

INTERNATIONAL NEWS

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**Imperialism and
'Totalitarianism'**

BONAPARTISM

I.L.P. Conference

U.S. IMPERIALISM

and The WEST INDIES

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Imperialism and 'Totalitarianism'

The present war is an IMPERIALIST war, the result of basic economic, political and social contradictions in the capitalist system. But this simple truism must be hidden from the masses at any cost. To admit that the war is inevitable under capitalism, to admit that it has no nobler purposes on the part of all nations than to plunder the world, would be suicide.

The vast propaganda in the "democratic" countries which refers to Germany and Italy as "totalitarian" states is no accident. The attempt to depict these capitalist and imperialist nations as a NEW, a diabolical system that differs from capitalism, is part of the rounded pattern of propaganda aimed at selling the war to the public. The "logic" runs as follows: the present war is not a war for markets and spheres of influence, it is a war between the "four freedoms" and the totalitarian elimination of freedom.

This little fairy tale serves quite well in hiding the nature of imperialism, in covering up the BASIC factors behind the present war. To hide the crimes of the IMPERIALIST bourgeoisie, the social-democrats and social-patriots of today just like those of yesterday, again speak of a "peaceful capitalism", of capitalist nations that are NOT imperialist, of a capitalism that would like to be peaceful — if only, IF ONLY, a new devouring beast hadn't suddenly descended on the earth, (totalitarianism). Our social-patriots picture imperialism as an **accidental** rather than an intrinsic aspect of capitalism in the decay stage. Instead of a greedy beast which eats up 250 billions in wealth, and 40 or 50 millions in population, every generation, the apologists for capitalism picture it as a would-be peaceful benefactor which must first cleanse the world of "totalitarianism".

GROWTH OF STATE INTERVENTION

Our patriotic friends intentionally close their eyes to fundamentals. But not only Lenin, but Marx and Engels — almost a

hundred years ago — clearly showed the inexorable ascent (or rather descent) of capitalist economy TOWARDS "totalitarianism". The increasing control of the state over capitalist industry is a necessary concomitant of capitalist contradictions.

The FALLING RATE OF PROFIT, and the relative shrinkage of world markets due to the outstripping of markets by productive forces, causes the capitalist state to intervene more and more to "organize" production and distribution, as an offset to these factors. For a long period this "interference" revolved primarily around the question of tariffs. Later on it took the form of subsidies to vital industries, railroads, wireless, shipping, etc. Still later it takes on forms of control — such as the various state commissions to supervise railroads rates, radio broadcasting, etc. And finally capitalist economy becomes so decadent, overproduction has so disorganized the economy, that state control and supervision become the general rule rather than isolated exceptions. This is true regardless of the form of political rule, be it "democratic" or "military dictatorship", or "fascist". The various forms of rule indicate the relative DEGREE of state control, but they in no way cancel out the TREND toward more absolute control.

Germany bankrupted by the war and the subsequent Dawes and Young plans, has been forced to accept these "control" plans much more universally than America. But the difference is still only one of degree. Uncle Sam, too, has his quotas on imports, his NRA control of prices and production, his AAA, his gold devaluation schemes, his trade treaties, control over radio, shipping and air transportation, and now his priorities measures (limitation of aluminum production for instance), and his price fixing.

It can be asserted as a general rule that the greater the concentration of capital in industry and the greater the centralization of control over whole sectors of industry through the

banking world, the greater will be the "merger" of state and industry. Within this historical platitude, however, the specific economic relationship on a world scale and class relations will determine the degree of that "merger". Italy and Germany, as weak links of the chain of world capitalism (both having faced workers revolutions) succumb to a more total merger before others; but — and this is the nub of the problem — the BASIC factors motivating economy everywhere in the world outside of Soviet Russia, are the same: namely the tendency of productive forces to outstrip world markets, the inability of capitalism to profitably re-invest its surplus capital, the relative and absolute fall in the rate of profit, and the consequent need of the state therefore to step in and "organize" the scarcity that prevails.

"Totalitarianism", however, is an aspect of Imperialism in its latter stages. It is an outgrowth of Imperialism. But what has happened to the other, the major aspects, of imperialism during the present war and directly preceding it? Even a superficial glance will indicate that finance capitalism has so disrupted the machinery of world production and trade, that production has so far outstripped markets, that the contradictions of WORLD capitalism have become so acute that only — ONLY — a struggle for the redivision of the earth once more could offer even a temporary palliative for these ills.

Lenin defined Imperialism as that stage in the development of capitalism when:

- a—monopolies dominate production set-up,
- b—finance capital replaces industrial capital as the main lever of capitalist economy.
- c—the exports of capital as against the export of goods becomes decisive for world trade,
- d—international cartel and "agreements" are formed which divide up the world, and
- e—"The territorial division of the world by the greatest capitalist powers is completed".

