We print the second portion of Professor Varga's article, with some abridgement of the historical material.—Ed. L.M.

DEMOCRACY OF A NEW TYPE (ii)

By EUGENE VARGA

A LTHOUGH the same social order exists in all the countries of democracy of a new type, there are differences of no little importance, conditioned historically in both economy and policy . . .

This applies particularly to the national policy of the States under review. It might seem that in this sphere a sharp contradiction exists between the policy of Yugoslavia, on the one hand, and that of Czechoslovakia and Poland on the other (Bulgaria is almost united as regards its national composition). Czechoslovakia and Poland expelled to Germany almost all the Germans who previously lived on the present territory of their countries. In Yugoslavia all nations have equal rights and it is a federation of various nationalities. This contradiction, however, is only a seeming contradiction. In Yugoslavia it is a question of nations which (torn from their common Slav nationality) were oppressed by the Germans and fought against the invaders. During the war they belonged to one camp.

At the same time the Germans in the Sudeten region and Poland were a tool of Hitler fascism even before the war. They openly betrayed the country of which they were citizens. During the world war they fought on the side of Hitler against their motherland. It is comprehensible that, with this experience in mind, the Czechoslovak and Polish peoples have no desire to expose themselves to a possible danger by keeping these treacherous elements in their countries. The complete equality of rights of Slovaks and Czechs in Czechoslovakia clearly demonstrates the nature of its national policy, based on historical experience.

On the completion of the expulsion of Germans and the voluntary migration of Ukrainians from Poland to the Soviet Union (and Poles from the Soviet Union to Poland) the national composition of the States of the new democracy will be as follows: Bulgaria and Poland will be almost completely homogeneous as regards national composition. Czechoslovakia will consist of two nations with equal rights (probably with a Hungarian minority, which the population unwillingly accepts). Yugoslavia, on the other hand, is a federation of equal This national policy of the new Yugoslavia is particularly nations. important for the prosperity of the country and friendship among the peoples living on its territory, because its pre-war regime left behind an extremely unfavourable heritage in this respect. Although the country was called Yugoslavia, i.e., the land of southern Slavs, it was the Serbian bourgeoisie which exercised actual domination and oppressed the other peoples. Precisely for this reason everything which in the slightest degree could be interpreted to mean a continuation of the pre-war Serbian policy of oppression was deleted from the Constitution and practice of the new Yugoslavia.

There remains in Yugoslavia a small German (and Magyar) minority. Since Yugoslavia, however, has no common frontier with Germany, and its regime is politically extremely stable, it can, unlike Czechoslovakia and Poland, safely leave this minority in its country.

All the states of democracy of a new type are People's Republics: the working people determine the policy of the government. The form which the political rule of the workers takes is not, however, the same in each case. Czechoslovakia, Poland and Bulgaria are parliamentary republics with universal, equal and secret electoral rights. The governments in these countries are made up of coalition parties forming a majority and are responsible to parliament. Their electoral rights differ from the suffrage in the old bourgeois democracies, in that fascist parties are not allowed to operate and fascist traitors have no electoral rights. At the same time Yugoslavia is a federative republic, its Constitution being similar in many ways to that of the Soviet Union.

In this connection an important theoretical question arises: the idea was widely held in the Communist parties that the political domination of the working people, as is the case in the Soviet Union, could only be realised in the form of Soviet power. This is not correct, nor is it an expression of Lenin's opinion.

In my book on the Hungarian Soviet republic, *Economic-political Problems of Proletarian Dictatorship*, published in 1920, I wrote the following phrase:

"The hostility of the prosperous peasants and all strata of the ruling classes towards the proletarian state does not depend on the form the latter takes: whether this system is Soviet, a government of trade unions or a parliament -with a Labour majority—this is all the same to the ruling classes. They will offer equally strong resistance to whatever form is assumed, once serious steps are taken to build up socialist economy."

This phrase which allows of the possibility of other forms of political rule by the working people was regarded by a number of comrades as incorrect. Lenin, however, who made sharp notes of criticism in the margins of some pages of my book, made no remarks at all concerning the phrase quoted above, but merely underlined part of it (see *Lenin Symposium*, Vol. VII, p. 371, Russ. Ed.).

The rise of the states of new democracy shows clearly that it is possible to have political rule by the working people even while the outward forms of parliamentary democracy are still maintained.

