SOCIALISM AND WAR

THE MARXIST ATTITUDE TO NAZISM

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SOCIALISM AND WAR

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THE MARXIST ATTITUDE TO NAZISM

THE STATE.

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WORKERS' LITERATURE BUREAU,

P.O. Box. 573D, Melbourne.
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FOREWORD.

A word to the average good citizen, and member of the working class:—

Are you going to accept wars as a natural recurrence, and as something that the other fellow always starts?

Are you to be satisfied with simply loving your country and doing your damndest to be a hero as your elder brothers and dad did before you, and grandpop before that?

Or are you going to find out what really makes war so inevitable?

And, having found the reason, determine to do YOUR BIT to end war?

IF so, then let us make a start.

Men in earnest have no time weaving fig-leaves for the naked truth.

In 1942, at West Point, General Marshall declared: "We [U.S.A.] are determined that before the sun sets on this terrible struggle our flag will be recognised through the world as a symbol of freedom on the one hand and of overwhelming force on the other." As the war progresses, "Fortune" discovers that the danger to civilisation ahead is peace, and infers it "is by no means improbable, that we [U.S.A.] remain a nation in arms after this war . . . our probable need for a larger standing Army, Navy, and Air Force, might well push us into the kind of militarism that is a substitute for politics . . ." "Fortune's" answer is: "Make permanent the United Nations . . . We may lack the collective will to abolish war. But let no man say that we lack the means, or blame our failure on the stars."
"The machine," continues "Fortune," "... has made nonsense of our ... arrangements for the ownership and distribution of goods. It has made universal 'freedom from want' a technical possibility, but instead of bringing it to pass it has created the offensive spectacle of unemployment. And in so doing it has raised the question of whether the abolition of poverty can be accomplished without the abolition of private enterprise and of a free and varietistic society, the kind of society which brought the machine to birth and to which American civilisation is uniquely wedded. This is a serious and bewildering challenge ..." "Fortune," which is a top-notch capitalistic magazine selling at $1 a copy, and hence not bought by wage-workers, then goes on to draw a conclusion favorable to capitalism; basing its conclusion on "the fact that well over half the people of the world, including some Americans, are still living in a pre-machine age. They know neither the blessings nor the curse of industrialism ..." The conclusion reached is to extend the blessings and the curses of industrialism to the whole world. "Whether we measure the inequality between New York and Alabama [one would think there was no inequality in New York, or in Alabama itself—thus do the apologists of capitalism sidestep the class struggle between the OWNERS of the machines, and the slaves who sell their labor-time to these owners in order to live] or between America and Asia, the answer is the same; the machine [again, one would think it had no OWNERS] must export, not only its products but itself."

Let us pause a moment here. To the capitalist, production is a mechanical process—his CAPITAL is part of the machine, just as is the wage-worker. That which the necessities of his system dictate for the continuation of his system, the capitalist can dispassionately analyse as if it really were only a machine of steel and power, whereas to the working class it is their flesh and blood, sweat, toil and tears that are embodied in this machine—the capitalist productive system. But, "Fortune" has the floor, let it continue:""The techniques by which this can be made mutually advantageous are already partly worked out, notably by the British who have long invested their profits abroad. America, the machine's new headquarters, has the job of refining on the British technique. Inasmuch
as American commercial policy has in the past been far more naive and clumsy than the British, this refinement seems almost too much to expect . . ." [are we to infer that the "hire and fire" American practice is to be toned down to the apologetic hypocrisy of his British brother?]

"For," continues "Fortune," "if the enlightened self-interest of such a policy cannot be made clear to Americans in terms of dollars and cents, it may someday be made clear in terms of saving American civilisation."—July, 1943.
PUBLISHER'S PREFACE.

The one outstanding fact of this War is that it is an historic incident—a culminating effect—in a long chain of causality. Thinkers, statesmen, and nations generally knew it was coming; but the Western Democracies felt themselves impotent to act; at best they hoped to be isolated (U.S.A.) or to compromise (Britain), and by appeasement (Munich) fend it off.

A more realistic understanding shows us that the War had become necessary (and by its very necessity therefore inevitable), to clear up the frustrations; the fundamentally opposed lines of development arising out of the multiplying contradictions engendered by the development of the capitalist system of production and exchange, which were arousing such deep-seated antagonisms that war alone could clear the air and act as the synthesising FORCE to implement the new phase of capitalism which is emerging as the vehicle in the struggle for control as a World System.

Because this War was so inevitable and necessary to the capitalist system provides the reason that the working class have been influenced to fall into line in support of it. The workers as a whole are not class-conscious, which explains the weakness of the Socialist movement at present, which frustration is seen as an effect of such necessity. Only those 100 per cent. class conscious have been able to withstand the pressure of this necessity of the Capitalist system; and, being able to intellectually stand above the contending forces, been enabled to dispassionately analyse and more or less clearly see the forces at work.

The working class as yet can only see some alleviations of their condition and hope of some advancement if the capitalist class are prospering, and out of their prosperity dole out some measure of social welfare.

The capitalist class, as the war progresses, are beginning to see the road indicated by their class interests. Mr. Leslie Gamage, President of Britain’s Institute of Exports, advocated “International agreements among manufacturers and producers to regulate prices, particularly of food and raw materials, and the distribution of manufactured products
"Without greatly increased exports, all our hopes of social security after the war—health, housing and education—were merely idle dreams," he said.

"An agreement was also necessary for the whole field of air transport.

"Such understandings as he contemplated must entail some degree of Government control to see that the interests of consumers were fully protected."—"Financial News"—London (30.3.43).

"The interests of consumers" are only taken into account to secure an overall backing by the State.

Sir P. Malcolm Stewart, chairman of the London Brick Co. said:

"Let us foster co-operation in every department of industrial life. The conception that the workers and their trade unions are in one camp and industrialists in another must be broken down. Only by the realisation of a common interest and the making of a common effort can true prosperity be achieved.

"Effective defence of our liberties, improved social services, freedom from want, and security for the future, all these can but be fully achieved through national prosperity."

—"Financial News" (30.3.43)

Such remarks, taken at random, are indicative of the line to be taken by the capitalist class, and are similar to the approach being made to Labor in Australia and U.S.A.

Herbert Tracey, head of the Publicity Department of the British Trade Union Council, in an article in the "International Socialist Forum" ("Left News") Jan. 1943, takes it for granted that capitalism will continue on very much the same lines as before the war, and although the Labor Party know that Churchill, leader of the Conservative Party, as Prime Minister, can pick his own colleagues and gather round him "sound" Tories who will defend the Property Rights of the owning class in Britain, they yet adhere to the Coalition Government in which Labor helps, but receives little.

Because countries like Australia dumped their food products on the British market at a lower price than ruling in the country of origin, British capitalism was strengthened by the working class obtaining cheap food, which was accepted by the British workers as evidence that British capitalism was progressive! The working class of Britain remained pro-capitalist.
Tracey qualified his statement in a reply in "Left News" March, 1943, that capitalism is declining, and the policy of the British Trade Unions "has been to erect the strongest possible defences for the working class against capitalist exploitation and to endeavour to improve within the capitalist system the conditions of their life and labor....It is an opportunist policy only in the sense that it puts first things first. It recognises the necessity of keeping things going, and of easing the transition to a peace economy even though this may mean the survival of many features of the capitalist system...." Tracey is under the delusion that Britain is "enjoying" a phase of "socialism" whilst under the necessities of war control which he is under the delusion has arisen whilst the "capitalist system [is] hog-tied, with its claws cut and its fangs drawn." He says "Socialism will not come by an act of the popular will...the capitalist system, proven to be incapable of meeting the needs of the situation is passing out of existence; and a new class, growing stronger by organisation, has been found ready to take over the management of the productive forces." This is sheer wishful thinking, and a total misunderstanding of the functions of the State which as the executive political system of capitalism has stepped in to control war production in the interests of the capitalist class, and instead of capitalism's fangs being drawn, the State has consolidated the Property Rights of capitalism as a class, and whatever post-war developments the Churchill Government has in view are for further consolidation of the Owning Rights of Capital. That under the necessity of war, they have had the collaboration of the Labor Party, has not weakened Capital, rather the Trade Unions have relinquished certain gains from pre-war years. They will have to now take a very realistic class conscious view of developments if they are to retrieve the loss they have suffered in the interests of capitalist necessity.