Now, what has been happening to these five factors since the last war? To be consistent, our bourgeois apologists must show that they have ceased to exist in a single important capitalist country. But that is not so. The five factors not only continue to exist but their sphere of activity, and their intensity, has multiplied. Let us examine this a little closer.

MONOPOLISTIC COMPETITION

As monopolies grow they eliminate competition within a given industry or series of industries, but they heighten competition for new markets and new spheres of investment. They must either "expand or die". They must fight off greater competition first with other industries for a share of the national market and world markets, and later between the national states themselves. The first phase of the competition between monopolies on a world scale may take on the form of international cartels and agreements, in an attempt to soften that competition, but these are very unstable affairs and are always secondary in importance to a more rapid cartellization **within** each national boundary. This expresses itself outwardly in greater international conflicts and competition.

For instance, during the last decade there existed about 100 international cartels. The number went down to its lowest point during the depths of the depression. On the other hand, NATIONAL monopolies within each country extended themselves precisely in this period, when the "big fish" were ravenously swallowing the "little fish". This was particularly true in regards to the banking oligarchies.

But precisely because national monopolies have grown so much, because their productive forces are so much greater and their accumulated surplus is larger than before, precisely because of this, world competition has become keener. For the opportunities for investments at a **favorable rate of return** have become so limited that the individual monopoly at home cannot cope with the problem. Only through greater and greater state control of the efforts of individual monopolists can any result be achieved. Where yesterday it was possible for Standard Oil to come to an agreement with Dutch Shell as to the Canadian market (to use a hypothetical example) there now stands face to face in Canada the oil monopolies, the nickel monopolies, the wheat export monopolies, etc., and only through state bargaining and horsetrading can any agreement be reached whereby America yields on oil in favor of better treatment in nickel, and so on.

The world division of labor, far from having been eliminated in recent years, continues to flourish and expand despite the temporary "substitute" industries. World trade and the

"golden twenties" reached heights never before attained. But the overaccumulation of the means of production has caused a breakdown in world exchange far more devastating than at any period in the twentieth century. It is this contradiction which is at the root of the present crisis.

The cornering of the world gold supply by American imperialism over a period of 20 years represents the victory of American industry over European industry. It represents 20 years of a higher degree of exploitation of labor and control of world markets in relation to European industry; 20 years where America had a favorable balance of exports over imports in all three spheres of trade: agricultural products, manufactured products and capital investment. This victory of American monopoly against foreign competitors is the most important factor in the breakdown of world exchange. A reflection of this catastrophe is evidenced on the one hand in the giant gold supply of the United States, and on the other hand in the elimination of one currency after another as a WORLD medium of exchange. In the impossible situation brought about through "blocked" marks, "blocked" pounds, "blocked" francs, there is a further deterioration in world crisis. This is only another way of saying that Europe is unable to compete with the United States and that the capitalist powers of Europe must either consolidate against this menace through an "organized" Europe (precisely what both England and Germany are trying to do, each under its own hegemony), or perish.

Thus, despite all the barter agreements, despite all the measures to stimulate trade, some of which have been particularly successful, the need for the export of capital has become so pressing that it can not be put off any longer. World competition for the export of capital has become so one-sided as a result of America's cornering of the world gold supply, that only military and political measures can overcome this handicap; only, in other words, the elimination of national boundaries and a greater political organization of scarcity by the conqueror, can cause capital to flow to foreign markets again.

Everywhere one turns it is the same story. The imperialist aspects of capitalist society have not been eliminated anywhere (except in the warped Workers State, Russia). On the

contrary, they have been sharpened. Let us look at some of the other factors.

FINANCE, INDUSTRY AND THE STATE

As everyone knows banking capital in Germany as well as the United States plays a far more prominent role today than ever before. One of the first steps of Hitler's regime was to reestablish the four most important banks in private hands, after the state had subsidized them out of their bankruptcy. The Reichsbank has been the major pillar of German economy. In America, especially during the last ten years, large banks have literally gobbled up smaller competitors and their control of industry has grown by leaps and bounds. Furthermore the insurance companies — another form really of banking — have grown so strong in the U. S. that they actually control about one-seventh of the national wealth.

Manufacturing, in its turn, has won another victory over agriculture. Not only are the rural areas becoming more and more pauperized, but agriculture itself is being transformed into a manufacturing industry — as witness the American bonanza farms with their big machinery and agricultural wage labor. Parenthetically we may say that the final process of making agriculture an industry will have to wait for socialism; it cannot be achieved by capitalism. Furthermore, as each nation is being conquered in the war it is being reduced immediately to an agricultural pauperized economy; it becomes a raw material producer for the large manufacturing power.

