

# **INTERNATIONAL NEWS**

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**Gold and American  
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**The Maturing Revolt  
In India**

**Report on the U.S.S.R.**

**BOURGEOIS PHILISTINISM  
VERSUS MARXISM**

**Theoretical Organ of the  
International Contact Commission**

**INTERNATIONAL**

**NEWS**

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We hope that our friends and sympathizers in Great Britain, Australia, the United States, and other sections of the world will respond enthusiastically enough — and financially enough — to the printed format, to make possible regular publication of the INTERNATIONAL NEWS also in Spanish.

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REVOLUTIONARY WORKERS LEAGUE

# Report on Recent Developments In the Soviet Union

(EDITOR'S NOTE: The following is a draft outline of the report to be presented to the 8th Plenum of the Revolutionary Workers League, U. S. affiliate of the International Contact Commission, in April. Since the report was written at the end of January it obviously will be supplemented by digests of the material which has since then appeared in the FIGHTING WORKER, organ of the R. W. L.)

## NEW ROLE OF STALINISM

1 — The biggest development in this period since our last plenum was that Stalinism replaced its role as agent of Anglo-French imperialism to an agent of German Imperialism. From this flows the present invasions of Finland, Poland, etc., and the "change" in the line of the Comintern (left phrases within the framework of reformism.)

The 2nd Imperialist War and this change had profound effect on the movement: splits, demoralization, etc. It brought into question again (by all weak elements) Marxian fundamentals. Especially is this true in the United States, where bourgeois democracy, formerly somewhat tolerant, in an editorial sense, of a "peace-loving" Stalin, is now viciously hostile.

## THE RING AROUND THE SOVIETS

2—The basic fact is that there is and has been a ring around the Soviet Union, in which imperialism was preparing the counter-revolution. Stalinism, in order to stop the ring from smashing the U.S.S.R (and the bureaucracy) has been working ceaselessly for the status-quo in Europe and on the world scale (both from the class and inter-imperialist angles). Munich made it clear that the ring was being tightened. Stalinism demanded as the price for military aid to England and France, naval bases in Esthonia, Latvia, Lithuania, and possibly Finland, as a guarantee against Germany.

The British were unwilling to yield to these

demands and German Imperialism struck the bargain in its own favor. In return, Stalinism (and through it the Soviet Union) is giving enormous support to the war drive of Germany:

a — military aid (Poland)

b — material aid

c — propoganda for "peace", an imperialist "peace" to aid Germany to consolidate its political gains.

d — utilizing revolt in the colonies to undermine Britain

e — power politics agreement to carve the Balkans and Baltic Powers.

The pact with Germany is no different fundamentally than the Pact with France. It reveals greater weakness of the Soviet Union under Stalinism and greater concessions to Germany than were made to France. In the long run the gains in Poland and Finland are nowhere near as decisive as the material and military help already given Germany, and the Nazi security from a war on the Eastern Front).

## "RED IMPERIALISM"

3 — There is no such thing as Red Imperialism. The Soviets need no new foreign markets for the investment of excess capital or for surplus goods. The economy — internal economy — of a country is DECISIVE in determining the character of its external wars. Although Stalinism acts as an agent of the imperialists and furthers their war plans, it can not be the type of an agent that Czarism was for Anglo-French imperialism. Its first concern must be, DESPITE ITSELF, to protect its base — the October Property Relations. Without this base Stalinism ceases to exist. In this connection Stalinism is in a dilemma; it rests on the equilibrium between the growing bourgeois stratum and a vastly weakened proletariat. To upset that equilibrium too much in any direction would be fatal; although despite Stalinism the bourgeois elements are growing.

## LATVIA, ESTHONIA, LITHUANIA

4 — The pressure of world imperialism and the bourgeois elements within the Soviet Union is manifested by the manner in which Latvia, Esthonia, and Lithuania were made protectorates of the U. S. Germany undoubtedly would not permit the outright incorporation into the Workers State. So Stalin must keep capitalist property relations there and content himself merely with the naval and military bases. As revolutionists we will defend the bases of the Soviet Union, since they are the first military outposts. But we will fight in Latvia, etc. for the social revolution. If the Red Army in this instance is given orders to defend the capitalist property relations, we will have to smash these forces. However the revolution will cut across the Red Army, too; the top will go to the right, while the rank and file will be won to revolution.

## CONQUEST OF POLAND AND FINLAND

5 — The conquest of Poland and now the attempt at Finland are not imperialist attacks. They are an attempt to break the ring of world capitalism, to strengthen the Soviet defenses against the inevitable attack both from within and from without, which is now IMMINENT and which even Stalinism recognizes. Poland was taken to create a buffer between the new German borders and the S. U. Finland is being invaded because it threatens Leningrad; it has ice-free ports of extreme military importance; and because after the Stalin-Hitler pact, the Anglo-French were preparing most openly for an attack against the Soviet Union, the ally of Germany, and using Finland as a base.

