkable outside of necessity: "For if no sacrifice is possible without the conviction that the species to which man belongs can never cease to progress then how is this conviction possible if it is built only and solely on freedom? There must be something here that is higher than human freedom, and on which alone action and behavior can be surely calculated, without which a man could never dare to undertake a project of large consequence, since even its most perfect execution can be so thoroughly disturbed through the intervention of alien freedom that from his own action something quite different than he intended can result. Even duty can never permit me to be quite at ease about the results of my action, immediately it is certain that, although my actions are to be sure dependent on me, i.e., on my freedom, nevertheless the results of my actions or that which will be developed from them for my whole race, are dependent not on my freedom but on something quite other and higher." Schelling's Werke, III Band, Stuttgart and Augsburg, 1858, p. 595.

things, we say, that is, the finite world as such, meet their doom; and in saying so we have a perception that Dialectic is the universal and irresistible power, before which nothing can stay, however secure and stable it may deem itself."

Hegel is therefore entirely correct when he says that it is of the highest importance to assimilate and understand rightly the nature of the dialectic. The dialectic method is the most important scientific instrument which German idealism has bequeathed to its heir, modern materialism.

Materialism, however, could not utilize the dialectic in its idealistic form. It was necessary first of all to free the dialectic from its mystical shell.

Greatest Materialist of All

The greatest of all materialists, the man who was in no way inferior to Hegel in intellectual genius and who was a genuine disciple of this greater philosopher, *Karl Marx,* said with complete justification that his method is the direct opposite to the method of Hegel:

"To Hegel, the life process of the human brain, i.e., the process of thinking, which, under the name of the Idea, he even transforms into an independent subject, is the demiurgos of the real world, and the real world is only the external, phenomenal form of 'the Idea.' With me, on the contrary, the ideal is nothing else than the material world reflected by the human mind, and translated into forms of thought," *(Capital, Vol.* I, p. 25.)

Thanks to Marx the materialistic philosophy attained a unified, harmonious and consistent world outlook. We have already noted that the materialists of the previous century remained rather naive idealists in the sphere of history. Marx drove idealism out of this, its last refuge. Like Hegel, he viewed the history of humanity as a lawful process, independent of human will. Like Hegel, he examined all phenomena in the process of their birth and dissolution. Like Hegel, he was not satisfied with the metaphysical, barren explanation of historic events. And finally, like Hegel, he tried to trace to a single universal *source* all acting and mutually interacting forces in social life.

But he found this source not in the Absolute Spirit, but in that economic development to which, as we saw above, Hegel himself had to resort in those instances where idealism, even in his strong and most skilled hands, proved an impotent and worthless instrument. But that which in Hegel was more or less accidental anticipation of a genius, became with Marx a rigidly scientific analysis.

Modern dialectic materialism clarified incomparably better than idealism the truth that people make history unconsciously. From this point of view the march of history is determined, in the final analysis, not by human will, but by the development of the material productive forces. Materialism is also aware just *when* "the owl of Minerva" begins to fly, but in the flight of this bird, as in much else, it sees nothing mysterious.

It proved capable of applying to history the relationship between freedom and necessity discovered by idealism. Men made, and had to make, history *unconsciously* so long as the motor forces of historical development operated behind their backs and independently of their consciousness. Once these forces have been discovered, once the laws of their actions have been studied, men will be in a position to take them into their own hands and subordinate them to their own rational powers.

The merit of Marx consists precisely in his disclosure of these forces and his subjecting their operation to a rigorous scientific analysis. Modern dialectical materialism which, in the opinion of the Philistines, is bound to convert man into an automaton, in reality opens up for the first time in history the road to the kingdom of freedom and conscious activity. But it is possible to enter this kingdom only by radically changing the existing social activity.