In all this the state has been a prime moving force. During the period around the last world war the state used its tariff policy as a weapon for dumping goods abroad. The tariff permits the capitalist at home to "protect" his product — to charge high enough prices, in other words, so that he can dump his goods abroad at lower prices than prevail in the home market. Since the world war, however, the state has had to re-inforce this system with such things as quota restrictions, laws against withdrawal of valuta, barter agreements, etc. Furthermore, the "merger" of state banking and industry on the one hand, and the intertwining of world economy on the other, has made it necessary for the large capitalist states to make their subsidies INTERNATIONAL in scope. Thus, for instance, the loans by the United States to Latin America serve the purpose of

propping up weak colonial structures and at the same time help American contractors, who are given contracts with the loan money. Most of the loans to Latin America and the lend-lease loan of 7 billions to Britain are quite evidently uneconomic, because they never will be repaid; but at least they stipulate that the countries getting the subsidy must use them only to buy American materials or services from American firms. The German "aski" mark, with slight variations, achieves the same purpose. Even the socialization of losses in our present acute period, have become international in character.

Now let us see just how all these factors, in turn, bring on totalitarianism. Germany's policies — to use an example — are shaped by the crisis in WORLD relationships. Before the 1914 war Germany had the highest productive system in the world. But Versailles robbed her of markets and from utilizing its productive machine. At first the surplus was expropriated by the Allied victors; later on, however, with the American loans, German industry was further nationalized and its internal contradictions (overproduction and need for markets) became even greater. In turn this sharpened class relations and a number of revolutionary situations had to be squelched by the German bourgeoisie. Germany had to get rid of its surplus, but in the absence of colonies and with a now newly-matured American economy stronger than her own, she had to take measures to control exports and imports, so as to keep her dwindling valuta from dwindling further and to prepare for war and colonial conquest. This control made it necessary to give giant subsidies to exporting firms through a tax on imports which was paid off by the proletariat in the form of higher prices. To further meet world competition, Germany attempted to lower the cost of production by increasing the hours of labor. This artificial attempt to stimulate exports necessarily was limited if the German mark circulated on a free world market, because the mark was based on a weakened gold supply and an almost bankrupt economy. A purely arbitrary national currency, which could be inflated and deflated at will through subsidies wrung out of the proletariat, thus had to be substituted. With an arbitrary currency, divorced from real wealth, price fixing was an inevitable concomitant. (otherwise inflation would follow immedi-

ately). Wage fixing followed. Industrial supplies control, quotas for internal manufacturers, state intervention in helping the big capitalists swallow smaller ones and the elimination of the middle class, likewise had to follow. But the root of all this total "merger" of state and industry lies not in an attempt to divorce Germany from the world market, but precisely in desperate measures to penetrate into that market. The artificial and **uneconomic** state of affairs obviously, however, could not last for long. For six years it was sustained by internal war production, on the one hand, and lower wages and the retirement of the means of production of the light industries and the small capitalists, on the other hand. But after six years Germany either had to CONQUER new spheres of investment for its new greater surpluses, or dissolve itself as bankrupt.

"PEACEFUL" CAPITALISM

It is thus not "totalitarianism" which makes Germany (and Italy) "imperialist". It is imperialism which has made Germany totalitarian, and is making the United States and Britain likewise more totalitarian with each passing day.

War, as Lenin pointed out, represents the highest form of capitalist competition (anarchy). The second World War far from indicating a DECREASE in world competition, really represents a severe increase. But the increased competition has taken on new forms. The elimination of most forms of competition within each national state has become the prerequisite for the intensification BETWEEN the national states. Totalitarianism has become a weapon in imperialist competition and strife. It represents imperialism in its most EFFECTIVE form, once the decay stage is reached. But far from eliminating the contradiction between socialized production and private appropriation it has intensified the anarchistic tendencies of capitalism — only that anarchy is over a broader area than ever before.

Even a victory for one imperialist power with world domination and the defeat of the coming proletarian revolutions, cannot eliminate that anarchy. Capitalism without wars is an impossibility. A peaceful capitalism is a contradiction in terms. Even should one power dominate the world, the falling rate of profit, and the absolute fall in the mass of profit (all rising out of capitalist contradictions) must result in new and sharpened struggles among

the lesser capitalist nations and between them and the ruling capitalist powers. So long as capitalism continues, production will outstrip the markets.

Even if we were to assume that ONE capitalist dominated the whole world economy — even that would by no means do away with the struggle among exploiters, the different groups of capitalists, and that would merely mean that the struggle between bourgeoisie and proletariat, between master and slave would continue with greater intensity. Our one capitalist could no better conjure up

new markets for his surplus capital than our present day monopolist. He would be subject to the same laws of internal anarchy, crises and class wars. -----

Capitalism has become imperialism, must engage in imperialist wars. That is the truth that the social-patriots attempt to hide. Only the overthrow of capitalism, the establishment of a Workers' Government, the substitution of social appropriation (or state appropriation, as the first stage of social appropriation) for private appropriation, can bring peace and plenty to humanity.