## THE REVOLUTION IN POLAND AND FINLAND

6 — Stalinism, while in spite of itself it must (in 9 cases out of 10) spread transition economy to conquered areas, must nevertheless arrest any manifestation of independent working class action. In Finland this has meant, for instance, attacking the country — although if (under a Marxist policy) it had waited and merely mobilized, it could possibly have forced a revolution in Finland. Furthermore it immediately organized a puppet (Kuusinen)

government to help throttle revolutionary action. A social revolution (in the immediate sense — see February issue INTERNATIONAL NEWS) actually occurred in Poland, but it was immediately arrested and throttled; Stalin's main emphasis being on the military and administrative.

## DEFEND THE CONQUERED AREAS

7 — The Polish section of the USSR (and Finland when it is conquered) must be defended, just as we defend all other parts of the Workers State. But that does not stop us from characterizing the Stalinist action in Finland and Poland as reactionary, because:

a — it helps German war plans

b — it throttles independent working class action and thus strengthens world imperialism versus the proletarian revolution.

The Stalinist acts **in totality** are reactionary (even though the social revolution in the immediate sense took place in Poland). The fact that these acts, however, are reactionary, does not stop us from defending the Soviet Union, nonetheless (not Stalinism), just as, for instance, we defend a trade union even though we oppose EVERY act of the bureaucrats.

## WORLD STRATEGY SUMMARIZED

8 — The world strategy of Stalinism still remains:

a — maintain the equilibrium at home

b — gain a respite by subordinating itself to German Imperialism and thus try to keep the status quo in the relationships of the Soviet Union to world imperialism.

## INTERNAL FACTORS

9. — Internally the outstanding factors in the S. U. are the strengthening of the bourgeois elements and a deceleration in the **rate of increase** of production. The protectorates in Esthonia, Latvia, etc., plus the military conquests undoubtedly strengthen the bourgeois elements. Furthermore the hundreds of German agents being sent in as "technical" advisers, but who will also act in a political capacity, further strengthens the bourgeois

stratum... Poor planning, the wrecking and sabotage, great labor turnover, etc. of the past few years, as well as the trade pact with Germany (which will undoubtedly stop the great increase in capital investment in favor of channelizing the raw materials for Germany) have caused a deceleration of the rate of increase of production in Russia to about 10% or 12%, a great fall from the past. A lowering of the standard of living as a result of the war and these factors, is thus inevitable. The errors of Stalinism on the planning field, in addition, are contributing to greater introduction of bourgeois **forms** even in industry—piece work and later bonuses; private property on the farm, and the next step will tend to be concessions in state industry and in the state monopoly of foreign trade.

### **SOVIET ROLE IS REVOLUTIONARY DESPITE STALINISM**

10 — Participation of the Soviet Union in a war constitutes a revolutionary act, despite Stalinism; just as participation of a bourgeois nation today, even if it had the most liberal, humane, and "fine" leadership, would be reactionary. The role of the S. U. in the war is much broader than the reactionary acts of Stalinism. Whether attacked, or whether the S. U. is the defender, Stalinism will play a **continuous** reactionary role. But the mere existence of the S. U. in **any** form, warped or not, constitutes for world imperialism — with revolutions brewing at the moment — enemy number one of the war; just as a bureaucratically-controlled trade union in an **UNORGANIZED** area is enemy number one for the open-shoppers, **DESPITE THE BUROCRACY**. Even though the imperialists have not been able to get together to wage military battle against the Workers State (there are too many fissures in their own ranks) nevertheless each power in its own way is delivering hammer blows against the USSR — Britain through Finland, Germany through its "advisers", America through her economic might, etc.

### **FIGHT ON TWO FRONTS**

11 — The defense of the Soviet Union involves a fight on two fronts — against world imperialism and against its Stalinist and other agents. Because Stalinism has its roots in the

October property relations, however, we march separately from, but strike together with a Stalinist-controlled army and the rest of the military machine, against world imperialism. Under no conditions, however, does this mean military, material, or any other support to Stalinism. All our material aid goes to the Marxian vanguard and independent working class organs within the S. U.—even though we will not sabotage shipments of material to Stalinism where we can not gain full control of those shipments ourselves. Where there is no Party and no independent action of the workers in Russia we do not therefore send material to the "lesser evil" — Stalinism.

### **INDEPENDENT WORKING CLASS ACTION**

12 — The axis of our defense of the Soviet Union is independent working class action:

a — Build independent workers militia and soviets where possible

b — fight for workers control of industry

c — fight for the re-establishment of democracy in the Red Army

d — above all build a new Marxian Party in the U. S. S. R.

### **IMPERIALIST INTERVENTION PLANS**

13 — One of the key points in our defense of the Workers State is to expose the interventionist aims of American Imperialism.

### **FINLAND**

14 — In Finland we are for victory of the Soviet Union despite Stalinism; for independent action of the Finnish workers/on the basis of revolutionary defeatism to achieve the social revolution. If the Red Army tries to throttle independent working class organs—Soviets, etc. — this means a fight against the Red Army in that sector as well.. In Russia we are for a **POLITICAL** revolution. We must raise slogans to unite the Finnish and Russian workers for joint action along this line.

