

World

Capitalism

AND

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Socialism

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WORLD CAPITALISM AND WORLD SOCIALISM

By WILLIAM Z. FOSTER

THE great capitalist powers, in their brutal struggle to re-divide the world to the advantage of their respective ruling classes, have been warring viciously against one another and against weaker peoples for a year and a half (and for three and a half years against China). During this period they have been ruthlessly overrunning neighboring countries, bombing cities, sinking ships, starving whole populations, destroying social institutions, and subjugating hitherto independent nations. It is very important, therefore, that we should sum up what effects all this devastation is having upon the world capitalist system and upon the international struggle for socialism.

In the June, 1940, number of *The Communist*, in an article entitled "World Socialism and the War," analyzing the world situation at the outbreak of the second imperialist war, I enunciated three general conclusions. First, that since already at the outbreak of the present war the world capitalist system was much weaker internally, consequently it was far less able to withstand the shocks of war and revolution than it had been at the inception of the World War. This greater weakness of capitalism was caused by the corroding effects of the ever-deepening general crisis of the whole capitalist system during the intervening twenty-five years. It was evidenced, among other facts, by the unparalleled economic crises of the past

decade; the paralyzing growth of monopoly control throughout capitalism; the breakdown of international trade and the gold standard; the collapse of treaties and international law; the forced adoption of make-work schemes by the various governments to keep their sickly economies in operation; the plague of "little" wars; the unexampled armaments race; the destruction of bourgeois democracy and the growth of reaction and fascism in many countries; and, most of all, the loss of one-sixth of the world to capitalist control through the establishment of the U.S.S.R.

Secondly, that while the capitalist system was weaker at the beginning of this war than at the outset of the World War, the forces making for world socialism were much stronger. This factor resulted also from the deepened general crisis of capitalism. As evidences of this greater strength of the anti-imperialist, anti-capitalist forces, I cited the powerful U.S.S.R. (which did not exist in 1914), the growth of the Communist International and the decline of the Second International, the increasing dissipation of capitalist illusions among the workers and other toilers all over the world, the greater strength of the national liberation movement in the various colonial and semi-colonial countries, and the broader and more explosive character of the problem of national minorities in Europe.

Thirdly, that in the present war both the above-given factors are developing at a much faster tempo than they did during the World War. That is to say, capitalism is weakening and socialism growing stronger much more quickly than was the case during the last great war, and, therefore, we can look to a swifter and broader growth of the world socialist forces as a consequence of this war than occurred in connection with the World War.

The purpose of the present pamphlet is to carry forward to date the foregoing analysis; to point out some of the major re-

spects in which the capitalist system is being weakened by the war; to indicate the growth of the anti-imperialist, anti-capitalist forces; and to show the accelerated pace, in comparison with that of World War days, at which this whole revolutionary process is proceeding.

The Weakening of World Capitalism

The outbreak of the present war signifies a great aggravation of the general crisis of capitalism. Already, from the course of the war so far, it is clear that the structure of the capitalist system is now undergoing a broader, deeper and more rapid undermining than it did during the World War at a similar early period. To demonstrate this basic fact let us briefly examine some of the major aspects and results of the war:

(a) *Acutely sharpened capitalist antagonisms:* The issues involved in the present clash among the imperialist powers and against the weaker capitalist nations are more profound, urgent and insoluble than in the last war. There is the broader and more rapid spread of the conflict. During the World War while there were more nations officially involved than there are to date in this war, nevertheless, that great conflict was almost entirely a European war so far as hostilities were concerned. Very little actual fighting took place in Asia, Africa and the Western Hemisphere. In the present war, however, not only have nearly all the European nations (save the Soviet Union) become belligerents, but Asia and Africa are also major fields of battle. The U.S.A., in this war, has much earlier, more blatantly, and more effectively thrown its support to the British imperialist side. There is the further strong probability of the war also being finally carried to the Americas. Already

many more millions of people are involved in the active struggle of this war than in the World War at its height, and the war is still rapidly spreading.

Further, the stakes for which this war is being fought are greater than in the World War. The capitalist powers, pressed irresistibly into the war by their insoluble internal crises, are literally fighting a life-and-death struggle. Not only are the great empires battling for world dominion, but at the same time their very existence is in jeopardy. From what has already happened to various conquered countries in Europe it is plain that the fate which threatens the vanquished in this war, whichever imperialist group wins, is more or less complete loss of national independence, de-industrialization and economic degradation to a semi-colonial status, establishment of new and worse forms of slavery for the workers and other toilers, wholesale removal of populations to less favored areas, or even their physical extermination as a people. The World War, despite its ruthless peace treaties of Brest-Litovsk and Versailles, never reached these low levels of barbarism. Consequent upon its greater stakes and the sharper antagonisms between the capitalist powers, this war is being fought with far greater ferocity and destructiveness, both physically and ideologically.

(b) *Deeper economic disruption:* The present war is also doing quicker and greater damage to capitalism than did the World War, because of the more profound economic disruption which it is bringing about. For one thing, the larger role of mechanization and the "total" character of the war are profoundly upsetting the internal economics of the various capitalist countries. A far bigger share of the national production is being devoted to war ends now than during the World War, with more rapid lowering of mass living standards. Besides this, the economies of the many conquered countries are being literally shattered by the de-industrialization

policies, huge indemnities, and war devastation inflicted upon them by the victors.