The I.L.P. Conference

The impact of the second imperialist war has wiped out most of the small groups throughout the world and has created deep splits in all the international tendencies of reformism and centrism. The Trotskyite centrists experienced a major split on the Russian Russian question and at about the same time lost their leading figure, Trotsky—assassinated by Stalinist agents. This has left the field wide open for the right centrists who have rallied behind the former "London Buro" (Anti-War Buro) of which the ILP is a leading force. With in this international grouping only two of its supporting parties enjoy a legal existence, the British Independent Labor Party and the Norman Thomas Socialist Party. True, there are scattered grouplets here and there, but their main forces from Germany, France and Spain are dispersed and their leaders are in America. Pivert and Gorkin carry on while Lovestone has already liquidated his organization.

Since the Thomas Socialist Party has even more internal contradictions than the ILP it leaves the English Party as the theoretical leader of all these scattered forces. Particularly is the prestige of the ILP enhanced by the fact that it is carrying on in a nation at war. The majority of the Socialist Party in the United States including some ex-Lovestoneites, trail along with the "isolationist" capitalist groups on the war question; while a minority of four

former Central Committee members (who have resigned as C.C. members but retain membership) advocate Aid to England at once. Both of these groups present a social-patriotic position in relation to "defense" of American imperialism "if" attacked by "Hitler", while an unorganized scattered few put up a left centrist position against the war.

Since the ILP is also one of the few remaining parties with "revolutionary" phrases in Europe (in a warring nation) that is still legal it is well to examine its April 12-13 Conference held in Nelson, Lancashire, England. Many of the rank and file of the ILP can be won over to Marxism, but the conference shows that the leadership is out and out opportunist:— left social pacifist.

The conference endorsed the MP resolution of, "A plan for a Socialist Peace". D. Goldhill of St. Pancras called the resolution social-pacifist and presented his own resolution and amendment which was defeated. The ILP resolution opposes a British victory. It says that Britain is attempting to establish, "a British hegemony over Europe, subordinated financially to the U.S.A.." It is also opposed to a Nazi victory.

While supporting industrial action, it opposes any form of deliberate sabotage, calculated to assist Hitlerism." It speaks of a Workers Government through elections but opposes

Revolutionary Defeatism. (see International News — May 1941).

The ILP proposes a "Socialist peace offensive, making a proposal for a world conference and, at the same time, using the wireless, press and airplane leaflet distribution to appeal to the peoples in the Fascist-dominated territories over the heads of their rulers."

These "revolutionists" have lofty ideals. They want a socialist peace. So do we. But how do they propose to obtain a just peace? In reality they propose two things. The first, a world conference which would be worse than useless (because of its opportunist program), and second an appeal to the peoples of Fascist dominated Europe over the heads of their rulers. The second proposal is more empirical, and practical, but will it bring about a "socialist peace"? Will the English exploiters try to stop the ILP propaganda to appeal to the peoples of Fascist Europe over the heads of their rulers? No. In fact the British ruling class is doing that same thing itself, just as in the last war. **THE ENGLISH RULERS WILL HELP THE ILP** in this task — they will be helping themselves. Such will never bring about a socialist peace. (The New Leader of May 3rd reported an ILP broadcast WAS made two days before.—Ed.)

If the ILP is "brave" enough to appeal over the heads of the rulers in the Fascist countries while living in England, why not, be revolutionary enough **TO APPEAL OVER THE HEADS OF THEIR OWN RULERS TO TURN THE IMPERIALIST WAR INTO CIVIL WAR?** Only by understanding that the **MAIN ENEMY IS AT HOME** can one take the first steps toward a socialist peace.

The ILP proposal for a "socialist peace" is a left phrase that covers social-patriotic actions for British imperialism. A socialist peace presupposes the overthrowing of **capitalism**. But to overthrow capitalism, Maxton, Brockway and others must call for revolution in Fascist countries; not a return to bourgeois-democracy but a social revolution and Soviets. **Like-wise, this calls for the same action in the British Islands!**

The ILP leaders objectively support the British war against German imperialism (Fascism), a support that is covered with left-centrist phrases.

Brockway, speaking for the resolution says: "Our task is to create a movement which will contest by-elections until a series is won." In German dominated Europe they appeal over the heads of the rulers; in England they advocate paper-ballot elections to bring about socialism.

Thus, instead of setting an example of class action to the workers of Germany, the ILP **in action** sides with "their own" exploiters, strengthening the hold of Hitler's national chauvinism on the German masses, thereby helping the imperialists to continue their war.

THE PRESENT REVOLUTION

The leading address of the conference was delivered by the outgoing chairman, D. C. A. Smith, and his subject was, "The Present Revolution." He compares the present "War" economy with the industrial revolution of the past and says that the world is in the throes of an economic revolution. He makes no distinction between the Transition Economy of the Soviet Union in disintegration and capitalist economy in Germany under Fascism where state regulation provides "organized" starvation for the people. Furthermore, he makes no distinction between the present war economy in England in the throes of acute Empire decay and **PLANNED ECONOMY**.