To defend Finland is to defend the imperialist ring around the Workers State, is to aid the imperialist war, which **MUST** square accounts

with the Soviets if it is to gain a maximum of "insurance" against revolution. To work for the defeat of the Red Army is counter-revolutionary, is to give open aid to world imperialism in the **first** phase of armed intervention.

### THE UKRAINE

15 — We are against separation of the Ukraine or any other section of the USSR. Even

though we are for the **right** of self-determination, we are in all cases in a Workers State, against actual separation. For fight for separation is capitulation to the petty-bourgeois and bourgeois elements of counter-revolution within the Ukraine and other sections. We must fight for Workers Democracy within the Ukraine — for cultural rights, etc. — and use this as a base for extending the political revolution to all of the U. S. S. R.

# Gold and American Imperialism

Gold as one of the key commodities, and as the measure of value and the standard of price, has always played an important role in the hands of the exploiters who possessed large quantities. But the large quantity of gold possessed by the American capitalists has become a two-edged sword. As part of world economy, even though it is the most powerful link, the United States has been drawn into the orbit of decline with the rest of capitalism, and gold in such a large quantity is becoming a detriment, and only with the most skillful maneuvering can it be put to advantage.

Not so many years ago, before the 1929 crisis, and especially in the period of developing capitalism, gold was not so plentiful and the motto of capitalism was: SAVE. Every boy was told to save his pennies and place them in a bank so that this potential capital could be put to work. But since the 1929 crisis one must learn how to SPEND to be a patriot. There is now a super abundance of capital and potential capital.

### KARL MARX AND THE AMERICAN GOLD HOARD.

It must be remembered that in the last century the scientific presentation of the capitalist mode of production was laughed at by all "wise" bourgeois economists. The position that accumulation of capital led to poverty amidst plenty was ridiculed. Marx pointed out

that with greater accumulation of wealth in fewer hands there would be a polarization at the other end of pauperization of masses in poverty and misery. Today, the richest country on earth HAS 18 BILLION IN GOLD AND OVER 18 MILLION PART TIME AND UNEMPLOYED WORKERS. This is a living example, to the highest degree, of the validity of Marxian economic theories.

### THE BREAKDOWN OF FREE COMPETITION.

Long ago the powerful monopolies brushed aside the old condition of free competition; but in its place the Combines developed capitalist competition to a higher level. Its imperialist stage brought under its sway the wars for the redivision of the earth and conquests for world domination. In this sense the question of competition and monopoly is not new. But new forms of the competitive struggle take shape as the system of capitalist production FOR MARKETS declines.

What was once a vast free internal market in the 48 states is now becoming a Balkanized group of states under greater government regulations with many restrictions against each other. This is only an EFFECT of the decay within, and the struggle of the capitalists to find outlets in the market that their productive forces constantly outstrip. The underconsumption of the masses which is a constant factor

under every system of exploitation is only intensified in the decay stage of capitalism.

The barter system of the Fascist nations as well as other nations is likewise an enlarged form of this same effect. One can easily remember the period right after the 1929 crisis when even in the United States barter methods began to develop. In those countries where the economy is in deep crisis these precapitalist forms return as a symptom of this decay.

It must be remembered that capitalist development and accumulation in the early stages brushed aside barter, brought in free competition practices. To the degree that ACCUMULATION increased, to that degree gold became the measure of value and the medium of exchange to accelerate this free flow of commodities to all parts of the world market. The role and position of gold in this transaction, **as the ideal socially recognized incarnation of social labor, embodied in the manifold commodities**, developed with the expansion of the capitalist system.

But when a nation, like Germany, is defeated and stripped of its outlets, yet remains a nation with one of the highest developed productive systems, it is inevitable that this condition causes the disappearance of liquid capital in the form of gold, and in its place, with the decay, results a system of BARTER. It is an economic aspect of the fact that society failing to correct the contradiction of the mode of production through a production for use — thereby negatively "solves" it by Fascism and the economy of scarcity, of organized starvation.

### TOO MUCH GOLD.

Now let us see the opposite condition, where there is too much gold. It will readily be seen that a superabundance of gold also creates different antagonisms but antagonisms just as dangerous for the exploiters, well-being, to say nothing of the increased misery for the masses.

Over 70 percent of the world's supply of gold is held by the United States. This represents over 18 billions of dollars. At the same time there is over 3 billion dollars more of money in circulation than in 1929. The war in Europe has accelerated this process. This reflects a tremendous accumulation of potential capital, and at the same time a slower tempo of the turnover and sale of commodities.

Because there is a super-abundance of capital, because a profitable market for investment for all of this cannot be found, more capital is finding its way into government bonds. Today over 71 percent of the bank deposits are in Government Bonds. Over 60 percent of the earnings of the banks comes from interest on these government bonds.