Conditions may be very different after the war. If Britain is to maintain exports of industrial commodities, there will be pressure to reduce wages, lengthen hours, and increase the efficiency of labor-saving machines. Per-capita production of the British worker is alleged to be now higher
than U.S.A. All this points to the fact that up to now (July, 1943) the War has only partly cleared the air, and to that extent has proved abortive; but the end is not yet. Still, it is necessary to tentatively state the position as it is at present, in order that those workers who are beginning to question the existing system and starting to think for themselves, will have something to work upon.

If the British capitalist class are correct in their post-war view that competitive capitalism is to get a renewed lease of life, then the interval between this and the next war will only be determined by the time allowed for the extension and intensification of the capitalist system in the exploiting of Asia (including India) and South America. In this interval U.S.A. as the leading industrial Power will take the dominant role of Imperialist expansion towards World Control. This is sensed by the "Saturday Evening Post" in an editorial (29.5.43) in which this passage occurs:

"Most of us can visualize American soldiers telling Germans and Japanese where to get off, or American airplanes bombing out secret arms plants in countries which refuse to submit to the Good and the Beautiful. But we are not quite up to understanding that other countries like to picture their representatives as at least voting down America in a conference, and making it stick. An international police force telling us where to get off seems absurd and outrageous. We cannot permit interference with our sovereignty."

Sovereignity is an institution that has been destroyed for little states by the bomber, and even the "Post" says "greatly compromised for the most powerful states." Justice Roberts, of the U.S. Supreme Court, said that "if Americans insist on keeping the last vestige of their sovereignty, that ends the discussion. We may as well then throw up our hands and let the world roll on to chaos." However, the capitalist class of U.S.A. have other plans—the final implementation of which depend on the support of the American working class.

The Socialist movement in U.S.A., as well as in all countries, therefore, strives for the class understanding of the world's workers towards the only solution for Peace—that is, Socialism.

Melbourne, July 4, 1943. —THE PUBLISHER.
PROLOGUE.

"Let us now for a moment vacate the field of fact, and briefly meander through the realms of fancy. We will postulate a situation so fantastic that the Mad Hatter, Friar Tuck, Gulliver, Sinbad, and even Donald Duck will assume reality through comparison. As the foreword in a popular novel has it—'The characters and situation in this work are wholly fictional and imaginary, and do not portray and are not intended to portray any actual persons or parties.'

"Our hypothesis will entail a division in world capitalism. We will suppose that one section driven to political desperation through economic disaster makes demands on another section that has control of greater wealth, raw material, productive apparatus, and colonial possessions. The demands are of such a drastic nature that the fat capitalists consider them too preposterous to concede their validity and abruptly refuse the claims of the lean capitalists. The latter, however, keep insisting that a denial of their claims is an exercise in futility that can lead only to war. The fat fellows do not like war but, as a choice between war and disgorging, they will take war. Attempts at appeasement delay the process but war it is.

"Before asking what our reaction would be to such a contingency we must concede that the mere fatness or leanness of the contending forces would not be sufficient grounds for taking sides. There must be something alluring. There is. The fats, due to their very obesity, have been more tolerant 'in proximity and degree.' Having plenty of the good things of life themselves they can afford to grant certain rights and privileges to the exploited section within their domains. Free speech, free press, and free public assemblages, with reservations, can be extended to all. They can even tolerate the existence of socialists, whose aim and object is to dispossess them of their fortunes and change their social system into production for use instead of production for sale and profit. They have noted a couple of generations of Socialist activity, and are not greatly
impressed with its potency so, in their obese good nature, they can let the talk actively continue so long as it does not trespass beyond the boundaries of the talk stage.

"The lean nations are not so happily situated. Their own anemic condition leaves them not only irritably disposed toward their more favored neighbors, but also more viciously inclined toward their own exploited subjects. Their very weakness provides a favorable breeding ground for revolutionary ideas, and these must be stopped in the bud. Prospective social commandos must be kept in place. They clamp down on every form of public expression considered inimical to their own material interests. They are really mean and nasty.

"Now, granting the existence of such a far-fetched situation, what position should Socialists take? Should they consider the merits of the fats to be sufficiently meritorious to flock to their rescue, and risk their lives in fighting the leans? Or, if their lives are too far spent for enlisting themselves, should they advise, through platform and press, the necessity for all the young healthy elements in the working class to join the colors and risk their lives assisting the fats to wallop the leans?

"Or should they as Socialists understand the capitalist class complexion of both fats and leans, and explain this to all the workers they are able to contact? Even the previous fantastic performances of fats and leans might not be a good criterion of their future behavior. Should the fats become lean in exhaustive combat it would be logical to deduce that they would be compelled to replace their past tolerance with something akin to the leans, present attitude. Should the leans put on a little more flesh in the process their social proclamations might not be quite so arbitrary and venomous. Under any conditions they would both be equally sincere—sincerely scheming to take from us all we produce, so we could not afford to run interference for either. But, then, such a situation is practically unthinkable, but theoretically there it is."

—J. A. McDonald, in "The Western Socialist" Boston, U.S.A
INTRODUCTION.

Liberal democracy of the nineteenth century in Great Britain meant the rule of law as determined by a majority of property-owners whose rights, acquired through a series of struggles with the Crown, were not liable to be overridden by the military power.

The agreed purpose of Law was to protect the freedom of the person, private property rights and the sanctity of private contract, with the role of the State one of merely holding the ring whilst the owners of property competed one with another economically.

As practically all taxes fell upon the owners of property, it can be said they maintained the State at their own expense, primarily for police purposes; defence of their property, maintenance of civil law and order, and the waging of wars externally.

With the advent of adult universal suffrage, the new mass of property-less electors were subjected to a barrage of propaganda to win them over to the opposing economic elements in society, and a great change took place as the holders of economic power entered the political arena and used political weapons to secure economic benefits for their section.

Liberal democracy of the 19th century is dead; even though many still speak and think in the terms of liberalism.

In Germany the Liberal laissez-faire democracy never had power. The Junker military power always had dominated political rights and had controlled State patronage in all appointments to the bureaucracies, including the judiciary and law courts. In practice an alliance had been formed between Conservative Junkerdom, the Army, and aggressive Capitalism, thus explaining the efficiency of the German military machine and its effective political power.

The revolution of 1919-20 and the birth of the Weimar Republic was foredoomed to failure from the start, inasmuch as the Junker-Capitalist alliance was never effectively
challenged by any attempt to wrest the control of the bureaucracies, the judiciary, and private ownership of the means of production from their hands.

The Social-Democratic movement sought to carry on with the shadow of parliamentary control under the Liberal tradition of an era that was past, and never seemed to understand the utter impossibility of doing so.

In spite of their legislation being challenged through process of Law, and then emasculated and made ineffective by the Junker controlled judiciary, they persisted on their way till 1933. In 1933 the Junker-Capitalist forces, who had built up an effective organisation, acted as the anvil on which the basher-gang Nazis (financed into power by big industrial capitalists) hammered the liberal elements into impotence, and crushed democracy.

The Nazi organisation had taken on the mask of revolution and socialism in order to confuse, fool and dupe the electors. In this they bowed to the form of Democracy—but only as a means to the end of a counter-revolution reaction.