Smith, like MacDonal of the Trotskyites in America and a whole raft of "revolutionists", only sees "totalitarianism" and lumps Fascist "economy" with Soviet economy and with "war" economy. But there is a purpose in this confusion. Before we take up the economic arguments, let us consider this in the light of the "socialist peace" resolution.

If an economic revolution is taking place that will bring about more fundamental changes than the previous industrial revolution, then social revolution is unnecessary. The "evolutionary political method" and the path of elections and Parliament are sufficient if one supplements this with appeals (?) in the enemy countries over the heads of the Fascist rulers. Socialism, thus can be brought in, by the "peaceful" method and a socialist peace will prevail. This may sound naive, but dressed up in I.L.P. language it serves a need of the exploiters to confuse the workers and to hold in check the growing Shop Stewards movement in England and Scotland...

Dr. Smith, while lumping together actual existing different economic structures, does nevertheless make a theoretical distinction between dictatorial totalitarianism (Fascism) and democratic totalitarianism (Socialism). But every time our "economist" of the ILP gets down to a discourse on actual economic facts he flounders like a drunken sailor. For example, he says, "A planned economy calls into being a totalitarian state. No single capitalist group can organize the whole economic life of the nation." "That task requires the authority, the coercive power, and the administrative organization possessed only by the State".

Smith, like other centrists, always presents sloppy formulations that leave loop-holes for escape, but Dr. Smith's speech and the above quotation means that although a single capitalist group cannot organize the whole economic life, the CAPITALIST State, can organize this economy of the country. This is directly contrary to actual facts of capitalism and is a rejection of the Marxian position on "organized production in the factory with anarchy of capitalist production as a whole". Italy and Germany as capitalist totalitarian states had more years than England's war economy to prove to the hilt that this fascist state "control" is not organization, but further anarchy of capitalist production and INCREASED INTERNATIONAL COMPETITION. Under the head, "Meaning of Totalitarianism"; Dr. Smith says, "This involves nationalization of all the means of production and exchange." The Fascist regimes of Italy and Germany are the best typical examples of totalitarianism under capitalism and by no stretch of the imagination can one speak of the nationalization of ALL the means of production. Under capitalism this will not take place.

Continuing with the metaphysical abstraction in the next sentence Dr. Smith says, "At this point private capitalism has disappeared." But Dr. Smith admits that Fascism represents a totalitarian state. If there is no PRIVATE CAPITALISM then from Smith's standpoint it must be State Capitalism. Or, like other revisionists does he deny that capitalism exists in Germany! On this point his writing indicates that he thinks it is capitalism. Not state capitalism, but private capitalism exists in Germany under the totalitarian regime, in spite of greater government regulations and FORMS of state capitalism.

AUTARCHY AND CAPITALISM

Dr. Smith says, "Not until the State isolates its economy from the world market and so insulates that economy from the shocks of events beyond its political control can the state either win security or know real independence, or feel safe from exploitation by rivals and blockades by enemies." All that Marxism and actual history teaches is thrown overboard in this sentence. It is impossible for capitalism to build a self-sufficient closed economy. It is impossible for any FORM of capitalism to negate the markets of capitalism that have long ago broken down national boundaries. This would mean that capitalism has solved its basic contradiction between socialized production and capitalist private appropriation. Marxism has written volumes on this point so we will not deal in detail here.

Furthermore to speak of "isolating its economy from the world markets" is to turn the wheels of history BACKWARDS, and not forwards, toward Socialism. Further isolation from the world markets by any nation leads to greater internal disintegration. According to the ILP, if the state isolates its economy from the world economy and builds a self-sufficient structure, which these "learned gentlemen" call Autarchic, they can only then really PLAN their life and have SECURITY and INDEPENDENCE. Such rubbish. The problems of the trust and cartel, the great monopolies, brought forth petty bourgeois "plans" to return to the good old days of Laissez-faire capitalism, but to no avail. Now the drying up of capitalism and its political reflection (bourgeois-democracy), and the decay which brings forth Fascism if the workers don't take power, again brings forth an attempt to go back. Ingenious theoretics to avoid the difficulties that the bourgeois democratic theoreticians and their labor agents CANNOT SOLVE. What they propose in the negative, Fascism accomplishes by "organized starvation" as a step toward an attempt to capture the WORLD market. Their "self-sufficiency" is a passing stage of a means to an end. Dr. Smith tries to make this an end.

Dr. Smith, without knowing it, is presenting an inverted form of the Stalinist theory of Socialism in one country. The Stalinists talk of building **socialism** in one country. But Dr. Smith talks of self-sufficiency of CAPITALISM

in one country. Even with the great advantages of socialist organization over capitalist anarchy "autarchic" economy is impossible.

If mankind is to progress instead of decline after this war then a greater unification of world economy and a greater world division of labor is necessary. Bourgeois democracy or Fascism are not capable of this either through New York and the Dollar, or Berlin and the barter. Only socialism can bring this. But this presupposes a social revolution which the ILP so conveniently ignores.