The bourgeois apologists stop their analysis here, where the real analysis begins. The most important question which must be answered is why these apparent deep contradictions? Once we find the cause then a step toward the remedy can be taken. But right here the exploiters' paid agents must keep quiet because this would unearth the basic contradiction of the robber system of capitalist production. It would conclusively prove that American Imperialism is also in the orbit of DECAY; that capitalism has become a brake upon the further development of mankind.

This super-abundance of potential capital is a result of the same thing that causes IDLE MEN AND IDLE MACHINES! The productive system of the United States (like that of all other imperialist nations) within the fetters of national boundaries can produce commodities more rapidly than new markets can absorb, no matter at what tempo the market may increase. The division of the earth among the leading powers has left some nations with a scarcity of raw material, etc. but the United States has more such supplies than any other leading power. Therefore its imports to make up for its large exports must more and more be in the form of GOLD — unless they will take imports in KIND.

### GOLD AND COMMODITIES

Let us consider the same problem from a different angle. The United States has large quantities of capital, means of production and commodities for export. They export on the world market just as much as they can. If they can obtain more markets they can use them — and even then they would still have IDLE MEN AND IDLE FACTORIES

The exported commodities must be paid for by foreign countries and the capital must yield its interest. But the United States produces almost everything, from raw material, farm products, light and heavy industrial products, and capital. Therefore, in the main the United

States capitalists don't want to be paid in KIND. Where this is possible, where these capitalists need material, or can buy real cheap they import in kind, but after this is accomplished there is a large quantity of the export not paid for. Instead of taking commodities and storing these, the exploiters have taken GOLD and have been storing this, as the expression of stored up labor power.

In reality, this large store of Gold and Silver (which is not earmarked) is the expression of an OVERPRODUCTION of the American capitalist system, stored in the most suitable form, to keep and to hold as potential capital.

That is the reason the Executive Committee of American imperialism has held it through State control instead of private control. It is a most powerful weapon, and can if used correctly, become one of the important weapons in the struggle to remake the world to the needs of American imperialism — to organize the world for United States domination. On the other hand, a few false steps and this mountain of gold will cause even greater chaos than the productive system of United States is already creating.

## AMERICAN DEVELOPMENT AND GOLD

In the stage of development, prior to the first world war, capital in the United States was scarce and large quantities had to be imported from the leading countries of Europe. The quantities of gold and silver mined in America found their way into the world market as payment for needed commodities, as interest of capital investment, and above all as capital to be invested in production.

But the first world war and the post war period altered this. The United States developed its productive forces to such a point that they had a super-abundance of liquid capital, of FINANCE CAPITAL for investment throughout the world. The "golden age" was at hand.

But soon the exploiters found an impasse. They became a world leader in the production of raw material, farm products, light and heavy industrial products and had an abundance of finance capital to lend. Under this condition it was most difficult for other nations to repay America in exports. The war debt crisis, moratorium was a RESULT OF THIS CONDITION. Some imperialist spokesmen advocate taking colonies for these debts but as

yet there has been no solution.

Then came the 1929 crisis and the New Deal attempt to reorganize production and distribution to prevent greater decay.

Part of the New Deal Plan was to borrow billions of this overproduction that the capitalists could not sell (in order to keep **some** production turning) and then give it back to the sections of capital breaking down, in the form of subsidies. At the same time the tax to pay the interest, not only absorbs part of this surplus from certain sections of the exploiters, it also becomes a benefit to other exploiters in the payment of interest on government bonds, etc.

But the stored up labor power, that was in the form of commodities, which they transformed into the form of Gold, continues to pile up as war production continues.

## INTERNATIONAL QUESTIONS

In other theoretical articles on the monetary question in the past we have explained the importance of gold as the measure of value under capitalism, and how the currency of each country takes on a national uniform of the Pound, Franc, Mark, Yen, etc. We have also explained in all its aspects in addition to the monetary policy, the struggle between Great Britain and the United States as the two main imperialist antagonists. It must be remembered that before the first world war the Pound was the international currency. But the world war dislodged the Pound, elevated the Dollar to first place because of its productive system upon which it rested, but at the same time (in this whole period from the first war to the second world war) the Dollar DID NOT REPLACE THE POUND AS THE INTERNATIONAL CURRENCY. It dislodged the Pound, but the struggle to replace it is still ahead and now will be part of the outcome of the second world war.

The carcass of the declining British Empire is being hacked at by a frontal attack on the part of German imperialism and by a powerful economic attack by American imperialism. The dollar and its super-gold supply is playing an important role in the imperialist war as most countries' armies. And it must be remembered the U. S. Imperialist ARMED MIGHT is still a reserve force behind this gold supply. America, having cornered the gold supply in the last 7 years is now seeking to use this



supply to gain hegemony over the world's economic system.

### **FREE TRADE AND BARTER**

With a great productive system and a super abundance of potential liquid capital the United States desires and needs some form of a "free trade" system; a world market where freedom for the might of American imperialism will drive out the weaker competitor. Such was the case of England in the past. But the barter system and other methods used have made great inroads in the market against American products. As a LINE the ruling clique is working toward the free world market. The Hull trade treaties are part of this process.