In opposition to this form of State dominance, there is growing up in Great Britain, U.S.A., and Australia, an alliance between Liberal Capitalism and Organised Labor. It is alleged there is a common interest in maintaining the profits of industry, however much they might dispute the division of those profits. This is clearly seen in the legislation and practice of the Australian Labor Party.

This alliance can only work out to the detriment of the working class. With the perfection of machine development and labor-saving devices, the skill necessary to the old time craftsman is no longer necessary. Almost any subdivision of the labor process can be now learnt and mastered in, at the most, a few weeks.

The effect of this progression is to strengthen the National Imperialisms, with the result that Labor agrees to the further regimentation of the working class. The outcome is to sharpen national antagonisms and further divide the world’s workers.
The aim of Socialists is to drive home the fact that the Ownership by the capitalist class, of the means of wealth production, must be eliminated, and replaced by Common Ownership and Democratic Control.

This aim is side-tracked by the alliance of Capital and Labor to one of defending the existing state of affairs, and directing all attention to the menace of an hostile foreign Imperialism. The working class of each Imperialist group are thus turned into enemies of each other; whereas they should have a Common Aim in abolishing the Cause of such enmity.

The danger to Western Civilization to-day lies in the huge planned military machines that have come into existence. With the world divided into separate camps, the needs of these aggressive military machines will necessarily dominate each nation or group of nations. An attempt may be made to keep them intact by turning them into self-contained industrial-military units. The Labor Party, with its program of State Ownership, will assist this trend. The Military Organisation will have the planned personnel to dominate all economic power and to challenge the civil structure for control of society for militaristic purposes.

They have the model of the Japanese organisation to go by. The American organisation has always had a nucleus of such a structure. A military-feudal-overlordship may not be so fantastic as it sounds. It is an actual possibility.*

*When the U.S. Army went to North Africa, says Demaree Bess, in the "Saturday Evening Post": "We brought air raids and blackouts and armies of occupation. To people who had been enjoying plenty, we came and upset profitable trade relations, converting their rich lands into our battleground....In these circumstances we had to move...tactfully... The Army has solved its problems chiefly through creating a world of its own, and most Americans, civilians as well as soldiers, confine themselves to this world. Perhaps never before has an army of this size come so self-sufficient...it...provides quarters for us, feeds us...we go to the Army for all our basic needs—transportation or clothing, cigarettes or soap... For Americans now in North Africa, the civilian world has practically ceased to exist, and money does not mean much any more, because the Army distributes its bounty on the basis of need and not of money."
The Socialist Party of Great Britain in "War and the Working Class," states the Socialist case and concludes: "The attitude of the Socialist Party is fundamentally different from that of other parties, whether Liberal, Tory, Labor or Communist. The working class have nothing to gain by victory and nothing to lose by defeat of sufficient importance to call for the shedding of working-class blood. All the pleas for supporting capitalist wars, however seductively phrased, are based on falsehood so far as the working class is concerned. For us the cry must not be national defence, but International Working-Class Solidarity.

"For Socialists the urgent necessity of our era is the solution of the poverty problem. It can be solved only by the establishment of Socialism as the international social system. Beside that all else pales into insignificance, for the problem of security against War is part of the same social problem. Without the abolition of capitalism there can be no economic security for the working class and there can be no guarantee against the outbreak of devastating wars through the rivalries of national groups of profit seekers.

"Wars have the baneful effect of veiling the class struggle by developing a false sense of identity between exploiters and exploited in each country. There is no danger or evil common to capitalist and worker that war can banish. The interests of the two classes are always antagonistic and remain so in war and peace."

If the reader has not yet read "Socialism and Post-War Reconstruction," he or she will find it helpful, to understand Socialism, and the necessity for it, in conjunction with this present compilation.

—The Editor.
THE CAUSE OF WAR.

A parson in another State wrote to a Socialist in Melbourne, as he was troubled over the war, and eventually was forced to resign his church. This parson is a sincere pacifist, and although he felt the war had its roots in capitalism, he was troubled to explain it.

The Socialist answered, that "to understand was to overcome," not as one sentimentalist had said: "To know all, is to forgive all." When we understand the realities of the economic world we live in, its industries, its trade, countries, nations, to know is not to "forgive," but to find the way out.

First we must understand Capitalism.

The basic fact of Capitalism is that Labor is exploited to produce a surplus.

The world of reality is full of complexities that puzzle the average observer. Economists for years strove to find out what value was; why one thing exchanged for another in trade, etc., in given proportions. Karl Marx read and studied all the economists of, and before, his time. Ricardo had discovered that "value" was produced by work and labor, but he and all the rest fell short of the real answer. All work and labor does not create "value" in the trade sense. Much labor is expended for purely personal use-values and has no exchange value; that is to say, the product of such work does not become a commodity which can go on the market and be sold or exchanged.

In the word of trade and commerce, then, we are only concerned with commodities.

It was noticeable in the "depression" that relief work was as far as possible not used for producing commodities. Why? Because such work would then have entered into competition with others not on the dole—on sustenance. Remember it was relief—charity—and so must not interfere with the profit of others.

In the depression of the 1890's, "labor-colonies" were formed to go on the land, to produce crops and agricultural commodities; that in itself would explain something different in the state of agriculture then, and to-day, or may be
explained by the fact that farmers are now organised strongly into the Country Party and would object to such.

Karl Marx pointed out that the labor-power* that creates "value" had to be "socially necessary" labor; that which society would "O.K."—the verdict takes place in the market-at-large—the "law of supply and demand" is the regulator. In its everyday fluctuations over an average period supply and demand tend to offset each other, but like the pendulum of the clock, swings to one side or the other.

In theory and in practice values exchange for values—fair exchange is no robbery. There is an average over a period at which value and price tend to equal each other. The total of the values equal the total of the prices.

That is simple trading. There is no "profit" in simple trading. The difference in price, if any, between what a commodity is bought for, and what it is sold at, is added social labor—some service the latest seller (such as a wholesaler who handles and stores until a retailer requires, or a retailer who sells in smaller quantity at a more convenient place etc.) is supplying in the delivery and therefore further production of the commodity—distribution certainly is part of the productive process and so shares in the ultimate price.

But commerce had become a complex thing. The factory system had come into existence.

The "value" of a commodity is the amount of "socially necessary labor"—average labor needed to produce and reproduce that commodity. When by inventions and better methods less labor was needed, the price fell, especially when the supply exceeded the effective demand. When their wages rose under awards to a certain price, employers dismissed the older employees, and younger, cheaper, labor was taken on in their place during the depression.

Labor-power is a commodity subject to this law of supply and demand, the same as any other commodity, and its price (wages) is subject to the same law. In 1942-3

*Marx in "Wage-Labor and Capital," (Workers' Literature Bureau) as pointed out and emphasized by Engels in his Preface to that pamphlet, says that what the workingman sells to the capitalist for wages is his labor-power. Something NEW in description had been added. Out of this grew the discovery of "Surplus-value."
the demand is greater for labor, greater even in some cases than the supply, and so sellers of labor-power can command higher wages or price. In the interests of capitalism wages have been pegged to prevent the working class getting the benefit of a favorable (to them) market.

The standard of living is what in any given society, has historically evolved as a certain dietary, scale of housing, and fashion of clothing etc. So, as new societies (nations) came into competition with each other in what has now become a world market, we see that the nation that has a lower cost for their standard of living—a smaller amount of socially-necessary labor needed to produce labor-power—has an advantage over other national capitalists; an advantage that was offset for a while by better inventive genius in labor-saving devices and machines, lay-out of factories, organisation of line and mass production, etc. etc. But the time comes when practically all are on a level in point of inventiveness and lay-out organisation, because the capitalists invest their capital and start their factories, installed with the latest labor-saving machinery, in low-cost countries. If this leads to unemployment of the workers in the home country (as it did) the capitalists were quite unconcerned:—only those with factories producing for the domestic market felt the loss of the purchasing power of the local unemployed workers, and pressure was brought to bear on the Governments to provide a dole or sustenance relief work so that these workers could be consumers again.