World trade is also being more reduced than it was during the World War, because the blockades and counter-blockades are more effective. All Europe is now under blockade and on the verge of starvation, whereas during the World War several neutral European countries traded freely with the rest of the world. The United States is not at present trading, in its own ships, with any of the countries in the war zones, although it did so during the World War. Several Latin American countries are also plunged into deep economic crises because they are virtually cut off from their indispensable European markets. The shattered French, Dutch and Belgian empires can trade little, if at all, with their widely scattered colonies. And the Far Eastern trade of British and American imperialism is badly disrupted by the Sino-Japanese war. Besides all this, the air bombings, through the destruction of factories and the loss of work time to the workers, are greatly reducing national production. In England the falling off of munitions production due to air bombings has been estimated as high as 50 per cent and in Germany from 20 per cent to 30 per cent.

(c) *Greater financial costs of the war:* The expenses of this war are also proportionally far greater than that of the World War. Consequently, the capitalist countries, already greatly weakened by long years of unhealthy internal economies, are traveling much faster on the road to bankruptcy. In his 1940 May Day speech Georgi Dimitroff stated that although the war was then only a few months old, its course and preparation had already cost \$100,000,000,000, as against \$180,000,000,000 for the whole four years of the World War. Since Dimitroff made this statement the total World War costs undoubtedly have been far exceeded by the skyrocketing expenditures.

At present Great Britain is spending 60 per cent of its na-

tional income for war purposes, and Germany about the same. Japan, in its war against China, has already squandered twelve times as much as it did in the 1904-05 war against Russia and is in a desperate condition financially. Defeated and disorganized France is compelled to pay 400,000,000 francs, about \$8,000,000, a day for the German army of occupation, and *The New York Times* estimates that its total government expenses "are at least as large as the entire national income"—an obvious condition of bankruptcy. Italy, like many other European countries, is literally bankrupt. Our neighbor, Canada, is wasting 40 per cent of its national income on the war.

The United States, with the national debt limit already raised to \$65,000,000,000, is spending billions of dollars at an unheard-of rate in its feverish preparations for war. Should the war be prolonged for two or three years, as it probably will be, world capitalism will be confronted at its end with a condition of monster national debts, inflation, high taxes, economic prostration, and general financial exhaustion and bankruptcy far worse than after the World War.

(d) *Unparalleled property destruction*: The World War caused a widespread property destruction in Belgium, Northern France and Eastern Russia, but these losses have already been exceeded in the present war. The *blitzkrieg* in Poland almost obliterated Warsaw and many other cities. Huge damage was also done in Norway, Belgium, Holland and Northern France during the German invasions. The 4,500,000 tons of British shipping that has been sunk far exceeds the figure at the corresponding period in the World War. Besides all this, Britain and Germany are steadily destroying each other's cities. The terrific range of the devastation caused by the bombing of many British cities was graphically illustrated by a letter from an English engineer, printed in the *New York*

Herald Tribune of February 2, describing a big section of London.

"We traveled," he said, "for miles without, so far as I could see, passing a habitable house, acre after acre of collapsing or collapsed jerry-built semi-detached houses. Not a soul was to be seen."

Untold billions of property damage has already been done in the war, and the worst is yet to come. The weakening effect of all this upon capitalism is obvious.

(e) *Involvement of the people in the hostilities*: So far this war has not caused the huge casualties among soldiers incurred in the World War, a carnage that will probably come at a later stage. But the general populations, living in air-bombed cities, are suffering far greater terror and hardships in this war than in World War days. This condition is causing tremendous casualties among them from sickness and violent death. Here is war in its most barbarous form. Men, women and children indiscriminately butchered en masse. Then there are the gigantic armies of refugees, whole populations uprooted, the like of which the world has never seen before. Ex-President Hoover asserts (*The New York Times*, February 17) that the present famine in Europe is "swifter and of far greater proportions than that of the 1914-18 World War." The eventual effect of all this savagery will be to develop anti-capitalist moods among the workers much more quickly and intensely than during the World War.

(f) *Defeat of many capitalist states*: The whole system of world capitalism has been dealt a heavy blow by the military conquest of various countries in this war. Not only have such countries as Poland, Norway, Denmark and Czechoslovakia been overwhelmed, but the big empires of France, Italy, Belgium and Holland have been shattered. This has injured world

capitalism in its deepest structure. An effect even more undermining has been caused by the serious weakening of the vast British Empire, a very cornerstone of the whole capitalist system. Great Britain, which in its greed for world domination is largely responsible for this war, has already been stripped of its European allies, attacked in its homeland, is facing colonial revolt, is fighting for its very existence. Its further continuance of the war has become dependent upon support from the United States. No comparable disruption of the structure of world capitalism took place during the World War until the very last stages.