But subordinated to this policy the U. S. too practices different forms of DUMPING which takes the place of the Hitler barter system. They use Gold as the axis for this dumping process, of selling commodities more cheaply on the international market than on the home market, to compete with other imperialists; and tariff walls keep out the other cheap products that would steal America's market from under her. The New Deal reduction of Gold content of the dollar by approximately 40% enables the international buyer to purchase products in the U. S. almost at half price. And with other concessions given, this often brings it far below the half price according to the internal price list.

Unless the United States will radically continue to reorganize its internal production to be able to buy commodities from those to whom it exports capital and means of production; unless it obtains POLITICAL as well as economic supremacy; unless it deals out its supply of gold in key points throughout the world (no matter what it gets in return); unless it reduces tariffs on those commodities its buyers must in turn send in as payment; unless these and other steps are accomplished the dream of the financial capitalists of American imperialism will go down in the quicksand of decay capitalism.

### **THE STRUGGLE AMONG THE U. S. CAPITALISTS.**

The struggle among the different groups of financial capitalists in the United States over the gold supply is a major part of their problem for world domination; that is, how and

when to use this for an offensive against Great Britain and the other imperialists. It must be remembered that a loan may have the surface indication of "aid" of an "ally"; but under given conditions (such as the loans of imperialists to backward countries) these loans are weapons to wring concessions from the borrower, to obtain political hegemony for certain undertakings. But to do this the financiers want more freedom of motion to handle the gold. The 1933 period and the fright in their camp forced them to agree to more government control. This was a necessary stage of reorganization of industry and finance after the 1929 crash. But now there is a new condition, there is war in Europe and they again demand more freedom of motion from government control.

The Aldrich Plan, and the R. C. Leffingwell proposals, (the Rockefeller, Morgan spokesmen respectively) as well as the words of the other economists who are the exploiters' office boys, are primarily revolving around only ONE aspect of the Gold question. That is WHO shall CONTROL this gold supply and who shall obtain the greatest good out of it. Naturally each group of imperialists desires the upper hand. At present, because of the war, and because they expect their greatest gains on the international arena, these robbers have a temporary united front, or truce, and together they hope to exploit the war and the international markets and divide the booty. They continue to fight over the spoils as of the past but in a different form.

Dr. Nadler, one of the bourgeois economists, says, "The gold problem is one that has arisen through the overthrow of democracy throughout the world." Translated into a proper relation between cause and effect this means: Bourgeois democracy is the political expression of a developing or a strong capitalist mode of production, is eliminated and replaced by Fascism as the political expression of those powerful countries that are in the deepest form of economic and political decay. With this process the free market disappears to a great extent and gold already in flight from these countries as an expression of their crisis, they are compelled to barter. At the same time the most powerful country, the United States, gets the gold supply. Agreeing with Morgan-Leffingwell and Rockefeller-Aldrich, Nadler says, "The future of gold depends upon the outcome of the war in Europe and the attitude of the United States."

## **SPEAKING OF THE PRESENT WORLD WAR.**

Aldrich correctly points out the role gold will play in the war and peace as part of the American imperialist policy. He says, "In the accomplishment of this result it is unavoidable that the United States, because of its great economic strength, will play a most important, if not controlling role."

Rukeyser, another "economist" speaking of the Aldrich plan says, "Implicit in the Aldrich suggestion is the hope that the dollar would become the post war monetary yardstick displacing the pound sterling. Thus the gold problem should be viewed as an incident in the whole set of economic relationships of the United States..."

In reality — what the different groups of imperialists are saying, is that with 18 billion of loot on hand we can be liberal internally, because there is enough plunder for us all. Have the free gold market, let some crumbs fall down below to line up the defenders of Wall Street's policy, and in a financiers' united front we will use our economic and military might to ORGANIZE THE WORLD to the needs of American imperialism. We, the American imperialists will decide what takes place at the PEACE CONFERENCE by our gold, by our might. That is their AIM. We do not say that it will be accomplished.

### **SUMMARY**

In summary the gold policy has the following relation to the outcome of the present im-

perialist war:

1—In the struggle against Great Britain the United States hopes to make the Dollar the dress for the international medium of exchange. To replace the Pound. To dominate the world financial field.

2—Establish its financial hegemony over decisive parts of the earth (not land imperialism — but finance capital — the latest form and highest form of imperialism). This hegemony will be shared with lesser partners at the expense of the other imperialists, the weaker nations, and especially the impoverished masses.

3—Lend Gold to obtain political concessions as a result.

4—Lend Gold (to buy war supplies) to smash the proletarian revolution wherever it develops. The Finnish campaign for funds is a prelude and child's play to what is in store.

5—Use the Gold supply as an important weapon to reorganize and redivide the world to the needs of the American world empire.