Karl Marx's great discovery is "surplus-value," by means of which Capital is created.

Labor-power is the only commodity that creates profit ("surplus-value"). It does this as part of the process of producing commodities for the market. The owners of these commodities, the employers, know that.

When we speak of "profits" being made from the sale of commodities in the market, it really means that the congealed labor-power concealed or embodied in the form of these commodities is being sold, and that this congealed labor-power is being sold for a greater price than was originally paid for it.

The worker by exerting labor-power by hand or applied to machinery reproduces the value of his cost (wages), wear and tear of machinery, etc., in a certain number of hours.
If the laborer then knocked off and left the workshop or factory, his employer would only come even, he would show no profit; but labor-power is only bought (by hiring its owner) with the motive of profit, so the laborer must work some hours longer to create a surplus over and above the value of his labor-power. The product of these extra hours is practically all profit to the boss. Even when paid on an hourly basis the same principle applies; the value of his cost may be produced in 30 minutes (less or more) the product of the balance of the hour is profit to the employer.

Some of this profit may be wasted and squandered in various ways. In times of high taxation, the employing class try to "salt" as much as possible back into plant and equipment or upkeep of buildings, etc., to avoid paying the due proportion levied in taxes. But enough is "saved" after all expenditures, both frivolous, wasteful, or taxes, to become Capital, which is invested to hire more labor to produce more profits and so grows into more Capital that accumulates, and must, in competition with other Capital, for ever and ever seek new outlets for investment in more labor-power exploitation.

Every conceivable industry has been heavily capitalised in its turn; producing at times more commodities than are socially-necessary—more than the effective social market can consume in spite of an ever-enlarging standard of living—motors, wireless, movies, etc. etc. Still the urge for profit is the driving force. More and more profits, idle money that has no outlet as capital, are wasted in riotous living and scandalous orgies, huge mansions, and thousands of parasitic servants, artists, and the thousand-and-one hangers-on to the rich, cannot consume the surplus produced by labor-power; a market must be found. This search for markets causes friction between nations.

Certain industries offer no immediate scope for larger amounts of capital. Yet we have a housing problem.

The shortage of housing is common to all capitalist countries, and should be an outlet for much idle money as a capitalist investment; but it is notorious that little or no large amounts of Capital are available for this so-necessary social service. Capital is notably shy of investing in the building of houses for the working class; there is no housing
shortage for the rich. Capital prefers some luxury industry as for example, motor car and aeroplane production, where the product is constantly improved or altered in design to provide an ever-recurring market, and one not subject to rates and taxes of the product, or shifting of centres of population.

Failing the finding of an outlet providing large profits and quick turnover, much Money is used purely as gambling stakes on the Stock Exchange, where fortunes are made and lost at the expense of hungry investors or those wheedled by sucker advertisements to invest money in shares or mining ventures under the lure of big returns. Because of the utter failure of Capital offering for long-term investments with, in some cases, a prospect of loss and a risk involved, the State has to be the vehicle to find huge amounts to finance so-called National Undertakings, such as power projects, conservation, and huge loans to Big Industry for development and research. Yet there are always new industries starting to produce some luxury commodity for the rich, expanding and expanding, until the product by improved organisation in production is lowered in labor cost and cheapened in price to cater to a poorer class of buyers—no matter how poor—the Indian laborer, Malay coolie, or Uganda native—until saturation point is reached, and factories close and workers are laid off to find other employers for their labor-power or starve, unless the State can take up the slack or at least provide a Dole. The Beveridge and other Plans are thus in reality Insurance for the continuance of the Capitalist System.

Motor-car production, oil production—all in their turn reach temporary saturation point—the effective demand is only that of those who have the price. The great mass of laborers have only the price of their labor-power to spend, to re-produce the same labor-power. Then comes the period crisis—the depressions. Huge plants run only for a season of a few months, other factories run short time on shorter wages even for the skeleton staff employed. We all know the “depressions.”

The one and only industry that thrived on more and more competition, that never glutted the market in recent years, was ARMAMENTS, the greatest luxury yet produced.
In other industries a Trust or Cartel can stifle all effective competition, but in armaments every bit of new business made for more business.

Germany built up armaments, the capital being largely provided by Loans from other Nations, and so France and Great Britain had to give huge contracts for more. The U.S.A. and all other countries competed in this race.

Prior to “re-armament” the heavy industries had reached what seemed saturation point. They were over-capitalised. The markets of the world were glutted. A new development was being born. The new chemical processes which are the basis of the technological revolution that has taken place in industry during the past ten years involved enormous initial costs, the financial risks were considerable. The investment may be completely lost, or at best no returns could be expected for years. The armaments race was a “life-saver” for capitalism. The political governments as the executives of the capitalist system were convinced it was “good business” to finance much of this development when called upon for aid.

The trend visualised was so colossal, that the program necessitated enormous plants for electrical power in which much labor could be utilised in building power dams, such as the Boulder dam in U.S.A.; it also provided a new outlet for heavy industry products.

This also brought about concentrations of all chemical industries into larger and yet larger combines, which claimed and received the support of their governments, as indicated above.

A new universe was created for capital, and the world was combed for the necessary raw materials not available in the home countries. It was all part and parcel of a dialectical progression which brought nearer the war. The predicted war was feared by most. Wishful thinking to avoid this war led Great Britain and U.S.A. to only “partially” prepare for it. Pacifist opposition and public opinion generally was opposed to war. These countries in spite of domestic mass unemployment felt they could go on and avoid war. Not so Germany. Germany the land of a vigorous capitalism which had produced scientists in mass numbers felt frustrated. Lack of gold to balance overseas trade, whilst markets were denied them through quotas,
embargoes and currency juggling, threw Germany more and more into a cold logically-planned program laid down by a vicious brigand racketeer organisation, financed by Big Heavy Industry Capitalists, with a view to a world wide theatre of operations to chain German capitalism generally, and enslave labor to an end so logically and dialectically in line with capitalist development as a way out of the 1930's empasse, that the world is appalled by its devilishment.

Devils incarnate they may be. But the conditions were spawned—produced by capitalist development. It is a logical development inherent in the capitalist system. It is Capitalism.*

Before the war, industries generally were starting to "pick up" because of the money (wages and materials) sent into motion by production of armaments. No wonder the unthinking worker likes war. He can now find a buyer for his labor power. The day of the dole is past—it was a "bad dream." He may give lip-service to peace talk and "how terrible"—"awful" is the carnage of war, but secretly he thinks "war is good-oh!" his wife can now get a new dress (if she has not used all her coupons) or a fur coat

* Buccaneers in the past have dreamed up schemes that could not always be put into action because conditions were not suitable. Capitalism is strewn with similar incidents on varying scales. The whole story of capitalist development is one of brigandage, theft, double-dealing, arson, profitable bankruptcies and even murder in civil days of peace.

It so happened that the conditions of capitalism to-day are suitable, may even make such moves "necessary" to continued capitalist development. This "necessity" of capitalism is so strong that the veneer of class consciousness shown by the Labor Parties and Fabian utopianists and "red-raggers" of communism, has been stripped off and underneath they have been shown by their actions to be supporters of capitalism. Before they can become Socialists they must reach "a conviction of sin" against their own class—the working class. To become socialists they MUST understand, and be cold and hostile to everything pertaining to capitalism and its "necessities." They must strive for one thing only—the ending of the capitalist system. The objective of the Socialist Party of Australia and its kindred parties is Socialism, a system of society based upon common ownership and democratic control. These parties hold that the working class cannot achieve their emancipation except through democratically gaining control of the machinery of government, that it may be converted from an instrument of oppression into the agent of emancipation and the overthrow of plutocratic privilege.
and afford to have babies—the economic present is fine; he thinks it will always be so. “It’s a lovely day tomorrow.” His memory is short, the “depression” is past. But wars do not last for ever, and when the vital statistics of this war are complete; what! the millions dead, maimed, and homes disrupted will stagger even the unthinking.