Philistines know this or at least have a premonition of it. Precisely for this reason the materialistic interpretation of history upsets them and grieves them so. And for this same reason, no Philistine is ever able or willing to understand or assimilate fully the Marxist theory. Hegel looked upon the proletariat as a *mob.* For Marx and for the Marxists, the proletariat is a great force, the bearer of the future. Only the proletariat (we leave the exceptions aside) is capable of assimilating the teachings of Marx, and we see how the proletariat is actually becoming more and more permeated with the content of Marxism.

Philistines of all countries noisily proclaim that in the literature of Marxism there is not one significant work apart from *Capital.* In the first place, this is not true. And even if it were, it would prove exactly nothing. How is it possible to speak about stagnation of thought at a time when this thought each day gains way over masses of followers, when it opens new and broad perspectives for a whole social class?

Hegel speaks enthusiastically about the Athenian people before whom the tragedies of Aeschylus and Sophocles were played, and to whom Pericles addressed his speeches and from whose ranks "appeared individuals who have become the classic models for all centuries." We understand Hegel's enthusiasm. Nevertheless, we must note that the Athenians were a *slave-holding people.* Pericles did not address himself to the slaves, and the great creations of art were not intended for them.

In our time science addresses itself to the workers and we have every right to look with enthusiasm upon the modern working class to whom the most profound thinkers address themselves and before whom the most talented orators appear. Finally, only in our time has a close and indissoluble alliance been concluded between science and the workers—an alliance which will usher in a great and fruitful epoch in world history.

It is sometimes said that the dialectical viewpoint is identical with that of evolution. There is no doubt that these two methods coincide on some points. Nevertheless, there is a profound and important difference between them which, one must acknowledge, does not at all favor the doctrine of evolution. Modern evolutionists add to their teachings a considerable dose of conservatism. They would like to prove that in nature, as in history, there are no leaps. Dialectics, for its part, knows very well that in nature, as in human thought and history, leaps are inescapable. But it does not ignore the incontrovertible fact that throughout all the moments of change one and the same *uninterrupted process* operates. Dialectics simply seeks to clarify the entire series of conditions under which gradual changes must necessarily lead to a leap.*

From Hegel's standpoint, *utopias* have symptomatic significance in history; they lay bare the contradictions inherent in a particular epoch. Dialectical materialism makes the same evaluation of utopias. The present growth of the workers' movement is not conditioned by the utopian plans of various reformers, but by the laws of production and exchange. And precisely because of this, in contrast to all previous centuries, not only reformers but all those public figures who strive to stop the wheel of history appear as utopians.

And the most characteristic peculiarity of our epoch is the circumstance that it is not the reformers, but their opponents, who resort to utopias. The *utopian* defenders of the existing unattractive reality wish to convince themselves and others that this reality in and of itself has all the possible virtues and that, therefore, it is necessary to eliminate from it only these or those accumulated evils. In this connection we cannot help recalling the remarks which Hegel made concerning the Reformation.

"The Reformation," he said, "resulted from the *corruption of the Church*. That corruption was not an accidental phenomenon; it was not the mere *abuse* of power and dominion. A corrupt state of things is very frequently represented as an 'abuse'; it is taken for granted that the foundation is good—the system, the institution faultless—but that the passion, the subjective interest, in short the arbitrary volition of men has made use of that which in itself was good to further its own selfish ends, and what is required to be done is to remove these adventitious elements. On this showing the institute in question escapes obloquy, and the evil that disfigures it appears something foreign to it. But when accidental abuse of a good thing really occurs, it is limited to particularity. A great and general corruption affecting a body of such large and comprehensive scope as a Church, is quite another thing." *(Philosophy of History,* p. 412.)