(g) *The early exhaustion of the combatant powers:* One of the most striking features of this war, in contrast with the World War, is the weaker fighting capacities of the several capitalist powers. Although they are more ferocious and relentless, they have less strength. This is basically because the capitalist system was generally stronger and healthier in the World War period than it is now. The present relative impotency, shared by all the powers on both sides of this conflict, originates in the general sickness of capitalist economics, the gigantic costs of the war; the treacherous and reactionary policies of the ruling classes, expressed by Munichism, sabotage of defense, etc.; and the lack of mass support for the war. France, like Poland, rotten and demoralized, was virtually incapable of resistance and there was no trace of its powerful struggle of World War times. Italy, although it has so far made only an insignificant war effort, is already staggering around like a half-knocked-out boxer. Japan, a prey to ravaging internal crisis, has bled itself nearly to exhaustion in its feeble war against Nationalist China. Germany makes a great show of strength so far, but it is safe to say that if that country is really put to the test by a hard war it and its armies will evidence the weakness that is characteristic of capitalist powers generally in

this war. Great Britain, as never in its history, has experienced ignominious defeats, and its empire is visibly being broken up. American imperialism also roars like a lion bursting with strength, but it, too, with its unhealthy domestic economy, with the increasingly fascist-minded ruling class and the anti-war people, will turn out to be, if it faces a hard war, far from the lusty fighter that on the surface it now appears.

(h) *Breaking down of Social-Democracy:* One of the major phases of the general weakening of the world capitalist system during the present war is the accelerated total ideological bankruptcy of Social-Democratism all over the world, and its organizational collapse in various countries—France, Holland, Norway, Belgium, Poland and Czechoslovakia. Thus, one of the very pillars of capitalism is steadily crumbling. The suppression of the reactionary Social-Democracy is not to be confused with the driving underground of revolutionary Communist Parties which are carrying on their struggle to rally the masses against capitalism. The capitalist-minded bureaucrats controlling the big Social-Democratic Parties and trade unions throughout the capitalist world have served long and well their imperialist masters by paralyzing revolutionary understanding and activity among the world's working class and sabotaging the Peace Front. But now the capitalists, hard-pressed by their crisis, are being forced to destroy or greatly to weaken the organization of their Social-Democratic lackeys and to grasp at more direct and desperate fascist terrorist methods of subjugating the workers and their allies in the class struggle. Meanwhile, seeking to be restored to capitalist favor, the Social-Democrats, in their role as pseudo-opponents of fascism, continue their traditional efforts to paralyze all real anti-capitalist struggle by the workers. But when the masses begin to move Social-Democracy will not be restored to its former power in their ranks.

(i) *Disruption of the capitalist anti-Soviet front:* Ever since the Soviet Government was established in 1917 the capitalist powers have pursued as their basic world policy the building of a united front to destroy that government. Only by circumventing this anti-Soviet front has the U.S.S.R. been able to survive. The capitalist anti-Soviet front has taken many forms—armed intervention in 1918-20, economic boycott for many years, and a long-continued attempt diplomatically to isolate the Soviet Union from the rest of the world. It was in this general anti-Soviet spirit that the British Tories, applauded by French and American reactionaries, armed Nazi Germany in the hope that Hitler, with the active aid of Japan, Italy and Poland, and with the support of the rest of the capitalist world, would attack and destroy the Soviet Union. It is a most important fact that with the great imperialist powers at each other's throats, the capitalists' much-prized anti-Soviet front has been shattered. Busy attacking one another, the capitalist states, for the time being at least, have little opportunity jointly to attack their socialist enemy. Germany was compelled to sign a non-aggression pact with the U.S.S.R., Japan is seeking a similar treaty, the United States has reluctantly lifted its moral embargo, and even stubborn old England softens a trifle its deep-seated anti-Soviet policy. The great country of socialism is thus getting a breathing spell in which to strengthen itself, while the capitalist tigers tear one another to pieces. But the U.S.S.R. remains fully armed and keenly alert against the ever-present danger of the reconstitution of the anti-Soviet front in a most violent form, even in the course of this war.

The foregoing facts give an outline of some of the principal ways in which capitalism is being weakened in this war, and at a more rapid pace than it was during the World War. The unparalleled sharpening of the antagonisms of the great capitalist powers among themselves and against the weaker coun-

tries, the profound disruption of world capitalist economy by the war, the unbearable financial costs of the war, the wholesale property destruction, the smash-up of empires and the subjugation of hitherto independent countries, the exhaustion of the warring imperialist powers, the breakdown of the Social-Democratic safeguard of capitalism, the collapse of the united front against the Soviet Union—all these developments are related expressions of the havoc being wrought to the world capitalist system by this suicidal imperialist war.

Strengthening of the Anti-Capitalist Forces

While the world capitalist system is being weakened in its structure and fiber by the war, the world anti-capitalist forces, the rebellious peoples and the elements generally that are struggling against imperialism and heading towards socialism, are constantly increasing in strength and vigor. The following indicates the general course that these developments are taking.

(a) *The advance of the Soviet Union:* The most significant strengthening of the world anti-capitalist forces is the increasing power of the Soviet Union. The U.S.S.R., leader and stronghold of world socialism, has evidenced sufficiently great strength in this war to guard its borders from those voracious capitalist powers that were ravenously eager to invade them. With the masterly leader Stalin at its head, it has been able so far to preserve a policy of neutrality and to defeat every attempt of both sides to involve it in the imperialist war. While the capitalist powers have gone ahead butchering one another the U.S.S.R. has intelligently guarded the peace of its people, improved its internal economy, bettered its armed forces and strategically extended its borders. This is a tremendous achievement.