The cause of it all was the urge for profits; its source is the commodity “labor-power.”

Reform this aspect of it—or reform that; whether it be by anti-Trust legislation (with the State assisting in building up monopolisation!)—banking reform—monetary schemes or Douglas Social Credit—none such can deal with the problem.

Some think capitalism can be controlled. It is “benevolently” controlled in Germany and Italy for the expansion of monopoly capitalism. The smaller capitalists, employers and wage workers are regimented and controlled. “ Strikes and lock-outs are forbidden”—both employers or workers are fined. “Real wages are kept down and ‘thrift’ encouraged by stringent taxation and savings, in order to divert the new income from consumers goods to armaments, with the reduction of interest on investments from the previous 6 per cent to £2 per cent. from Jan. 1st, 1941”—p.226. “The Spoil of Europe”—Thos. Revielle. (This almost reads like conditions in Australia in 1943!) Capitalism is not scotched.

Capitalism has nurtured its Frankenstein monster, has taken “a viper to its bosom.” The individual capitalists are now exploited by militarism. No wonder the “democratic” capitalist fears Nazism. He sees the writing on the wall. He is about to be plundered of his plunder. All his “brains,” all his “organising ability” he has boasted about as the source of his wealth, is now to be exploited by the huge military machine of the Totalitarian State, and he is to be “directed.” How terrible to be put in that position, and so he will pour out his treasure, subscribe to War Loans, etc., hoping to defeat this terrible Bectst. and win out to later recover his expenses once again from exploiting labor-power in the good old-fashioned way! And the small buccaneer will make all the hay he can while he can, with his law evasions, black marketing, profitable fires to collect insurance and tax exasions, in the time-honored way also of capitalism.
Socialism is the only cure. Its plan is to cut off Capitalism's life-blood at its source. To free labor from its commodity status. ABOLISH the wages system and so abolish profit. The whole edifice of capitalism and its Political State, that wages wars, will wither off.

Free labor to produce use-values only. For the free use of the whole people, instead of the exploiting few, and abolish commodities and exchange values.

This is the ONLY solution.

All the propaganda written, and sent over the world's wireless is for the perpetuation of the profit system. The very fact that the name of Socialism is used (National Socialism in Germany—Socialist Republic in Russia and even "Christian socialism" which still holds to a wages system and interest on government bonds), in such propaganda is proof that the solution (genuine Socialism) must be grounded at all costs.

Communists and utopian laborite so-called "socialists" of all brands are fooled by much of this propaganda. The ignorance of Communists who see through the nationalism of Britain and U.S.A., and yet go rabid for the nationalism of Russia—Pan-slavism—which is as hateful as Pan-Germanism—with the grabbing of half Poland and the Baltic States in 1941 under the plea of protecting the U.S.S.R., is in line with Imperialist development elsewhere. This seems imperative and unavoidable to ALL capitalist nations. The wages system is entrenched in Russia, with huge differences of pay between bureaucrat "experts" and officials and the common wage-laborer, who will find NO difference in his status working for Germany or for Russia in the occupied territory. Russia's slogan to the toiling masses is "think as we order, obey blindly and implicitly—or be purged out of existence or sent as convicts to Arctic mines" is comparable to, or even worse than Czarist Russia.

Stalin and his colleagues must act ruthlessly to maintain their State.

Capitalism is not dead in Russia, and that is why capitalist apologists uphold the Soviet. Russia taught Nazi Germany what could be done in mass enslavement of the workers, massed for a nationalistic aim. Neither Britain nor U.S.A. has ever had such a nationalistic aim because they already had the world market and the sources of raw
materials. Such a nationalistic aim as Germany’s, Russia’s and Japan’s seem an historic necessity for them under capitalism, and such necessity knows no laws, other than its own urge. U.S.A. enters now into the struggle, contend-
for World Control for its national capitalist class.

A new League of Nations can never be anything better than the old; “a thieves’ kitchen” Lenin called it, and thieves ever did fall out. The leading Nations of the World are all contenders for control.

The State came into existence thousands of years ago in Greece to save society from disintegration, it spread over all the world as the organisation to keep peoples from civil war and anarchy, and tried to keep the peace (for whatever dominant class and party had the power) in society by process of law and order. Any such League of such States can only be a League of class domination. A World State would necessarily be as much the enemy of freedom and liberty as the national state is today.

We can never have Socialism without socialists.

That is why the workers must become conscious of their class status and enslavement to capitalism, so that they will determine to end it.

That is why Karl Marx said “the workers ought [must] to inscribe upon their banner, the abolition of the wages system” and “Workers of the World Unite, you have noth-
ing to lose but your chains.”

The workers of Australia think it will be a calamity if Hitler wins; but it will be equally a calamity if the capitalist system emerges from this war stronger and re-
juvenated. If the war ends in a checkmate or even if Germany is defeated—Germany with its great resources and genius and skilled labor, will rise again, unless the German working class overthrow German capitalism by solidly uniting for Socialism.

British and American capitalists will be tumbling over each other when Germany is defeated to again exploit Europe unless the World’s workers decide otherwise.

By the capitalist system surviving this holocaust it will get a new lease of life to do it all over again.

Socialism must become the single aim of a politically-
organised working class. Then Capitalism and war will be no more.
SCIENTIFIC SOCIALISM.

From Letter Box column in "Victoria Times." Victoria B.C.

In view of the confusion which exists in the minds of your various correspondents, may I point out that when the scientific socialists speak of common ownership of the means and instruments of producing and distributing wealth by and in the interest of society as a whole, we mean the taking over by society of all factories, land, railways, mines, steamships; in fact, everything which is essential to the welfare of society as a whole. We would abolish capitalist institutions; by that we don't mean to break up the present day machinery so essential to produce for the comfort and well-being of society, but to abolish institutions such as the wage system, the monetary system, banks, mortagage companies, etc. etc.

Socialists understand clearly that capitalism and the wage system are synonymous, inasmuch as capitalism in any form is impossible apart from the wage system, and conversely the wage system could not function in any society except capitalism. And wherever you find these two there you find the monetary system so essential for the exchange of the various commodities in present day society.

Yet we find the wage system in existence in every country of the world today, including Russia, which in itself denies the existence of Socialism.

State capitalism takes on various forms according to the state of development of the machinery of production, and the conditions which exist in those countries. One may, as in Russia, control all means of production and distribution—imports and exports. Another, as in Germany, may control part of this machinery, allowing others to remain in private hands, providing they produce the goods necessary for the state. Should they refuse, the state steps in and takes over the factories, paying the shareholders the value of same in bonds, as in Russia, where they pay as high as 10 or 12
per cent interest. Where a new set of owners is coming into being, due to their holding so many bonds, they are becoming a powerful minority in control over the majority which means exploitation of the most intense form. Hence, we claim the same political form exists in Russia, Germany and Italy, viz., state capitalism, which means the subjection of the entire nation to the needs and requirements of the state.

We are asked, what is society as a whole but the state? May I point out that under both state and private ownership there is the need of a state which is nothing more than the organized force of suppression needed to cope with the antagonisms which continually arise between the two classes in society, and to see that no undue interference takes place with the present conditions of production. But when the working class takes over the means of production and organizes them in the interests of a society as a whole, it not only abolishes itself as a proletariat, but abolishes all class distinction and class antagonisms at the same time —abolishes the state as a state of a class, after which, when representing society as a whole, the state is rendered unnecessary.