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*Hegel has demonstrated with amazing clarity how absurd it is to explain phenomena only from the point of view of gradual change. He writes: "The gradualness of arising is based upon the idea that that which arises is already, sensible or otherwise, **actually there**, and is imperceptible only on account of its smallness; and the gradualness of vanishing on the idea that Not-being or the Other which is assuming its place equally is **there**, only is not yet noticeable; there, not in the sense that the Other, is contained in the Other which is there **in itself**, but that it is there as Determinate Being, only unnoticeable. This altogether cancels arising and passing away; or the In-itself, that inner somewhat in which something is before it attains Determinate Being, is transmuted into a smallness of external Determinate Being, and the essential or conceptual distinction into a difference external and merely magnitudinal. The procedure which makes arising and passing away conceivable from the gradualness of change is boring in the manner peculiar to tautology; that which arises or passes away is prepared beforehand, and the change is turned into the mere changing of an external distinction; and now it is indeed a mere tautology." (Science of Logic, translated by Johnson and Struthers, Vol I, p. 390.)

There is nothing surprising in the fact that Hegel enjoys little popularity among those who love to appeal to the "accidental" shortcomings whenever a root change of the "thing" itself is involved. They are terrified by the bold, radical spirit which permeates the philosophy of Hegel.

There was a time when those who rose against Hegel belonged to one degree or another, to the revolutionary camp. They were repelled from the philosopher by his Philistine attitude toward the then existing Prussian reality. These opponents of Hegel were greatly mistaken: because of the reactionary *shell* they overlooked the revolutionary *kernel* of this system. But, at all events, the antipathy of these men to the great thinker arose from noble motives, deserving of every respect.

In our time Hegel is condemned by the learned representatives of the bourgeoisie, and they condemn him because they understand or at least sense instinctively the revolutionary spirit of his philosophy. For the same reason they now prefer to be silent about the merits of Hegel. They enjoy contrasting him to Kant, and practically every college instructor considers himself called upon to give Kant his due and do not at all dispute his merit. But what seems to us quite suspicious is the fact that it is not the strong but the weak sides of Kant which attract the bourgeois academicians to his "critical philosophy."

More than anything else it is the *dualism* inherent in this system which attracts the contemporary bourgeois ideologists. And dualism is an especially convenient thing when it comes to the field of "morals." With its help, the most bewitching ideals can be constructed; with its help, the boldest journeys "into a better world" can be undertaken without bothering for a moment about realizing these "ideals" in *reality.* What could be better? "Ideally," one can, for instance, abolish entirely the existence of classes, eliminate exploitation of one class by another, and yet in reality come forward as a defender of the class state, and the like.

Hegel looked upon the banal claim that the ideal cannot be realized in life as the greatest insult to human reason. "What is rational is real; what is real is rational." As is well known, this proposition has given rise to many, many misunderstandings, not only in Germany but abroad as well, especially in Russia. The reasons for these misunderstandings are to be found in failure to clearly understand the significance which Hegel attached to the words, *"reason* and *reality."*

It would seem that if these words were taken in their common popular sense, then even in this case the revolutionary content of the first part of the proposition "what is rational is real" should strike one in the eye. In application to history, these words can signify nothing else than unwavering certainty in this, that everything rational does not remain "in a world beyond" but must *pass into* reality. Without such a fruitful conviction, revolutionary thought would lose all practical meaning. According to Hegel, history represents the manifestation and realization in time of the "World Spirit" (i.e., of reason).

How then explain, from this point of view, the constant change of social forms. This change can be explained only if we imagine that in the process of historical development "reason becomes irrational, and the good, evil." In Hegel's opinion, we ought not stand on ceremony with reason which has become transformed into its opposite, i.e., irrationality.

When Caesar seized state power, he violated the Roman constitution. Such a violation evidently was an onerous crime. The foes of Caesar, evidently, had every reason to regard themselves as the defenders of right, because they stood on "the ground of law." But this right, which they took under their defense "was a formal right, devoid of living spirit and left aside by the gods." The violation of this right thus appears as a crime only from a formal standpoint and there is, therefore, nothing easier than to justify the violator of the Roman constitution, Julius Caesar.