The foreign policy of the States of new democracy is determined by the transitional character of their social order. It is owing to their social order that the capitalist States, primarily the United States of America and Britain, do everything in their power not only to hinder the progressive social development of these countries but to throw them back and once more convert them into ordinary capitalist States. This effort becomes all the stronger on account of the fact that the present State system of these countries excludes the possibility of their once more becoming economically dependent countries as they were before the war in relation to Germany. It is this which explains facts in the daily press which are all too well known to the reader: the repeated attempts at interference in the internal affairs of these countries, the hullabaloo about the absence of democracy because reactionary plotting is severely dealt with, attempts to discredit the elections, support of every display of opposition, i.e., of all reactionary (in the present historical situation) and objectively counter-revolutionary parties and politicians, etc. The intensity of these attempts at interference differs in relation to the different countries. It is relatively weak in relation to Czechoslovakia, because the bourgeoisie there are so discredited by their collaboration with the German fascists that they cannot, at least for the present, act openly as a political force and foreign reaction is deprived, therefore, of The democratic character of Czechoslovakia, internal support. therefore, cannot be disputed. In Poland, where Mikolajczyk's Peasant Party serves as the chief legal centre of reactionary forces inside the country and a bulwark for foreign reaction, attempts at interference assume the most intense character. One of the chief tasks of the foreign policy of these countries, therefore, is to protect their political conquests at home and their new social system from all these attacks.

It can be understood from these circumstances why the States mentioned maintain the closest friendly relations among themselves and render each other economic and political aid. Of the States mentioned, Yugoslavia and Bulgaria, on the one hand, and Czechoslovakia and Poland on the other, have common frontiers which facilitate their economic ties. (There are two countries— Hungary and Rumania—between these two groups of states, which, although at the present time not belonging to the countries of democracy of a new type, are clearly developing in this direction).

It is equally understandable that these countries maintain close, friendly relations with the Soviet Union. This is so not only because it was precisely the victorious troops of the Soviet Union that liberated their countries (Yugoslavia being, in part, an exception) from German occupation, and not only because they are all Slav states, but primarily because the present social order brings them close to the Soviet Union, because of all the great powers the Soviet Union alone is interested in the maintenance and further progressive development of the social order and political regime existing in these countries and can afford them diplomatic support against the reactionary offensive from outside.

The Soviet Union is at the same time interested in the maintenance by these countries of the existing regime and their further development in a progressive direction. The present regime in these countries provides the guarantee that they will not, in the future, again voluntarily serve as a place d'armes for any power which tries to attack the Soviet Union. For this reason the Soviet Union is interested in these States being as strong as possible in the economic, political and military sense, in order that they may defend themselves against foreign attack at least until such time as the Soviet armies can come to their aid and so avert their forcible conversion into a military place d'armes against the Soviet Union, as happened during the second World War.

This situation signifies that the States of democracy of the new type are the junction of the post-war struggle of two systems. It was not for nothing that during the war Churchill frequently called for the opening of a Second Front in the Balkans instead of a genuine Second Front in the West, in order that, by the end of the war, British armed forces would be on the spot to safeguard the old order. But these proposals were rejected by Roosevelt and Stalin as being incorrect from the military viewpoint.

All this points to the extremely close interweaving of home and foreign policy at the present stage of the general crisis of capitalism.

MALAYA: FUTURE OF RUBBER

By NEIL STEWART

PRIOR to 1941 British interests created a world monopoly in the production and sale of rubber. The base for this monopoly was Malaya, which produced 40 per cent. of world supplies. The Dutch East Indies, the second largest producer, came within the British sphere of influence, as did the Ceylon, Siam and French Indo-China plantations. The International Rubber Regulation Committee, which fixed prices and allotted quotas, was dominated also by Britain.

Rubber was a battlefield in British-American imperial rivalry. While Britain dominated production, America was the biggest consumer and found herself in the humiliating position of having to pay Britain in dollars for the largest part of her rubber. Of over half a million tons needed annually before the war, less than 40,000 tons came from the American-controlled plantations in Liberia and South America.

The business lay-out of the British rubber empire was complex. On the highest levels, however, it was under the control of the biggest City interests. Malayan plantations were part of the great British plantation interests that spread over South East Asia and Ceylon. Rubber fell roughly into two groups. In the minor group were the great rubber-consuming firms, who cultivated their own plantations with the intention of supplying part of their own needs. A subsidiary