6—The "free market" to be established by American Imperialism is like the free public institutions in the South with its Jim Crowism. It will be free to American imperialism and its allies. It will be a closed door to others.

7—The armed might of American imperialism stands behind this policy ready to enforce it if necessary.

March 21, 1940.

# **The Maturing Revolt In India**

Not only does the imperialist war intensify all the contradictions of capitalism; it greatly increases their rate of development. A clear indication of this is the spreading revolt of the Indian toilers, now on the verge of breaking out into open revolution. In the last war the wave of revolutions began in the imperialist nations first, then swept eastward to the colonies. But today the contradictions of decay capitalism are so sharp, especially throughout the British Empire, that the very outbreak of the war already poses the problems of the

rapidly maturing Indian revolution.

The hesitation that has characterized Britain's war participation is largely determined by the fear of the break-up of the Colonial Empire and the Indian revolution. India is the keystone to the British Empire. Revolution in India means not only a key setback of Britain in the war; it marks the death-blow to the far-flung British Empire. The dependence of the Empire on India's colonial status is readily shown: Practically 32% of India's exports go to England, while 39% of her imports

come from England. India's industrial development — textiles, railroads, communications, iron, steel, etc. — is almost exclusively in the hands of British capital. The fact that India is so overwhelmingly agricultural today is due to Britain's imperialist policy to check industrial development. Yet the Indian death rate is twice as high as that of England.

Politically, the Indian revolt means revolutionary upheaval throughout the entire East and Africa — a threat at the foundations of imperialism. This threat is a factor in strengthening the pressure of Hitler and Mussolini in the Balkans and the Near East. The United States also finds the menacing colonial revolution a powerful tool in achieving its own imperialist aims.

In the first world war England could afford to make PAPER promises of dominion status to the national bourgeoisie; these promises bridled the latter and enabled the imperialists to hold the workers in check. The decadence of British imperialism is clearly shown by the fact that today it does not even dare make such paper promises of dominion status AFTER the war. A significant symptom is the great concentration of troops in the Near East and the colonial area (a greater concentration than on the Maginot line). These troops are NOT merely arrayed for a possible attack on the Soviet Union.

The Indian melting-pot boils over with revolt — British imperialism trembles in fear.

## **INDIA AND THE INTER-IMPERIALIST ANTAGONISMS**

Not only Downing Street, but all the imperialists, eye India with the utmost attention and lay plans accordingly. Hitler maneuvers in the Balkans and Near East in order to get a foothold for intervention in India; Mussolini traces a map from Rome to Ethiopia and Italian Somaliland to — India.

American imperialism, intent on domination in the new imperialist redivision of world (a domination primarily at the expense of her greatest rival, England), estimates the possibilities of an Indian nationalist regime whose capital as well as its material and political support would come from the United States. The Indian Nationalist bourgeoisie has certainly noted America's eighteen billion dollar gold hoard and her recent twenty million dollar loan

to Chiang-Kai-Shek.

Although Japanese imperialism is fully occupied with the "pacification" of China, it, too, wants to utilize Indian developments as a weapon against English interference in China. Nor are the Nipponese imperialists averse to a southward and westward extension of their empire. It should be recalled that they have long sponsored a Pan-Asiatic policy in their own interest.

Briefly, these are the points in which world imperialist policy depends on the situation in India. In addition the Stalinist clique, at the helm of the warped Workers State, intensifies its pressure on the Near East and works in India for nationalist, anti-British purposes; as an ally of German imperialism it seeks the defeat of Britain. Above all the Stalinist role is to head off the Indian SOCIAL revolution, a technique learned in the Chinese Revolution.

It is clear that the fate of the Indian revolution is inseparably bound up with the moves and plans of the imperialist powers. Several conclusions must be drawn:

1 — Even the very first steps in the national revolution signal the approaching doom of British imperialism.

2 — Every imperialist power maneuvers for control on the basis of a possible comprador bourgeois regime in India; such control would be a vital weapon in deciding the new imperialist redivision of the world.

3 — Britain must move to crush EVERY revolt, even of a strictly nationalist character; this is especially true as the proletariat, in alliance with the peasantry, moves toward the social revolution.

4 — All the other imperialists, but especially the United States, will aid and abet such bourgeois nationalist attempts in varying degrees; but ALL will fight with tooth and claw against the revolutionary struggles of the proletariat and peasantry in their drive toward Soviet power.

5 — Stalinism is a counter-revolutionary bureaucracy whose foreign policy is based on its internal role (a bureaucratic force resting on the October property relations), and conditioned by its bloc with German imperialism. Hence it will undertake political — perhaps even military — steps against British imperialism; but it will play a completely counter-revolutionary role in the attempt to strangle the Indian social revolution.

The above considerations, whose economic details must be eliminated for lack of space, show that India is a vital link in the chain of world imperialism and that the course of the Indian revolution is inextricably linked to the problems of world imperialism and to the struggles of the world proletariat.