As to the fate of Socrates who was condemned as the enemy of established morality, Hegel expresses himself as follows: "Socrates is the hero who consciously came to know and to express the higher principle. This higher principle has absolute right. . . . In world history we find that this is the position of the heroes through whom a new world commences. This new principle stands in contradiction to the existing principle and therefore appears as destructive. For the same reason the heroes appear to be violently destroying the laws. Individually they are doomed, but it is only the individual, and not the principle, which is negated in punishment. The principle itself continues to operate, even if in another form, and undermines the existing." *(History of Philosophy,* German ed. Vol. II, p. 120.)

All this is clear enough by itself. But matters will become even clearer if we bear in mind that, as Hegel saw it, not only heroes, not only individual personalities, but also entire nations step forth on the arena of world history as soon as they become the bearers of a new world-historic principle. In these instances the field of activity, over which the right of the peoples extends, becomes enlarged in the extreme. "Against this absolute right—to be the bearer of a given stage of the development of the World Spirit—the spirit of the other peoples is bereft of all rights. The day of these peoples has passed. They therefore no longer count in world history." *(Philosophy of Right,* p. 347.)

We know that the bearer of a new world-historic principle is at the present time not any particular nation, but a specific social class, the proletariat. But we shall remain true to the spirit of Hegel's philosophy if we say that in relation to this class all the other social classes will enter into world history only to the extent that they are able to offer it support.

The irrepressible surge toward a great historic goal, which nothing can halt—this is the legacy of the great German idealistic philosophy.

BOOK REVIEWS

Wobbly Apostate

WOBBLY, by Ralph Chaplin, The University of Chicago Press, Chicago 1948, 435 pp., $5.00.

This autobiography gives a wealth of evidence as to the active, militant participation of the author in the struggles of the Industrial Workers of the World. As another active participant in the struggles of the IWW reads the 400 pages, he is impressed with the fact that Chaplin does not lose a chance to damn that truly heroic workers' organization with faint praise.

After a long and eventful journey in the turbulent waters of the class struggle from the early 1900's to the Second World War, Chaplin is, so far as his own account is concerned, now safe in the narrows that lead to the snug harbor. Will he find his way from there to serve the State Department as so many others of his kind have done? Who can say! He has joined the Congregational Church. He says: **"It might have been any other church,"** except that **"one of my long-dead grandfathers"** joined that church in 1638.

That is typical of Chaplin. It provides a pretty good explanation of his attitude toward the whole labor and revolutionary movement.

Few will say that he was not a courageous fighter in his time. No one will contend that he did not suffer from the blows of the capitalists. The record of the movement shows that he served the workers well both by his picket line activity and even more with his poetry and prose. The masters feared him and threw him into the filth behind prison bars not once but many times. The voluminous document that he calls "Wobbly" proves, however, on almost every page, that Chaplin was, and is, a superficial thinker.

He was not a Marxist scholar, although at one time he was considered by many as the outstanding intellectual of the IWW. But the clear implications of the American and the world class warfare and the Russian Revolution passed him by. With such great figures as Heywood and St. John to learn from and to lean upon, Chaplin chose as his mentor a certain Captain Eddy, a swashbuckling soldier of fortune whom he met in Leavenworth.

Almost unbelievable to many rank and filers who knew Chaplin is the fact that he devotes just about as much time and space to this "tin soldier" as he does to Debs, Heywood and St. John. Here is Chaplin's example of what "Americanism" should mean to all militant workers. Captain Eddy died, you see . . . while dumping bombs on Japanese workers!

Chaplin's account shows that although he, in company with hundreds of other rebels of the IWW and socialist movement, struggled against the First World War as a capitalist slaughter, it did not lead him to a serious study of the causes of war. With so many other "radical intellectuals," he was quite easily convinced that somehow the workers were responsible because of the "force and violence" they employed in fighting the armed hoodlums of the bosses for a little bit of justice. The unexampled use of atomic bombs and other forms of real force and violence by the capitalist gangsters strikes him as a superior way to win a better life.