Let us reconsider the two main resolutions of the ILP conference. The resolution of "socialist peace" speaks of "ballot" victories in England, and appeals to the people over the heads of their rulers in Fascist countries and Fascist occupied countries.

The resolution on "the present revolution," speaks of an ECONOMIC REVOLUTION, not a proletarian revolution. It speaks of "evolutionary" changes through economic changes to either fascist totalitarianism or democratic (socialist) totalitarianism. In reality the resolutions supplement one another in trying to lay a theoretical premise AGAINST turning the imperialist war into a civil war; AGAINST the concept that the main enemy is at home; AGAINST revolutionary defeatism; AGAINST the proletarian revolution; AGAINST the basic Marxian positions on political economy.

ENGLAND AT CROSSROADS

The British Empire is in rapid decay and will not even survive the present war in its old dominant position. The pressure of German victories is causing great unrest and class changes. The Shop Steward movement that is again

developing represents a continuation of this action in the first world war and the short lived development of the 1926 General Strike. Great class battle will be fought in the British Islands. If further German victories cause more unrest and if the workers get out of control the rulers in England will call in the Labor Party to help save the British Empire, in fact, today the I.L.P. calls on the Labor Party to take power. Does this mean that the I.L.P. would consider this type of government suitable to bring a "socialist peace? Further shifts to the left will bring forth the ILP., as further shifts to the left brought forth Pivert and POUM in France and Spain. All are part of the general defense of capitalism against the social revolution. Now Churchill agrees (with the ILP) that "we must appeal to the peoples of Fascist occupied territory over the heads of the rulers — but tomorrow Churchill will cooperate with Hitler to hold in check the proletarian revolution in England as the French bourgeois democrats did just before Dunkirk. These British labor agents will not be needed then. They will be cast aside as they were in Spain. The ILP will go the road of its sister party, the POUM, in its black betrayal of the working class. It was none other than Norman Thomas, member of the sister United States Socialist party who came to Barcelona one week after the May Uprising. Norman Thomas had no time to talk to any of the leaders of the proletariat, leaders of the Barcelona May uprising — but he had plenty of time to dine with Companys who with the Stalinists put down in pools of blood the workers attempt to take power and defend their interests.

May 24 — 41.

BONAPARTISM

Editor's note: The R.W.L. is substantially in agreement with the author's concept that the Soviet Union is a warped workers state, the definition of Stalinism, and the concept that there can be a state that SEEMS to "rule above classes" and rests on the equilibrium of classes. His analysis of Bonapartism under capitalism is also correct. The differences between Bonapartism under capitalism and the Stalinist clique that he deals with we do not regard as entirely correct. Although we feel that the term "Bonapartist" can be applied to the Soviet Union we generally try to avoid using the term because of the possibility of leading to misconceptions. The use of the term, however, is secondary; agreement on content is the important thing. In that we think there is agreement between the R.W.L. and the author of this short piece.

The political situation in the Soviet Union has been called "Bonapartism" and Stalinism has been characterized as a "Bonapartist" force. The basis for this is the old Marx-Engels definition of "bonapartism" as a form of government in which the state, while resting upon the prevailing property relations, is able to exist above classes for a certain period. The use of labels and numbers and proper definition is of great importance in politics as well as in science. Improper use of definitions usually indicates a corresponding political line; and, where it does not, it causes confusions which strengthen the proponents of false programs. Therefore it is important to examine whether the term "Bonapartist" fits the Soviet Union and, if it does not, to stop thus using the term.

Marx and Engels labelled as "Bonapartist" the regimes of the two Bonaparts and of Bismarck. Since their time the revolutionary movement has called the Kerensky, the German Pro-Hitler regimes, the French Doumergue and Daladier governments as "Bonapartist" or "semi-Bonapartist." Characteristic of these regimes, in one degree or another, were: 1) a crisis of capitalism causing the rule of the bourgeoisie to be unstable. The bourgeoisie were unable to either crush or quiet the proletariat with concessions, but the proletariat were unable, for specific reasons, to seize the power. 2) Since the bourgeoisie were unable to rule directly and normally it became necessary for the bourgeois state to assume new

and open forms of rule in the interests of the whole bourgeoisie while, at the same time to override the interests of many individuals and groups of the bourgeoisie, and to intervene with naked force as the state apparatus. 3) In form, appearance and pretense the state is above classes. In reality the most powerful capitalists rule. 4) The state rules as a military, police and bureaucracy-dictatorship without the cloak of direct mass support organized through political parties.

It is important that the personell of the state under "Bonapartism" is the same permanent bureaucracy as under other forms of bourgeois rule. As such they are not interested in maintaining the unstable equilibrium. On the contrary they desire to re-establish relatively stable class relations. These state bureaucrats are not "Bonapartists" but are pragmatic politicians serving the interests of the capitalists. Only the adventurers who are swept into the limelight are interested in the status quo. They amount to nothing in the social scheme. Therefore there is, and was, no Bonapartist force.