By including within its ranks the oppressed peoples of

Esthonia, Lithuania, Latvia, Bessarabia, Northern Bukovina, Karelia, and Eastern Poland, the U.S.S.R. acquired 23,000,000 new people, raising its grand total to 193,000,000. These populations and territorial increases, together with the smashing of the Finnish Mannerheim Line, enormously strengthened the strategic position of the Soviet Union. The Soviet Red Army, according to many observers, among them the Finnish General H. Oehquist, has also been raised to a high state of efficiency. Meanwhile, during 1940 the industrial output in the U.S.S.R. jumped 11 per cent over 1939, an increase equivalent in amount to the entire industrial production of tsarist Russia in 1913. This great strengthening of the Soviet Union, at a time when the capitalist powers are so weakened and dis-united, has vastly increased the specific gravity of the first socialist country as a world power.

(b) *Growth of colonial liberation movements:* In the colonial and semi-colonial countries a vast development of popular revolt is taking place that bodes ill for the capitalist system. China, with its 450,000,000 population, is the most outstanding phase. The Chinese Nationalist Government, on the basis of a united front between the Kuomintang and the Communist Party and with the help of huge supplies of munitions from the U.S.S.R., has literally fought imperialist Japan to a standstill. A great people's victory is in prospect, with the establishment of an advanced type of popular democracy in a free China, unless the British and American imperialists, who are deeply alarmed at this democratic perspective, succeed in disrupting the Chinese national united front and, by turning China into another Spain, give the victory to Japan.

In India also the forces of revolution are developing rapidly. Never has British rule over these 350,000,000 people been so precarious. The Indian National Congress is pressing its demand for national liberation, the trade union movement has

been united and its convention has declared against the imperialist war. Nehru and many other popular leaders have been arrested in the campaign of individual civil disobedience and the whole country is in a rising tide of anti-British sentiment. India's vast millions are on the march to freedom.

Colonial Africa is also seething with anti-imperialist foment. In Ethiopia and Libya the people are taking up arms against their fascist conquerors and they will never be content merely to shift from Italian to British slavery, as Churchill plans for them. In the Union of South Africa also long smoldering national sentiments among the Boers have flared up into bitter riots. In Latin America, too, a rebellious spirit is developing among the peoples against American and British imperialist oppression, and this is being especially provoked by the present war.

Further examples of the worldwide ferment among the colonial peoples are to be seen in the growing national liberation movements in Indo-China and the Dutch East Indies. Regarding the deeply exploited Dutch East Indies Hallett Abend, in a dispatch to *The New York Times* of December 30, gave a hint of the prevailing discontent when he said:

"Today a large majority of even the Netherlands officials sent out from the Netherlands, as well as virtually all the Indies-born Netherlanders, openly declare that a semi-independent status will be their demand when the war ends."

Never in the whole history of imperialist capitalism, not even in the most critical days of the World War, has the colonial world evidenced such far-reaching revolt. This vast development menaces world imperialism, and therefore world capitalism.

(c) *Explosive conditions in the conquered European countries:* Another broad avenue of growth of forces that will even-

tually play havoc with imperialism and capitalism generally is the developing pressure from the many oppressed European peoples. And the pressure upon them is steadily becoming greater and more unbearable. Defeated France, Holland, Belgium, Norway, Denmark, Poland, Austria and Czechoslovakia, as well as the bitterly oppressed Jews and other small peoples, constitute a veritable volcano of latent rebellion. Hungary, Rumania and Spain also verge on this general category. The rising spirit of rebellion, which tends to burst into violent struggles for national independence, constitutes a serious threat to the conquering imperialist states. The continued sabotage of the Czechs, the bitter resentment of the Norwegians and the stubborn hostility of the French are plain indicators of the great anti-capitalist storm that is bound to come from these sources with a prolongation of the war. The threat hanging over the Balkan nations and the other as yet unconquered small peoples in Europe will add fuel to this general resistance of the weaker nations against the imperialist forces.

(d) *Rising mass discontent in the combatant empires:* Another basic stream of anti-capitalist development is found in the fact that the workers and other toiling masses in the warring empires are in a far greater and more rapidly increasing state of unrest than were the belligerent nations after eighteen months of the World War. This is not only because of the greater pressure of this war upon them, but also because at the outset of this war they were much more definitely opposed to the war than they were in 1914. For proof of this mass peace attitude we need but to remember the great peace referenda among the British people just before the war, the general peace spirit among the French masses, the 85 per cent of the American people who stubbornly refuse to be swayed by the present deluge of war propaganda, the patent fact that the Italian people did not want to go to war, and the often noticed

lack of war enthusiasm on the part of the Japanese and German masses. This initial anti-war spirit of the world's workers, which far exceeded that of pre-World War days, has been further intensified by the great economic burdens cast upon them by the war, the exposure of the masses to the terrors of air bombings, the repressive measures taken against the toilers by the ruling classes, and the general feeling of hopelessness among the people that either side will make a just peace in the event of victory.