### **THE ROLE OF THE NATIONAL BOURGEOISIE**

Revolutionary Marxists must be crystal-clear on the nature of the maturing Indian revolution; they must present an analysis and a STRATEGY that will create the possibilities of victory, and not a repetition of the Chinese catastrophe of 1925-27.

On March 19, police fired on a demonstration for Indian independence at Lahore and killed 21 workers, wounding 29 others. At the same time the Indian National Congress, holding a plenary session at Ramgarh, again went on record for a campaign of NON-VIOLENCE — but postponed all action until Gandhi has time to attempt a deal with British imperialism.

These two simultaneous events vividly summarize the Indian political situation. On the one hand the workers are hesitantly moving toward revolutionary action that would be given tremendous impetus by a revolutionary leadership (135,000 strikers have paralyzed the textile industry); on the other hand the national bourgeoisie "resolves" that workers should lie down peaceably in protest when the police open fire — and this is to be a threat (!) against British imperialism, a weapon in obtaining a rotten compromise! Here is open proof that the national bourgeoisie and its political organization, the Congress, can play only a REACTIONARY role in the revolutionary struggle.

### **"COMPLETE INDEPENDENCE" AND THE RIGHT OF SELF-DETERMINATION**

The Congress wants to free India from the ties of "British policy and British ECONOMIC STRUCTURE," but it cannot, nor does it desire to free itself from the whole policy and economic structure which Britain epitomizes: capitalist production and capitalist appropriation. The Indian nationalist bourgeoisie simply wants the upper hand for itself; it wants to replace Britain by diverting a greater share of the fruits of exploitation to its own coffers. But despite its wishes, this compradore bourgeoisie

can free itself of British domination only in so far as it subordinates itself to some rival imperialist power's domination; thus it must maintain the economic, political, and social oppression of the millions of toilers. That is the whole scope of its reactionary role. Further, all its threats against the British have meaning only in the degree that Britain fears mass action and recognizes the ability of the native bourgeoisie to hold the masses in leash. This cowardly bourgeoisie dreads even civil disobedience, for it knows that the struggle, once begun, will burst all confines; and the national bourgeoisie trembles in the face of a revolutionary mass movement as much as does British imperialism.

In the present epoch of decay capitalism, the struggle for the right of self-determination can have meaning for the working class only insofar as that struggle is advanced as an AUXILIARY to win as allies sections of the national bourgeoisie, the peasants, etc. In the process the treacherous vacillation of the compradore bourgeoisie as a class must be exposed. The slogan of the right of self-determination can be advanced POSITIVELY against British imperialism only on the basis of independent political and organizational action by the Indian workers and their Party. On the basis of such independent action an alliance with the peasantry is possible in attaining the goal of Soviet power; this goal will be achieved only against the national bourgeoisie whose concept of self-determination extends only to its own interests: perpetuation of working-class exploitation and oppression for its own benefit instead of for the benefit of British imperialism.

### **THE CONSTITUENT ASSEMBLY AND SOVIETS**

History has already relegated to the past the aim of the national bourgeoisie: independence for itself alone. But the compradors also advocate the specific political organ of this "independence". The Congress advocates the constituent assembly as the MEANS of gaining independence. Here, again, the reactionary character of the bourgeois struggle is revealed: the constituent assembly IN ITSELF will not rally the vast hordes of the exploited; it will not solve the problem of bread and butter for the millions. Only the social revolution can do this. The struggle for the assembly is progressive only to the extent that it becomes the basis for ACTION, not talk. Further, the working-

class must realize that the struggle for the constituent assembly must be waged as an AUXILIARY to the struggle for the building of WORKERS AND PEASANTS SOVIETS. Only in this way can the assembly be of value in gaining allies for the mass struggle against British imperialism — and against the national bourgeoisie.

### **MARCH SEPARATELY AND STRIKE TOGETHER**

Those who have no faith in the working class because they do not understand the dynamics of class relations in decay capitalism do not see how 6 million industrial workers can lead 380 million toilers to victory. To them we ask: Against whom does British imperialism send its bayonets — the mealy-mouths at Ramgarh or the workers in the streets. The strike of the 135,000 textile workers has deeper CLASS significance than the talk shop plenum at Ramgarh, striking terror into the hearts of the British — and the national bourgeoisie who, as Gandhi puts it "cannot trust the factory workers".

Millions of peasants toiling under primitive feudal agricultural conditions — starving while food is shipped to Britain; an extremely low social and cultural level which Britain has, in the main, perpetuated, denial of any of the elementary democratic rights about which the Britishers hypocritically boast — these and similar conditions create an **objective base** for the unfulfilled democratic and agrarian revolution. But it is equally clear that the decay of world imperialism now torn by predatory war for redivision of the world objectively denies the possibility of such a revolution IN ITSELF. It can only be the FIRST PHASE of the proletariat, the social revolution.

This demands the firmest political and or-

ganizational independence of the workers in alliance with the peasantry, the building of a revolutionary Marxist party that can give guidance to the struggle, that can concretize the STRATEGY of march separately and strike together with the national bourgeoisie but maintain political and organizational independence from its reactionary ends as a puppet of another imperialist power or bloc.