State interference in one domain after another becomes superfluous and dies out. A government of persons is replaced by an administration of things. Socialist appropriation of the means of production does away with, not only the artificial restrictions of production, but also the destruction of productive forces that cannot compete, and the destroying of the products that are produced. In short, there is the difference between state ownership or public ownership, and common ownership.

So long as the C.C.F., Labor or Social Democratic parties [in Australia the Labor and Communist Parties] advocate state capitalism, they are detrimental to the interests of the working class. To those who think of this problem against the present background of property, interest and national rivalries, it presents overwhelming difficulties.

To the Socialist who sees that with the abolition of the capitalist basis the urge towards co-operation is released from its present imprisonment, then the problem of Socialism falls into its proper perspective.

—C. LUFF (Reprinted in "The Western Socialist.")
REFORM IS THE ROAD TO WORSE.

"The Road to Hell is paved with Good Intentions" is a well-known saying. In the world of politics it is only too true.

This chapter is to point out a certain phenomenon that appears and reappears in history—a phenomenon that first appears as REFORM of what was considered as a then oppressive evil; and how Reform still holding to the original character of the thing to be reformed grows into the means of expanding the evil. In this process appear the racketeers of history, who are able to insinuate themselves into the reform movement, or in other cases into the reactionary movement wishing to appear reformist (or even revolutionary). Those adhering to reform thus feed the thing to be reformed, and actually aid its further development. One has to suffer an evil certainly, because one lives in society, but in the effort to be exerted to change the evil to good, one must be sure our action will lead to change and not merely be a palliative—a padding to make the yoke easier—that will ultimately strengthen the evil and make the task of turning it into a good so much harder to accomplish.

The methods of production and its developments along the line of exploitation lead to certain rackets. It is necessary to understand the rackets as such, but still more necessary to understand the conditions that give rise to them.

Socialists differ from the Communists in that they know a real change is not possible unless the working class become conscious of the necessity for a change, and so seek to educate the workers to become socialists to achieve Socialism—the change.

The Communists start off like many other movements, with critical propaganda leveled against the capitalist system. Their destructive criticism has been often pertinent and to the point. They have exposed the sham of "capitalist" democracy; say that democracy does not exist under capitalist rule, with the domination of one class over the rest. But they then go on to advocate a non-democratic system of their own. In January, 1943, many a working
class member of the Communist Party of Australia realised for the first time that there was no democratic voice in that party. The "leaders" decided in favour of conscription and the rank and file had no voice in that decision.

The Communists aim to capture the State, and the Communist Party to achieve "leadership." The "leadership" principle does not want an educated rank and file and as we will show is in line with the racket principle. It seeks "leadership" under any set of circumstances. The Communists say that in Russia is a "socialist" society and define such as "a society in which the means of life are co-operatively owned by those who co-operate to employ them productively is 'socialistic'." We know the wages system is in Russia, with wage differentials, and money and State Bonds implying loan holders, and that instead of a classless society implied by Socialism there is in existence a ruling class and the ruled, and the class stratification is growing apace.

A Socialist Party must be critical and hostile towards all reform movements and as such, must be the spearhead in the revolutionary movement—in that its chief work lies in making Socialists of the working class, who then in their consciousness of the necessity will know how to act and choose their own leaders.

The State itself came in as a necessary reform—a revolutionary reform at the then stage of development of Society—and look at the Frankenstein monster it has become!

See pages 68-79.

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THIS WORLD A PARADISE.

For Racketeers.

The age-long spiral of conquest and exploitation of working producers by first: military brigands who became kings or rulers of states, in pre-feudal days; secondly: the communion of equal saints who formed the early Christian church (composed of slaves, and of impoverished free proletarians, and freed slaves who had to compete against slave labor) growing strong in numbers by their
"hope" of the second coming of Christ to found an earthly paradise, being gradually controlled by a few, and with the "conversion" of the Emperor Constantine, being transformed into an heirarchy of unequals, the leaders of whom as Bishops of the Church grew rich, and acquiring military power, were protectors of the free peasants and gradually turned this "protection" into bondage and serfdom and thus ushered in the Feudalism of the Middle Ages* is a phenomenon of history that runs true to form in all ages.

Brigandage, theft, usurpation of power and exploiting rackets are the warp and weft of which history is woven. Honest toil and labor has never been the motif of the rulers and "leaders" of the people. Truly was Napoleon referred to as "a military genius with the soul of a brigand."

At the beginning of this century one saw the rise and extension of many religious rackets, and charity being commercialised on the grand scale.

One looks round at rackets like the Salvation Army, Christian Science, and the many bizarre American cults from "Elijah" Dowie (who started business in Australia, but later left for the larger and more lucrative fields of U.S.A.) to Father Divine, and finds them wealthy corporations with assets running into millions of £s and $s.

Under capitalism everything became a commodity; charity, christian souls, and white slaves. The Yankee evangelists travelled the world and ran a mass production line of conversion at a stated sum of money per head of converts—putting pep into the old line of established churches, most of whom have now slumped, and await the war's end to get properly going on new schemes for a "Christian New World" in which one does not have to be a prophet to foretell the racket and commodity status of their "new" ideas.

By the 1930-40's the growth of political rackets had reached an immensity that is staggering. The East India Company and Clive's exploitation of India fades into very small potatoes compared to present day concepts.

* The Church also fostered the fear that the world was coming to an end. It got the free peasants to transfer their titles and ownership of assets to the Church in return for a promise of "protection" in paradise. The Church thus got the ownership and control of three-fifths of arable soil of Europe.
The Bolshevik capture of the State in Russia is the most colossal in point of area and population, and has incited the careerists of the numerous Communist parties to get going in a large way along the political racket road. The "leadership" and inner junta principle and proselytising tactics, especially towards those of the wealthy "intellectual parlor pinks" have made their organisations strong in numbers and wealth to offset what they lack in definite principles and policy which have followed closely every change issued as edicts of Pope Stalin. Their three distinct attitudes from the beginning of this War to the present is thus explained. It must be very confusing to the Communists in France to know that the military defeat of Holland, Belgium and France was made easy by the Germans having their rear protected by the Hitler-Stalin pact; and, with the expulsion of the British from Europe, thus paving the way for the later attack on Russia, when the Nazis had eliminated all effective opposition in Europe.

The Communists moreover, believe in gouging out the brains of their membership and demand subservience and obedience of the rank and file to the "leaders" who are "agents" of the parent organisation at Moscow; the rank and file are instructed not to read or study any Socialist Party literature, or propaganda that does not emanate from Communist sources and an Index Expurgatorious, including earlier works of a Marxist basis by members of their own party appears to be now a feature of their movement.

In Russia, the Communist Party has not taken legal ownership for itself of the assets of the State, being content with control and dictatorship of the State and the people by the Party (the party in its turn being controlled by the Chief of Staff at its apex), and a huge rake off by members and supporters in key positions of managers, bureaucrats, etc.

The Japanese Army is next on the list with its control and ownership of Manchuko, and a levying of tribute on all trading concerns doing business in that country, who have had to transact all business and trading under the direct supervision and control, and under conditions laid down by the Japanese Army. Foreign firms and corporations were thus squeezed out. The racket gave the Japanese Army independent financial power to further their control
over Japanese policies generally and Japan’s parliament—to make and break political cabinets, and bend the Mikado to their desires. All budgets and taxation generally has had to conform to the policy of expansion dictated by the racketeers of the Army organisation, which has resulted in gaining a new economic empire in south-east Asia, wrested from the French, British, American and Dutch.

The Japanese Army, in conjunction with the Navy, are to have full control of colonisation of this immense area.

In a campaign lasting a few weeks the Japanese took from the British and Dutch areas, which held 90 per cent of the world’s rubber production, 60 per cent of the tin and a great oil production, quinine, tungsten and chromium, with comparatively negligible costs in man power, also war material, which, according to disclosures made in the House of Commons was sufficient to equip about 250,000 troops.