Understandably revolted by the betrayals of Stalin and the monstrous bureaucracy in the Kremlin, Chaplin, side by side with so many American renegades, takes up the cry of the Greens and the Murrays—"Down with the Soviet Union!" It is noteworthy however, that Chaplin's intense preoccupation with the menace of Stalinism did not lead him to give the slightest consideration to Trotsky's struggle to build a Fourth International. The organization of the Socialist Workers Party in the United States and the early fight of the Trotskyists against the Stalinist gangsters and for democracy in the labor movement from 1928 on—left him more or less cold.

Nobody can say that the former IWW poet cannot learn. Having served his apprenticeship under that great "democrat," Dave Beck, he can now qualify with little difficulty for an instructor's post in the school of higher learning run by the Brass Hats in Washington, D. C. And now that Max Eastman has blazed the trail, no one politically of age should be surprised to see Ralph Chaplin, once the arch-enemy of Gompers, Woll and company, billed as a guest speaker at an AFL convention!

Chaplin's retreat from the workers' firing line is merely one of the latest examples of the complete bankruptcy of syndicalism—the spurious ideology that played a major role in the degeneration of the IWW. In his book, Chaplin indicates in a number of ways that he had given considerable thought to the Spanish Revolution in 1936-39. That he was aware of the Stalinists' treacherous game in Spain seems clear. What is entirely lacking in the thick volume is a word of condemnation of the Spanish syndicalist leaders, who ended up in the camp of the bourgeoisie. Who thinks that this is an unconscious omission? No, the difference between Chaplin and his Spanish counterparts consists only in this: they had the opportunity to betray a living revolution, but Chaplin's apostasy can only besmirch the glorious memory of a now defunct movement.

This "Wobbly" has certainly qualified for a place in that band of "labor statesmen" and Marshall planners, who swarm around the **New Leader** and/or occupy well-paid positions in the big trade unions. At first glance, Chaplin may seem to be a little out of step with this regimented crew. He arrived somewhat late on the scene, but so did Budenz and others. The measured glare of the Brass from Washington can be depended upon to correct some of the awkwardness. To paraphrase Trotsky's remark after Bukharin had gone over to Stalin and repudiated his past, "Chaplin picks with his pen and is ready."

—VINCENT R. DUNNE

Dos Passos Deserts A Grand Design

THE GRAND DESIGN by John Dos Passos, Houghton Mifflin Company, 1949, 440 pp., $3.50.

The Grand Design, the new novel by the ex-radical John Dos Passos, has been praised by the reactionaries and damned by the liberals. His publishers have played up this difference between the bourgeois right and the bourgeois left in their advertisements, adding fuel to the fire to keep the literary teakettles boiling. In the midst of the hissing, the whistling, the piping and the purring, Dos Passos has been giving interviews in which he has been plaintively complaining that he has been misunderstood: he isn't really a reactionary; people just think he is.

It must be admitted that to a limited extent—and only to a limited extent—his complaint is justified. The liberals, stung by his unflattering portrayal of the New Deal reformers, have misrepresented his book outrageously. The **New Republic** reviewer, Malcolm Cowley, for instance, stated that Dos Passos portrays the New Dealers as "a conspiratorial army of commies, long-hairs, do-gooders, international Jews (yes, they appear in the novel) and rattle-brained crusaders, all working together for their 'Grand Design,' which was really to set up a Soviet dictatorship in America."

In reality, however, Dos Passos' novel is far different from the warmed-up rehash of Father Coughlin's talks that Cowley implies it to be. The "Grand Design" of the title is not a sinister conspiracy but the dream of a re-made America of the reformists in the Roosevelt administration which ironically turned out quite otherwise. At the end of the book Paul Graves, a sincere liberal in the secondary ranks of the administration, resigns when he hears his chiefs talking about the war from "the level of the leaders" instead of from the close-up view of the ordinary people, who can only see such immediate, personal things as the hours and wages of their employment. These were the same men who had talked glibly about solving social problems over sumptuous dinners in their homes, as they were waited on by their Negro butlers.