The profound anti-war spirit of the peoples can readily, under the fierce pressure of war, grow into revolutionary struggle against capitalism. Many signs of the preliminary stages of this revolutionary development among the workers and the toiling masses generally are to be seen in the various combatant empires. Thus there are persistent reports of unrest in Italian cities, in Japan the masses are restive, and in Germany anti-war feeling expresses itself in a growing passivity towards the war. Writing in *The New York Times*, January 11, Anne O'Hare McCormick stated:

"Observers coming out of the Reich during the recent weeks all report the apathy of the populace. There are no cheers for the troops as they pass through the streets. There were no cheers for the victory parades after the battle of France."

In the United States, too, there is a deep discontent among the workers and other toiling masses who are against the war, and the "sacrifices" which it demands. This is also true throughout Latin America. But the most dramatic and significant expression among the peoples of the combatant empires so far developed was the recent great People's Convention in England. The growing anti-war sentiments among the masses attest to the revolutionary danger to capitalism that will swiftly develop in the event of a serious exhaustion or out-

right defeat of one group or the other of the warring nations.

The foregoing facts represent the four basic paths along which the world's anti-capitalist forces are now developing—the expansion of the Soviet Union in power and world influence, the spread of the national liberation movement in the colonial and semi-colonial countries, the growth of an explosive national independence movement among the conquered peoples and oppressed nationalities of Europe, and the development of a revolutionary anti-war, anti-imperialist, anti-capitalist spirit among the workers and other toilers in the warring capitalist empires. These four great anti-capitalist world streams beat against a common enemy, the capitalist system itself, and as the war advances they are certain to converge more and more towards one great, irresistible anti-capitalist river.

Capitalist Measures Against the Crisis

The imperial rulers of the capitalist world are quite aware of the grave dangers that confront their organized robbery of the people. They see that, on the one side, capitalism is breaking down structurally and that, on the other, the anti-capitalist forces of the world are growing more powerful. Hence, while carrying on the war, the two rival imperialist groups are seeking to reorganize world capitalism and to check both of these developments which menace them.

(a) *The fascist "New World Order"*: The most striking of the plans to "cure" capitalism structurally is the "New World Order," proposed by the Axis powers—Germany, Japan and Italy. This fascist scheme of imperialism would divide the world into four principal sections, each controlled by a great power. That is, Germany and its group of puppet governments would take over Europe and Africa, Japan would grab all of

Eastern Asia and thereabouts, the U.S.S.R. (we are asked to believe) would be allotted approximately its present territory, and the United States would have as its preserve the Western Hemisphere.

This grandiose project would, of course, not solve any of the basic contradictions that are now ripping capitalism to pieces, but, on the contrary, would greatly intensify them. The exploitation of the masses in the capitalist countries would be far greater and the class struggle would be intensified; the oppression of the colonial peoples and smaller nations would be enormously increased and their resistance to the imperialist states sharpened; the great capitalist empires, including the Axis Powers, would come into still heavier collisions with one another and their wars would grow even more widespread and devastating, and the antagonisms between the capitalist world and the socialist Soviet Union would be acutely sharpened.

Germany and Japan are busily engaged in building their "New World Order." But, illustrating the conflicts that would exist in such an organization, each one is building on the basis of world domination for itself. Both have pretty much the same reactionary plan in mind. The Nazis, for example, would have the Germans (the capitalists, of course) serve as a super, God-given international ruling class; Germany would also become the industrial metropolis of the world, the industries of all other countries being reorganized and reduced to a semi-colonial basis, and the populations of the subject countries still more deeply exploited and enslaved. The whole "New Order" would be dominated militarily by Germany, and fascist terror would reign everywhere. Japan is working along these same lines.

The peoples of Europe and Asia, naturally enough, do not take kindly to the "New Order" of the Nazi and Japanese reactionaries. In no case has any one of them joined it volun-

tarily. They have to be driven in by force of arms. The workers and other toilers, facing utter enslavement, bitterly oppose the fascist "New Order," and even the capitalists themselves of the conquered countries see in it at best only a mixed blessing. In France, Rumania, Hungary, etc. (as well as in England itself), the decisive sections of the bankers, industrialists, and landlords wanted fascism, but many of them balked at accepting it at Hitler's high price, which demanded that they give up their national independence and entirely subordinate their industries to Nazi wishes.

The attempts of the Nazis in Europe and the Japanese in Asia to set up their "New Order" have not in any degree offset the destructive effects caused by the war. On the contrary, they have increased the conflict at all points and are contributing still further to weaken the capitalist system structurally.

(b) *The Anglo-American alliance:* Great Britain and the United States, on the other side of the war line-up, are also seeking to take firmly in hand the decaying capitalist system. They are building a great imperialist Anglo-American alliance with which they seek to dominate the whole earth. They would reduce the world to their joint sway. They hope that after the war has ended victoriously for them they will be able, with their great wealth and resources, to set everything right again in the interests of the fascist-minded bankers who control both great empires. American imperialism, with characteristic greed, is arming to make Great Britain the junior partner in their world alliance. Meanwhile Great Britain and the United States, particularly the latter, are seeking to tide over with loans the difficulties of their allies or potential allies—Latin American countries, China, Greece, Turkey, etc.