White man’s rule over colored Asiatics was such that great opposition had arisen—even now Churchill has excluded India from the promises of the Atlantic Charter—and the Japanese invasion precipitated the crisis between the colonial emancipation movement and Western Imperialism. The whites failed to seek a settlement in advance which may have aligned Eastern nationalism on their side. Long standing grievances drive the advanced elements in the populations and the outstanding native leaders, into the arms of the Japanese.

The White man’s domination is apparently over in Asia. Japan has proved as good a coloniser as any of the European powers. The idea that after they have suffered under Japanese rule, that they will welcome the white man back as liberator whether they are promised self-determination or not, appears to be the usual wishful thinking. Japan now takes the age old role of “protector.” Japan has Korean, Annamite, Siamese, Filipino, Burmese and Javanese troops under her co-prosperity banner, says Edgar Snow, the “Saturday Evening Post’s” correspondent in India, and 200,000 Korean troops are being used with success in the south.* “Certain economic and political benefits and

* A leading Australian commentator says these Koreans are only used as laborers.
some privileges have been extended to Korean soldiers and officers whom the Japanese are now describing as ‘one of the advanced Asiatic races.’ Likewise Manchuko troops are policing and helping to defend the Philipines and Malaya and an army of unknown strength has been organised in the Anglo-Dutch colonies and Snow says he “sees no reason for believing they won't make excellent soldiers if properly indoctrinated to believe that they must fight against the white man instead of fellow Asiatics.” “All told there are now nearly half a million colonial troops carrying out wide police tasks thus releasing the Japanese soldiers for more aggressive duties. Japan has now the second largest Empire in the World.”

America's qualified guarantee for complete freedom for the Philipines has been given — but Asiatic resentment against color discrimination is so strong “that even the Chinese cannot help taking vicarious pride in Japan’s achievements” and India is seething.”

Next was Italy, which followed more on the lines of Russia so far as the Fascist Party is concerned, with the difference that Italy is a Corporate State with corporations of capitalists and fascist controlled corporations of labor conjointly with a state bureaucratic machine forming it.

Last, but by no means least, comes the National Socialist Party of Germany. The Nazis perfected the political racket (the Japanese is basically a military one*) and are the envy (blended with fear and hatred) of the exploiters of the world.

From 1925 to 1929 was a period of great prosperity for German capitalism. The unemployed were being absorbed

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* America is now committed, not from any “spread eagle” ideology, but by the development of the capitalist movement itself, to take a leading Imperialist Role in the shaping of the future for South-East Asia and Indonesia. The underlying motive of the “fence” limiting the use of the Australia Militia would appear to be, that Australia does not “wish” to be committed to an Imperialist role, or co-operation beyond that area.

* As an example of how loosely and meaningless the word “socialism” is used, a recent lecturer spoke of the Japanese Army Racket as being on “socialist lines.” “A Japanese Commander,” he stated, “divided the spoils, levied on industries, right down to the lowest private.” He also spoke of the “socialism” of the Australian Army. When a university educated man speaks thus, it is more than ever necessary for us to define SOCIALISM.
in the reconstruction and rationalisation of industry, largely financed by loans of British and American capital. But the social policy of reform of the Weimar Republic was profoundly irritating to the great industrialists, and when the Nazis made contact with, and gained the confidence of such titans as Thysen, Schact and Emil Kirdorf, they were able to dip into the big, secret funds of the heavy industries. The big capitalists thought they had found a ready pliant tool in Hitler and the National Socialist Party; but these Nazi men were of the brigand and racketeer type. They organized their party throughout Germany and in every village and town levied tribute for "protection" and openly robbed Jews and others who would not pay into the racket of the party funds. No wonder people of U.S.A. saw the similarity to Chicago gangster methods, and the "legitimacy" of political patronage akin to their own U.S. parties' practice.

The Communists of Germany were also duped by some of the "anti-capitalist" dope of the Nazis, and, seeing them working for the disintegration of the Republic, they thought they had allies. "The communist member, Richard Muller," states A. Ramos Oliviera (in "A People's History of Germany" issued by the Left Book Club) "therefore proposed in Osna­bruck, a united front of Hitlerites and Communists, and later in 1931, the Communist Party supported a plebiscite promoted by the Nazis to bring about the dissolution of the Prussian Diet."

Anti-Semitism was a tactic of the Nazis to stir up hatred of the Jews, so they could be despoiled. The fact that many Jewish capitalists supported the Nazis financially did not save them. To show consistency was to appear virtuous, and focused attention on what after all was to the Nazis a side issue. The bestial policy of extinguishing Jews arises because they are regarded as a cohering element, utterly incapable of being absorbed into the Nazi regime. Nothing new in history, it is similar in quality even if on a greater scale of brutality to that applied in the expulsion of the Jews from England in 1290. The Jews were purged out of German
financial and industrial life—the ownership of which became "Aryanised"—because the gangsters wanted what they possessed and because they could not be trusted to be "loyal" to Nazism.

Franz Neumann, in his work on National Socialism: "Behemoth" issued by the Left Book Club, says: "There is a definite trend away from nationalisation in Germany... the power of private capital is certainly not threatened or broken by public capital—on the contrary, in the control of public corporations, private capital plays a decisive part." (p.244).

In this trend away from state capitalism there has arisen since 1937 with "amazing rapidity" a Nazi party-owned sector of capitalism comprising: "(1) The Herman Goering combine; (2) The Gustloff Foundation; (3) The business corporations of the Labor Front (4) The business activities of the party (publishing, printing, real estate)"—p.244.

(1) The Herman Goering combine appears to be owned by a section only of the Nazis known as the Goering wing, and has a joint capitalisation in its affiliations of 1,044,500,000 marks; "it now occupies the first place in Germany's industrial structure." Amongst the possessions of this combine are those expropriated from Thyssen (Alpine Montan, the biggest industrial plant in Austria) also a number of works taken over from the former Austrian state. The Sudetenland, the Protectorate, Norway and Rumania supplied new opportunities and the combine entered the armament business in direct competition with Krupp. "155,000,000 marks of capital had to be subscribed by private industry, especially by the iron processing works which were compelled to acquire shares to the amount of 50 marks for each employee. These shares do not receive any dividends until the steel mills in Salzgitter are fully completed, and they have no voting power till 1943. In 1948 the administrative board of the Goering works may redeem the shares. The financing was thus a typical case of gangsterism. The iron industry had to pay protection money and to finance its own competitor."—p.247.

(2) The Gustloff combine (named in honor of Wilhelm Gustloff, the National Socialist Agent in Switzerland who was shot in 1934) is legally controlled by the Nazi Party is founded upon "Aryanised" property—the Suhl gun factory "consists of six corporations among them the famous Austrian Hirtenberg munitions factory. The combine is run solely by the party... it is subject solely to the control of the party hierarchy."—p.247."
(3) The German Labor Front now operates the following enterprises:

1. The Bank of German Labor, with a balance of 513,000,000 marks and 34 branches in 1938; now ranking among the four biggest German banks.

2. The German Ring—life and health insurance.

3. The Volksfursorge—popular life insurance.

4. The German Ring—Austrian life insurance.

5. Gehag and Einfa—building and settlement corporations.

6. 26 building and settlement corporations under the name of Neue Heimat.

7. ‘German Building Corporation’—a building construction firm.

8. 16 printing and publishing houses, among them the famous trade-union book guilds.

9. The Peoples’ Car Works (only in a preparatory stage)

10. The Peoples’ Tractor Works (only in a preparatory stage).

11. German National Theatre Corporation.

In 1938 it ran 65 corporations—most of them (with the exception of Nos. 9 and 10) stolen from the trade unions. In 1941 the labor front finally took over the consumers’ cooperatives, both in the old territory and in Austria.