But while the complacency, the self-deception and the growing softness in office of Dos Passos' thinly fictionalized versions of Ben Cohen, Tommy Corcoran, Felix Frankfurter and others ring authentic, the political philosophy lying behind his critique of their reformism has reactionary implications. His hero, Paul Graves, is intent on restoring the family-sized farm. This, he thinks, would reverse the trend to the cities and make the American once more the master of his own destiny. He comes to have stronger and stronger doubts, however, whether this can be accomplished through the government, for he begins to think that government action can only mean that men are more pushed about and made more dependent on big organizations outside of themselves.

This program—or lack of program—of his hero was advanced more formally by Dos Passos himself. In a long article in the January 19, 1948 issue of **Life**, in which he announced his newly found belief in capitalism, he presents the customary hash of contemporary renegacy: that the bureaucratic degeneration of the Soviet Union "demonstrates" that socialism must lead to servitude and that only under a capitalism where the state plays a limited role is it possible for man to be free. In the final sentence, which Luce must have willingly allowed Dos Passos in return for the attack upon Marxism in the rest of the article, he added that this "pure" capitalism requires an economy of small enterprises. How the petty bourgeoisie was to achieve this happy state of affairs after having failed to do so during the entire evolution of industrial capitalism into finance capitalism, he failed to say.

Just as Luce was quite willing to overlook Dos Passos' final sentence, so the **Chicago Tribune** is quite willing to overlook the social conscience of Paul Graves in return for Dos Passos' attack upon reformism from the point of view of saving capitalism. When Graves muses, "For some reason it humiliates people to be helped by a government agency," he is dreaming of a utopia of small farmers, sturdy in their independence from the government and big business. But the **Chicago Tribune** reviewer, accommodating his ideas to those of Colonel McCormick, finds in this statement an excuse for doing away with all governmental concessions to the exploited masses.

In addition to the praise of McCormick, there is a not unexpected defense of

Dos Passos in the pages of the social democratic **New Leader.** John Chamberlin finds the new Dos Passos for more to his liking than the author of **U. S. A.** and other American writers who, he complains in **Fortune**, were "unfair" to businessmen.

Dos Passos' defective political vision not only leads him to a position which furnishes a cover for reaction; it obscures his understanding of reformism, in spite of his seemingly accurate knowledge of how reformists talk and act at their cocktail parties and dinners. Thus he implies that the "brain-trusters" had a greater freedom of action than they did. In reality, they were in the last analysis only carrying out the policies of the light-goods industrialists and the merchants, the chief financiers of the Democratic Party in the New Deal period. Their aim was to restore the retail market and to escape the ruinous deflation which was pushing them under the domination of the banks by concessions to the masses, mostly at the expense of the finance capital-heavy industry alliance.

Dos Passos could have very instructively included in his novel a few episodes illustrating what occurred when the "brain-trusters" of the Department of Agriculture, where his hero worked, happened to clash with the financial backers of Roosevelt.

For instance, there was the time when the "brain-trusters" thought that, since the giant food-processing corporations had agreed not to take unfair advantage of the consumers if the anti-trust laws were suspended, they should open their books to the government to show whether they had complied with the agreement. The corporations thought otherwise. The books were not opened.

Or Dos Passos might have told the story of how the owners of the great cotton plantations disregarded the clause in their AAA contracts which stated that they would not evict share-croppers from the land which they were being paid to withdraw from production. When some members of the Agriculture Department made an investigation of the situation, Senator Joe Robinson of Arkansas, the Democratic floor leader, did some talking, and Secretary of Agriculture Wallace "interpreted" the clause out of existence.