Stalinism, on the other hand, is desirous of maintaining the status quo in the relations of class forces and have also always been so. Stalinism is not a state bureaucracy but rather a labor bureaucracy organized into a social-reformist party with a mass base in the proletarian movement. In order to retain its position it must have the dictatorship of the proletariat. However, in order to usurp and retain bureaucratic power within the proletarian state, it must have the backing, in economy and politics, of world capitalism and the bourgeois elements within the Soviet Union, i. e. of the counter revolution against the proletariat. It is this contradiction in the existence of Stalinism that causes it to be buffeted about between the contending classes, to vacillate and compromise on principle, and finally to be destroyed in the war of the contending classes. Such is not the fate of the state personell ruling under a "Bonapartist" form.

The use of the term "Bonapartism" is not consistent with the characterization of the Soviet Union as a workers state and of Stalinism as a petty bourgeois social reformist stratum within the proletariat.

Ed. Miller.

U.S. IMPERIALISM

and The WEST INDIES

American Imperialism speaks of Cuba, Porto Rico, San Domingo, Haiti, Jamaica, Trinidad, and the other islands of the West Indies as a defensive semi-circle to protect the Panama Canal. But although that is true, the other half of the story is that the West Indies also comprise a dagger pointed at the booty of South America.

The West Indies begin just east of Florida and extend in a slight arc to the eastern end of the Venezuelan coast. The total population of the whole area is 8½ million people, with the Negroes, Chinese, East Indian and mixed blood elements in the large majority. From an economic point of view the Indies are important as rich sources of sugar, rum, molasses, and other raw materials.

ECONOMIC IMPORTANCE

Uncle Sam's penetration into the Indies began on a large scale around the period of the Spanish-American war. As usual, American Imperialism attempted to dress up this outrage in a cloak of "humanitarianism", of liberation of the Cuban people from tyrannical Spanish rule. The truth of the matter, however, is that Spain accepted every single one of McKinley's demands a full day before the U.S. declared war; but McKinley and his friends (the Rockefellerers) were hell-bent on imperialist conquest. War was declared and the conquest began.

Even prior to the Spanish-American war, the large plantations throughout the Indies were largely owned and controlled by New York and Boston banks. The planters depended on the good wishes of the American sugar trust, which had become their chief outlet. Importation of American capital became a necessity as a result of the mechanization of the sugar industry. According to Louis M. Hacker in "The United States since 1865", American exports to Cuba represented fully 20% of the total Latin American trade of the U. S. in 1890.

The total investment of the United States in Cuba today is \$666,200,000, with an indirect investment of \$66,400,000.

The island of Porto Rico was forced as a "gift" from Spain in the same conflict. The "gift" was made at the Paris peace conference. Under American aegis the total export trade grew from 5 million dollars to more than a hundred million in 1938. The export per capita expanded from ten to seventy dollars. The total wealth of the island increased from 100 millions to 600 millions. But the conditions of the overwhelming majority of the people remains a disgrace.

Wages range from 45 cents to a dollar a day. Hookworm, malaria, syphilis and tuberculosis are common plagues. Illiteracy is very high, with 3 out of 4 people unable to write. According to a former Governor, the majority of the people under United States hegemony "has remained underfed, sickly, poorly sheltered, and with wages hovering dangerously close to that below subsistence level".

The total wealth of the island is almost entirely in the hands of absentee landlords and New York banks. Most of the productive land is concentrated into huge sugar plantations of 15 to 20 thousand acres. A good part of sugar profits leave the Island in the form of dividends and wages for highly paid executives. The American directors and plantation managers form a parasitic foreign colony, with beautiful homes, swimming pools, deluxe clubs, imported foods, and so forth. These people look down with contempt on the Porto Rican masses, with the greatest disinterest in their actual starvation and horrible living conditions. The native petty-bourgeoisie are also at the mercy of the Wall Street Overlords. Their lands are heavily mortgaged at an exorbitant rate of interest and they are forced to pay high processing and freight rates, far beyond their actual value, because of the dominance of this monopoly.

All attempts to force the American controlled legislative and judicial bodies to enforce the so-called "Organic Land Act," which would reduce individual foreign land holdings to 500 acres have been relentlessly blocked. Those who protest loudly against this condition are met by military violence from the insular police (organized on a military basis), as was the case in the Nationalist Demonstration of 1937, when unarmed high school and college students were machine-gunned to death. Thus does American Imperialism impose its "Democratic" will upon the masses of the West Indies.

Where the United States has not been able to control directly, it uses capable stooges to behead and divert into harmless channels the resentment of the masses of the people. And where these do not suffice, they resort to open Military Dictatorship, as in Haiti, San Domingo, and other Pan American countries.