Anglo-American cooperation is not able immediately to check the breakdown of the capitalist system during the war. And, as a long-run imperialist program, this alliance bears

within itself the same fatal capitalist contradictions as the fascist "New Order." Anglo-American victory aims at (1) the subjugation of the colonies, the weaker capitalist nations, and the world toilers pretty much upon the Hitler plan, which is bound to engender similar resistance from these forces; (2) it would be but the prelude to new and fierce struggles between Great Britain and the United States, which are inveterate imperialist rivals for world mastery;* (3) it would result in renewed plottings and war attacks against the U.S.S.R. The Anglo-American-French victors in the World War could not heal the wounds of that war and they will be still less able to cure capitalism after the greater devastation of this war.

To sum up, therefore, the economic-political attempts of the capitalists to fix up their collapsing system are not succeeding. Neither the "New Order" of the Axis nor the Anglo-American collaboration is checking the war's devastation, nor do either of their schemes represent a program that can heal the diseases of capitalism when the war is over.

(c) *Demagogy and terror against the people:* In order to break up the various types of people's democratic and revolutionary movements and to make the people accept the war and its hardships, the rival imperialist camps are sugar-coating the war with radical demagogy even more than they did the World War. To hear the imperialists, revolution is sweeping the world and they are the leaders of it. Hitler and Mussolini cry out that their fight is a defensive struggle against the heart-

* Philip LaFollette, in his February 3 speech on "The Town Meeting of the Air," gave a revealing example of the so-called friendship between Great Britain and the United States. He said: "As late as February, 1939, at Dusseldorf, Germany, the representatives of the Federation of British Industries, which is a quasi-official organization, and representatives of German industry met . . . and signed an agreement, the substance of which was that their respective governments would subsidize their respective trade in Central and South America, to drive the United States trade out."

less capitalist plutocracy. Hitler says he is fighting for socialism, a "socialism" the measure of which may be had from his assurances to the workers that capitalist profits will not exceed 6 per cent. Dr. Ley, head of the German Labor Front, calls upon the workers to destroy "the Moloch of capitalism" and promises them automobiles, model houses, and many other concessions if they will but fight the war through to victory.

Not to be outdone by Hitler's demagogy, Churchill and Roosevelt shout that their war is one in defense of democracy, civilization and humanity. They talk vaguely of a "New World Order" of their own to come and are lavish in assuring the workers of the good times ahead if the British-American alliance wins the war. Their Social-Democratic and Liberal flunkies hasten to expand upon these demagogic promises. A great revolution (with the consent of the capitalists) is taking place in Great Britain, they say. Dorothy Thompson, full of revolution-by-consent fervor, said in the *New York Herald Tribune* of February 7 that "Britain has become the master and flag-bearer of the European revolution."

Characteristically, the imperialists on both sides in the war supplement their radical demagogy with stern measures designed to destroy all resistance by the workers and other discontented sections of the population. As Georgi Dimitroff said in his speech last May Day, the capitalists, in order to save their collapsing system, have launched a turbid wave of reaction throughout the whole capitalist world. Hitler is continuing and increasing his iron methods of repression against the German workers, against the conquered nations, against the Jews. The British imperialists are seeking to suppress the rising Indian liberation movement by violence, and they have outlawed the *Daily Worker* in England as a blow against the spreading People's Convention movement. Democracy has been knifed in Canada, Australia and New Zealand. Together with the Ameri-

can imperialists, the British are also attempting systematically to defeat the Chinese national struggles.

In the United States the wave of reaction is similarly in full swing, with President Roosevelt systematically pushing the country into the war against the will of the people, striding towards establishment of a military dictatorship, with the innumerable attacks now being made upon the workers' civil rights and living standards. In the Balkans and in Latin America like reactionary offensives are under way. Besides attacking the liberties of their own nations, colonies and vassal peoples, the warring imperialists, alarmed for the safety of their world system, never cease plotting against the socialist land, the U.S.S.R.; but so far, busy as they are in the war, they have not been able to do much against it, except to flood the world afresh with an unprecedented deluge of anti-Soviet lies.

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Under pressure of all these attacks, the world anti-capitalist forces have suffered considerable losses. The destruction of the national independence of various states, the break-up of the trade union movement in several countries, the outlawing of the Communist Party in a number of places, and the liquidation of bourgeois democracy and the setting up of fascism in many instances, are so many setbacks to the people's cause. But these defeats have not resulted in seriously checking the general mass movement against capitalism. While the capitalist system gradually weakens under the impact of the war, the world anti-capitalist forces are increasing in strength, both actually and relatively. The Soviet Union marches on to greater strength and prestige; the colonial liberation movement takes on wider scope and deeper intensity; the conquered peoples and oppressed nationalities in Europe become more explosively rebellious; and anti-war, anti-capitalist senti-

ment grows rapidly among the workers and other toilers in the warring empires.