### **FOR A SOVIET SOCIALIST INDIA**

The imperialists of the world would like to utilize the Indian national bourgeoisie as its tool in channelizing the revolution. This reactionary bourgeoisie, part of which capitulates to British imperialism at every turn, fearful of the revolutionary wrath below (Gandhi-Nehru-Azad), part of which now speaks with louder words against British imperialism and the compromisers and flirts dangerously close to becoming the tool of the Hitler-Stalin alliance (Bose) can only play a counter-part to Chiang-Kai-Shek and the other miserable adventurers who butchered the Chinese revolution.

The Indian workers in alliance with the peasantry have a hard, tedious and difficult task before them. It is one which is supported politically and materially by revolutionary Marxists in international solidarity: the struggle for the SOVIET SOCIALIST STATE OF INDIA as a section of the United Soviet Socialist Republics of Asia.

**BUILD SOVIETS AND WORKERS MILITIA!**

**SEIZE THE LAND FROM BRITISH AND NATIVE LARGE LANDOWNERS — DON'T WAIT FOR ANY LAWS BY A CONSTITUENT ASSEMBLY!**

March 19, 1940

# Bourgeois Philistinism and Marxism

The bourgeois philistine looks at transition economy, i. e., the first stage of socialism, and "reduces" it to capitalism by the following "arguments":

1 — Capitalism in the present epoch is based on world division of labor; transition economy too is dependent on such a division.

2 — Individuals under capitalism receive a disproportionate share of the produce. Individuals under transition economy (even under a HEALTHY workers state) receive more than others. Exploitation therefore exists in both cases.

3 — Production under capitalism is based on high power machinery and social division of labor. So is production under transition economy.

4 — The worker in a capitalist society receives money wages. So does a worker under transition economy.

## THE MARXIST ARGUMENTS

The Marxist on the other hand argues:

1 — World Division of labor under capitalism is stunted by artificial national boundaries and is strictly limited. Furthermore it exists only on the basis of the CONQUEST of world markets and the EXPLOITATION of colonial and semi-colonial people as well as the world proletariat. World division of labor to which transition economy strives is based on production for use, planned economy, and the elimination of artificial national boundaries. The participation of transition economy of one country in the world markets is only an AUXILIARY to home production, by no means decisive as in the case of capitalism.

2 — The disproportionate share of the produce taken by individuals under capitalism is based on the ownership or control of the means of production by these individuals, and the parts of surplus value appropriated in the form of interest, rent and profit (the only forms in

which surplus value can exist) bear not only a SOCIAL relationship to labor, but a mathematical relationship to each other in every instance, as determined by contract. So much of the surplus value (say 6% on investment) goes to bondholders; so much to preferred stockholders, etc. The holder of three bonds gets exactly three times as much as the holder of one bond. The disproportionate share taken in a transition economy is based, on the other hand, on the disproportion between planned economy and its economic inheritance, the cultural level between ordinary and skilled labor, between labor as a whole and technicians, between society as a whole and the usurpations of a state bureaucracy, which under all circumstances will exist to a lesser or greater degree. But this usurpation in no way represents a social relationship; it exists on the basis of no mathematical relations of the various usurpers to surplus value. Even the worst form of usurpation in a developed economy (such as, for instance, the United States in a transition economy) would be hardly noticeable, so great would production be once the relations of production of capitalism are eliminated. That these usurpations are so noticeable in Russia is only a sign of the backwardness of economy there.

3 — The highly developed production under capitalism always outstrips its markets, is anarchic, and can exist only insofar as it finds a PROFITABLE market — something which is becoming more and more difficult from year to year. The highly developed production under transition economy exists on the basis of planned economy, production for use, and insofar as it finds a USE, not a profit, for its produce. (Thus even under a most degenerated workers state, production has increased gigantically on the basis of its own motive power, with neither the aid of, nor through the exploitation by foreign capital, EVEN THOUGH PROFITABLE MARKETS HAVE GREATLY DECREASED).

4 — Wages under capitalism are determined by the price of the necessary means of subsist-

ence and reproduction, (like all commodities). But wages in a transition economy are based on the productivity of the economy. Even if real wages for a time under transition economy may fall, (e. g., a degenerated Workers State such as the Soviet Union today), in the LONG run money wages and real wages must increase where there is a possible growth of productive capital, and will grow less (even though there may be temporary increases) where the possible growth of productive capital is limited or in DECLINE. (See Marx's "Wage Labor and Capital")

The bourgeois philistine, interested only in APPEARANCES, abstracts similarities not only between transition economy and capitalism, but between imperialism and all other forms of conquest, between Feudal Monarchy and Bourgeois Monarchy, etc.

The Marxist, who is interested in DEVELOPMENT, sees not only the points of similarity but also the points of differences, especially the **directions** of development, and distinguishes between a DECISIVE difference and a quantitative difference.

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