MILITARY IMPORTANCE

As pointed out above, aside from the big Islands listed, the rest of the Islands are of relatively small importance economically. Through the acquisition of the British Islands, via the famous Destroyer Deal, the United States now has naval bases in the Bahamas; St. Lucia; Trinidad; British Guianas, and the Island of Antigua. With the already existing naval bases in the West Indies, this enables American Imperialism to build a ring of forts entirely enclosing the Caribbean Area and the Panama Canal.

It must be always kept in mind that the relationship of the West Indies to Latin America is very similar to the relationship of the Balkans to South-Eastern Europe. As Airplane bases and ports for merchant ships and battleships they form an invaluable jumping-off ground to the rich South American market.

THE ROLE OF THE EXPORT-IMPORT BANK AND THE INTER-AMERICAN BANK

With the advent of the New Deal, a so-called new policy was initiated — The Good Neighbor Policy. This policy was supposed to replace the old much-hated policy of Dollar Diplomacy and armed intervention. But in reality, there is no difference. The basic Imperialist policy in the West Indies has changed only in form.

When the New Deal took power, the American capitalist structure was in chaos; to save the system and head off the growing revolutionary movements in Latin America and in the West Indies (Porto Rican Revolt, and the Cuban Revolution of 1934) the Export-Import Bank was hastily set-up to subsidize U.S. industries selling in foreign markets, and help the bankrupt governments of the West Indies and Latin America. Though this semi-government bank does not confine all its activity to the West Indies and Latin America, a constantly increasing proportion of it is there. The mere fact that the U.S. government finds it necessary to bolster up the economy both at home and in the West Indies — is indicative of the extent of capitalist decay and also of the more intensive policy of exploitation to come.

During the Havana Conference, the United States Congress authorized the increase of the capital of the Export-Import Bank from 200 million dollars to 700 million dollars.

The method by which the Export-Import Bank functions deserves notice. It makes no direct loans to any West Indian or South American country, but subsidizes U. S. capitalists doing business with those countries. For example, the bank advanced a certain sum of money to an American construction company for the purpose of building a number of roads in Haiti. The U.S. government in order to stimulate the flow of American capital abroad, is willing to guarantee possible losses. In other words, this is socialization of capitalist losses by the Government; and of course, most of the money needed for this is extracted from the hides of the American working class.

Closely related, but not directly connected, are the operations of the Inter-American Bank, — an institution created on May 10, 1940, when Bolivia, Columbia, Dominican Republic, Ecuador, Mexico, Nicaragua, Paraguay, and the United States signed a Bank Covenant. Only one of the above listed countries happens to be in the West Indies; but in setting up Banks to facilitate the exploitation of the entire Western Hemisphere the American Capitalists do not have a Bank for each area. The stockholders of the bank are the Governments that participated in the Conference. — but the door is open to any other government that wishes to participate. Each country that participates must

buy a minimum number of shares, based on their foreign trade as of 1938. The Bank has the power to make long and short term loans; to buy and sell Government Bonds, deal in precious metals, underwrite Government loans, and other powers too numerous to list.

The United States being the largest country has the largest number of individual shares and therefore is the controlling factor in the Bank.

The express purposes of this Bank are to facilitate the building of factories, and to manufacture commodities that do not compete with the U.S.A. (thereby putting to work accumulated U.S. Capital); second — to safeguard American investments from expropriation by any "renegade" government, by making all participants minor partners in every enterprise sponsored by the Bank; third — the Bank uses its influence to get the Latin American countries to withdraw their deposits from British and European controlled banks, and to bring this capital within the range of U. S. Imperialist influence.

Instead of the mailed fist of "Teddy" Roosevelt and Herbert Hoover, Roosevelt has attempted to put more emphasis on bribery of the native bourgeois forces. The "good neighbor policy" is an attempt to build machinery for control of the colonial masses "peacefully", just as the various WPA, AAA, relief and other schemes are used within the United States to keep the home masses quiet. However, the

good neighbor is no slouch with the mailed fist either. But it exercises that force chiefly through its puppets. In San Domingo, for instance, puppet Trujillo a few years back forced 12,894 workers from Haiti to dig their own graves and then be shot in lots of a hundred. Rather than ship these people back to Haiti or put them on relief Trujillo murdered them. It is noteworthy that this bloodthirsty beast still has the support of the American state department and was recently wined and dined by Sumner Welles. In Cuba Batista does the bidding of Uncle Sam in a most ruthless fashion. And so the story goes.

But whether it uses the "good neighbor policy" or the "mailed fist", Uncle Sam intends to tighten its hold over the West Indies. It is America's lifeline to Latin America, its gateway to complete control of the western hemisphere.

The victims of all these depredations and plans are the oppressed workers and peons of all these islands and the workers in the 48 states who must foot the bill for imperialist expansion, for the ships and marines, the "loans" and subsidies. It is up to these forces to unite to stop the expansionist and dictatorial program of American imperialism. It is up to the workers in the United States, especially, to extend a hand to their West Indian brothers, not as "good neighbors", but as class brothers united against their common oppressors and ruling classes.

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