Similarly, Dos Passos shows the collapse of reformism, as Mack McConnell (Tommy Corcoran) leaves the government to become a wealthy corporation lawyer, oil tycoon Jerry Evans (Jesse Jones) becomes coordinator of the War Procurement Board and Walker Watson (Hopkins-Wallace) talks of sacrifice in wartime. But he does not show the underlying reasons for this collapse: the imperialist rivalry with Germany and Japan and the inability to solve the problem of unemployment—both aspects of the general crisis of capitalism—which made Roosevelt turn to a war policy and to heavy industry.

Dos Passos' depiction of the wartime collaboration of the Stalinists and the Roosevelt administration also suffers from his political near-sightedness and is only further distorted by the spectacles of Stalinophobia through which he peers. He portrays the Stalinists as subtle, scheming Machiavellians, taking cruel advantage of the innocence and gullibility of liberals—and so, no doubt, the Stalinists liked to think of themselves. The result of their super-Machiavellianism, however, has been that, after having done the dirty work of American imperialism, selling the wartime speed-up in the trade unions, exacting no-strike pledges, putting the finger on militants, they are being rewarded for their lackeyism by being ground under its boot as part of the preparations for a war against the Soviet Union.

It is, of course, Dos Passos' Stalinophobia which has blinded him politically. The monstrous degeneration of the Russian Revolution together with the series of defeats suffered by the world proletariat, into which it has been led by the degenerated Stalinist bureaucracy, has made him lose his belief in socialism. In this Dos Passos is like many of the radical literary intellectuals of his generation who were attracted by the revolutionary current, among whom he was perhaps the most talented.

His **U. S. A.**, which has an important place in American literature, is an epic representation of a sinking American capitalism that sucks into its dizzying whirlpool everything and everyone. There is in it, however, little sense of the inner social contradictions generating creative as well as destructive forces, for Dos Passos was never a Marxist. The class struggle is only a minor, dimly heard theme in a symphony of disintegration. Deprived of his belief in socialism by his inability to perceive the revolutionary forces constantly renewing themselves in spite of defeat and destruction, Dos Passos could not sustain his terrible vision of society and looked beyond it longingly at a dream-world of happy farmers.

The loss of this vision, incidentally, has, to conclude our political analysis with a literary comment, weakened his power as a novelist immeasurably. **The Grand Design** not only lacks in dramatic intensity, but it does not have either the concentratedness of effect or the great panoramic sweep of **U. S. A.** How can it, when its author is unable to look at life in America steadily and see it whole?

PAUL SCHAPIRO.

COMING IN JUNE ISSUE!

The Welfare State by John G. Wright. An analysis of the Keynes school of political economy and its plans for saving the capitalist system.

Crisis or War? by Louis T. Gordon. The effects of expenditures for arms on the trend toward depression.

Negroes and Civil Rights by J. Meyer. New developments in Negro movement since the victory of the filibuster in Congress.

Tercentenary of English Revolution by G. F. Eckstein. A second installment of the historical study begun in this issue.

The Evolution of a Centrist Tendency in France by Pierre Frank. The bankruptcy of centrist attempts to create a half-way house between Trotskyism and social democracy.

Soviet Economy and Soviet Theory a review of recent Stalinist publications by F. Forrest.

The Western Insurrection by Morgan West. A fresh analysis of the famous "Whiskey Rebellion."

By way of explanation, we would like to point out that lack of space often keeps us from publishing certain articles in the issue indicated in the advance announcements. However readers will note that these articles appear in subsequent issues.

SPECIAL FEATURE:
COMING IN JULY!

THE AMERICAN EMPIRE

The Editors of **Fourth International** are now working on a big project which will cover the entire July issue and carry the above title. The predominant world position of American imperialism will be put under the Marxist microscope for a political, economic and historical analysis of the methods and plans of America's capitalist rulers abroad and the effects of this drive for world dominion on the people at home. The issue promises to be a high water mark in the history of the magazine. Watch for an announcement of the table of contents in the June **Fourth International.**