The Roles of the Two Internationals

The opposite roles of the Communist International and the Second International in the present world situation are being dramatically illustrated: the first standing forth boldly as the indomitable fighter for world democracy and socialism and the other as a lackey defender of capitalism and imperialism. The Communist International, imbued with the Marxian understanding that the strength of capitalism is declining and that of the rebellious masses is increasing, is alert with socialist fighting spirit and its parties are thoroughly united. True to its revolutionary character, it has condemned the war as imperialist. Under its general slogan for "Peace, Bread and Freedom," it is fighting for the establishment of a just peace and is militantly supporting every phase of the anti-capitalist struggle throughout the world.

The Second International, at the opposite pole, is shattered and demoralized by the breaking down of capitalism. Its whole program of the gradual transformation of capitalism into socialism has been repudiated by the course of events. The International of Social-Democracy is disintegrating, not only organizationally but ideologically as well. It has become the barefaced international tool of the British-American imperialist war alliance. In the Axis and in the conquered countries many Social-Democratic leaders have gone over outright to the fascists (recent recruits in the Fauré and De Man groups in France and Belgium) and are busy fighting against the people's movement for freedom, while in the "democratic" countries about all that is left of their "socialism" is mouthy attempts to

dress up the hypocritical promises of Churchill and Roosevelt with radical phrases. The leaders of the Second International, under slogans of national unity and class collaboration, are egging the peoples into the war on the side of the Anglo-American imperialists. And all over the world they are using their declining influence to beat down the rising wave of struggle for democracy and socialism.*

(a) *The Soviet Union*: The Communist Party, in its victorious struggle to build socialism in the U.S.S.R., has set a glorious example for all the oppressed millions of the earth. It has constructed the world's greatest stronghold of popular freedom and proved beyond all possibility of honest question the tremendous fact that socialism provides the solution of all the great economic and political evils that are now tormenting humanity under the moribund capitalist system. But all this is anathema to the Second International. True to its role as defender of capitalism, it hates the Soviet Union as deeply as the capitalists themselves. Like the capitalists, the Social-Democratic bureaucrats consider the Land of Socialism their main enemy, looking upon it as the negation of their whole opportunistic program. They are the ideological leaders of the capitalists' mud-slinging attacks against the U.S.S.R. and are doing all in their power to organize a general capitalist war against the first socialist republic.

(b) *The colonial liberation movements*: In the vital sphere of anti-imperialist struggle in the colonial and semi-colonial lands the Communists are everywhere to be found in the front line of battle. In China it is the Communists who are con-

* Typical indications in the United States of the ideological decay of the Second International are the shameless pro-war demagoguery of the Social-Democratic Federation, the brazen deductions by Norman Thomas that Nazism is moving toward socialism, and the open repudiation of socialism by such long-discredited elements as Lovestone and Corey.

sistently and determinedly fighting to sustain and strengthen the national united front in the valiant struggle of the Chinese people against Japanese imperialism; in India the Communist Party, supported by the Communists of Great Britain, fights resolutely, together with the people's mass organizations, for a free and democratic India; throughout Latin America the Communist Parties are tirelessly struggling against the triple threat of American, British and German imperialism, especially the first, which constitutes the main danger.

But the Social-Democrats, tails to the British-American imperialist kite, are everywhere the betrayers of the colonial peoples. The British Labor Party leaders are working closely with Churchill to strangle the national aspirations of the Indian people; regarding China, the British and American Social-Democrats are actively supporting every move of their respective governments to split the national united front of the Chinese people and to drive a wedge between Nationalist China and the Soviet Union; regarding Latin America, the Social-Democrats, both in the United States and in the Latin American countries, are tailing along behind Roosevelt's militant program of imperialism and are following a policy that would lead to the subjugation of Latin America by American imperialism.

(c) *The conquered European nations:* The same contradiction between the policies of the two internationals also shows itself in the struggle of the smaller and weaker European peoples to preserve and restore their independence. The historic policy put forth several years ago by the Communist International, of building popular front movements in the respective countries and of constructing an international peace front of all the democratic peoples in order to restrain the war-aggressor states, would have prevented the present war and also preserved the national independence of the smaller states.

But the Second International, responding as ever to the dictates of its imperialist masters, sabotaged and eventually defeated the popular front-peace front proposals of the Communist International. Its leaders smashed the People's Front in France and outlawed the French Communist Party; they also helped their governments to strangle the Spanish Loyalist Government. They abetted the betrayal of Austria and Czechoslovakia into the hands of fascism. Everywhere they opposed the Soviet Union's proposed peace front, as they followed the capitalists' thesis that what was necessary was a war against the U.S.S.R. Thus they opened the gates for the war and for the ensuing wholesale subjugation of the small nations. And now, pinning their faith in Anglo-American imperialism, these same Social-Democratic leaders, both in the conquered countries and in the warring empires, are quite ready, if the occasion offers, to peddle away the national interests of the smaller peoples under a dictated Anglo-American imperialist peace.

(d) *Mass movements in the warring imperialist states:* In this phase of anti-capitalist struggle, too, the policies of the Communists and the Social-Democrats stand at opposite poles. Resolutely opposed to the imperialist war, the Communists are fighting to prevent the spread of the war, to establish a just and lasting people's peace, to defend the masses from the economic burdens of the war, to prepare the workers and other toilers for the establishment of socialism. In England the Communists are giving full support to the great People's Convention movement and its demands for a people's peace and a people's government; in Germany, Italy and Japan, under terrible conditions of persecution, the Communists are carrying on their heroic struggle against the war and capitalism; in the United States the Communists are front-line fighters in the mass struggle to keep the country from being plunged fully into the war, to protect the workers' economic standards and to

defend the people's civil liberties against the rising wave of reaction.

In flat contrast to all this, the Social-Democrats in the combatant states are busily doing the work of their capitalist masters. In Great Britain the Bevins, Morrisons and Citrines have become the recruiting sergeants of British imperialism, ideologically defending the war, slashing the living standards of the people for the profit of the employers, and stripping the workers of rights hard-won in decades of struggle; in Germany those of the Social-Democratic officials who have not gone over to Hitler, or not sunk completely in defeatism, are cultivating the lie that a victory by Anglo-American imperialism would free the German people; in the United States the special American brands of Social-Democrats, the Greens, Hillmans, Dubinskys, *et al.*, are working indefatigably with the imperialistic Roosevelt Administration to bring the United States into the war as a belligerent, to make the workers pay the costs of the war, to outlaw the Communist Party and otherwise to undermine civil liberties, and to make the labor movement a mere cog in the imperialist war machine.

The Perspective for World Socialism

The first general clash between capitalism and the forces making for world socialism came at the conclusion of the World War. With the Russian proletariat in the lead, the workers of several countries in Central and Eastern Europe, outraged and made desperate by the war, flung themselves against the capitalist system and sought to establish socialism. But this great revolutionary effort was largely defeated by the Social-Democrats, who everywhere worked hand in glove with the capitalists to save the threatened capitalist system. Only in tsarist Russia, where Social-Democracy became discredited

and the Bolshevik Party was strong and able to lead the masses, did the toiling masses succeed in fighting their way through to socialism.

The second basic collision between the world anti-imperialist, anti-capitalist forces and those of monopoly capitalism developed in the three years just prior to the outbreak of the present war. The central issue of this great popular movement was the preservation of world peace and the prevention of the spread of fascism. Its program of action was the building of People's Front movements in the respective countries and the establishment of a great international peace front of the democratic peoples (collective security) to restrain the fascist aggressor states. The leader of this second vast struggle for peace and democracy was the Soviet Union. Had the movement succeeded it would have strengthened democracy enormously throughout the capitalist world; it would have dealt fascism a deadly blow in all countries; it would have preserved world peace and, by weakening the dominant position of finance capital everywhere, it would have facilitated the toilers' march toward socialism. But once more reactionary Social-Democracy, in collaboration with the imperialists of the various capitalist countries, was strong enough to defeat the movement by sabotage and treachery. In England, France, the United States, Germany, Poland, Spain, and Scandinavia, the Social-Democratic leaders and the capitalists jointly attacked the People's Front and peace front movement and prevented its effective crystallization. The present war was the result.

Now we are witnessing a third great crystallization of the world anti-capitalist forces. This, as we have already indicated, is taking place on the basis of a rapidly weakening capitalist system and is developing along four main channels: the growth in strength and prestige of the U.S.S.R., the expansion and intensification of the colonial and semi-colonial liberation

movements, the increasing pressure of the oppressed smaller peoples of Europe for national independence, and the awakening of the workers and other toiling masses in the great capitalist empires. Once more, as the first country to have achieved socialism, the Soviet Union stands forth in the forefront of this whole vast movement of the world's oppressed millions. In it Communist Parties are everywhere playing leading roles. Again the Second International, as we have seen, is trying to block and break up this great movement against capitalism. Social-Democracy is the principal obstacle in the way of the victorious struggle of the people. But this time, with its forces weakened and demoralized, it will find its counter-revolutionary task incomparably more difficult.

The two basic world trends signalized in this article—the structural breaking down of the capitalist system and the growing consolidation of the world anti-capitalist forces—do not imply an automatic establishment of socialism. On the contrary, before us there looms a prospect of sharpened class struggle on all fronts. The ruling capitalist class will not easily allow itself to be displaced. Talk of “revolution by consent” is just so much nonsense to deceive the masses.

Under the general slogan of “Peace, Bread and Freedom,” the Communist International is vigorously supporting all four of the main currents of the great developing world movement of the people. Its slogan, “Peace to the Peoples,” stresses the main issue that connects all these great streams. The fight for peace unites and consolidates all the people's struggles in defense of their economic standards and civil liberties, for national liberation and independence, into an increasingly mighty movement against the whole capitalist system. As capitalism, rotting with internal crises, plunges deeper and more hopelessly into war, the fight of the masses for a just and lasting peace grows ever more imperative and revolutionary.

The fight for peace has become a life-and-death issue for humanity. In all countries it is the center around which every issue revolves. The fight for peace will increasingly make the various streams of anti-imperialist, anti-capitalist movements realize the need for world unity of action, will make them turn to the Soviet Union as the world leader of all oppressed and war-wracked humanity. And the further the masses—in the colonial and semi-colonial lands, in the conquered European countries, in the great imperialist states—go on with their fight for peace the more they will be impelled to move in the general direction of establishing socialism.

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