“The expansion of the labor front’s insurance business received a tremendous stimulus by the decree enjoining all occupations not covered by federal social insurance to be insured. The lions share went to the labor front’s German Ring.” p.249.

“There is no doubt that German capitalism dislikes this development . . . which in less than four years, built up the biggest industrial empire of Europe, by expropriation, outright theft, and ‘shake-downs’” —p.250. Franz Neumann is with the Institute of Social Research (Columbia University) New York City.

The Nazi racket permeates into every sphere of commercial and industrial activity, and seemingly the majority “co-operate” because of fear of expropriation.

Whether this racket will grow stronger than the opposition in the older Junker bureaucracy and in the strongholds of
conservative capitalism generally, lies in the lap of the future. The seeds of a big division are there, yet Goering and his fellow-gangsters have ambitions to shine in high social circles now they have become honorable legitimate businessmen; and who is to say their dreams will not be realised as were their prototypes in America and Britain? More important is the attitude of the working class of Germany who have seen their trade-union and Consumers’s Co-operatives stolen from them by the Nazis and turned into organisations of exploitation, not with the idea of "gradually competing capitalism out of existence" (as was the vain dream of the reformist Social Democrats, and is even now of the Fabians in England) but organisations to shackle the bonds of regimentation and slavery more firmly upon the workers.

Referring to the periodical crises ("depressions") of capitalism: "during these," says Engels, "the bourgeoisie is convicted of incapacity further to manage the social forces it has called into being." And T. A. Jackson, a theoretical Marxist with a Communist slant, says with the development of the joint stock company, "the social functions of the capitalist (as superintendent and director of production) are developed upon salaried employees....the bourgeoisie is proved to be a superfluous class... This does not, of course, cause the bourgeoisie to withdraw itself voluntarily from the historical scene. Very much to the contrary. Aware of the precariousness of its position and growing hostility of the proletarian to itself and its order...the bourgeoisie is driven into more and more flagrantly tyrannical and violent courses.

* But by 1942 the Nazi regime strengthened its grip, and the fear of the Gestapo made any open dissatisfaction impossible. The Nazi Party furthered its control over the German Administration, as an article on May 30, in the "Frankfurter Zeitung" expressed: "The fact that organisations and personalities of the Party are now placed where they hand out the orders means, on the one hand, a closed fusion of the Party with the machinery of Administration, and on the other, the strengthening of the political power of the parts of the machinery which are involved." And on September 16th, in an editorial, the paper stated: "The claim of the N.S.D.A.P. to leadership in regard to the State and its administration and above all its claim to the leadership of men has given the Party the key position in matters of personnel in all branches of the Government. A new era opened when leading personalities of the Party were given the main say in a number of sharp, edifying tests of administration." Thus the inner fortifications of the State appear to have now been pierced. It remains to be seen if the Allied Nations will smash the Nazi Party machine.
The more superfluous the bourgeoisie becomes as a class, and the more consciously parasitic, the less grows the chance (if it ever existed) of a peaceful overthrow of the capitalist order."

Apart from the statement "aware of the precariousness of their position" and "the more consciously parasitic" the bourgeoisie are, which statements are open to controversy, we would ask: Has Capitalism yet been challenged revolutionarily? Certainly not in Britain, U.S.A. or Australia. It never reached dominancy in Russia; there it practically never was the ruling class. The Communists may retort that it was challenged in Germany. It was to a certain extent, and who rushed to its defence there? The Social Democrats. Perhaps there is an historical reason. The bourgeoisie revolution was successful in France and Britain. It failed in Germany. Junkerdom remained in the saddle and although many vestiges of Feudalism were destroyed by the Hitler regime, it did not threaten the Junker entrenchments. Junkerdom is now allied to aggressive Monopoly Capitalism. The working class of Germany were divided. And the following quotation from "Dialectics" by T. A. Jackson is of great importance to the working class in Australia. Jackson says:

"The practical political application of the Marxism materialist conception of religion is, in present day society, the complete exclusion of religion from the State apparatus—which includes its exclusion from the curriculum of the State Schools. This was expressed in the German Social-Democratic programme in the formula, 'Religion shall be declared and treated (i.e. by the State) as a private matter' (i.e. as one in which the State, as such, had no standing or concern.) Obviously this involved the disestablishment and disenowment of all State churches and, also, the placing of anti-religious propaganda, on an equal footing with religious propaganda. Equally obviously each of these things is 'atheistic' in practice—as the priest class is quick to point out.

"But, as should be well known by now, the phrase 'religion is a private matter,' received in the course of time, under the corroding acid of opportunism. a new interpretation. It became a Party injunction that 'all discussion of religion or of the church is, in and by the party, verboten!'

If this could happen in Germany, even in the lifetime of Engels (much to his furious disgust) better was hardly to
be expected from the English speaking world—the classic breeding ground of compromise and hypocrisy..."

And in Germany the Catholic Church grew apace, organised catholic trade unions and permeated the whole working class whilst the socialists official attitude was 'religion is a private matter' and so when bourgeoisie society was rocked to its knees, the Communists and the radical left wing of the Social Democrats (Karl Liebknecht and Rosa Luxemborg, etc.) who formed the Sparactists, were the only ones who wanted the challenge pushed to the limit.

The Social Democrats having entered upon the road of "gradualism"—of compromise—wanted to give bourgeoisie democracy a "chance" with a democratic parliamentary regime and entered into an alliance with the Catholic Centre Party to form the Weimar Republic. The revolutionary challenge to Capitalism was met mainly by the Social-Democrats in support allied to the more liberal element of Junkerdom and Catholicism. What a combination. The trade union and Social-democratic movement had travelled by now far upon the road of reform with millions of marks invested in party controlled enterprises with an idea of competing capitalism out of existence. We see the same ideas rampant in Australia. There is a catholic wing in the Trades Hall, and in the Labor Party.

The more the conditions (visualised by Engels and T. A. Jackson in the passages quoted) develop whilst the working class is not conscious of the necessity of overthrowing capitalism, the greater the call for compromise, by social legislation of the order we see today, with the extension of the Dole under the name of Social Security, to blunt any revolting edge off the working class movement.

In Germany the capitalist class irritated by such social legislation allied themselves to the old Junker class and got its second wind after the failure of the Social-Democrats and the Weimar Republic, and more or less openly arranged for a counter-revolution, with a further extension of its powers. The proletariat has failed to date to organise its historic mission. The German Junker class now allied to monopoly capitalism accepted the help of a Gangster organisation and financed them into power—but the Nazis are Brigands—a final clash may still come. All depends on the field available for greater and further exploitation and extension of capitalism.
MARXISM.

Karl Marx devoted his life to the study and analysis of economic society. That is to say, to the study of Man in human society—Mankind as an historical organisation.

Marxism is a dialetical unity—a progression of social man at work from earliest forms of organisation to society as it is today. It explains and lays bare the motif of History.

Karl Marx and Frederick Engels laid the foundations of the scientific socialist movement—and because scientific, therefore a revolutionary movement. Before these foundations could be laid, Marx and Engels by their life-time of study and active participation in the labor movement transformed themselves by living practice as socialist revolutionaries. Both were intense students of economics. Engels, as a manufacturer, came into close commercial contact with the "Manchester School" economists in their home town. Marx being stimulated by Engels, intensified his study of economic society, and proved a genius. Engels expressed his admiration for his friend and co-worker in a footnote to "Feuerbach" p. 52-53 as follows:

"I cannot deny that both before and during my forty-years collaboration with Marx I had a certain independent share in laying the foundations and more particularly in elaborating the theory. But the greater part of its leading basic principles, particularly the realm of economics and history, and above all its final clear formulation, belongs to Marx.... What Marx accomplished I would never have achieved. Marx stood higher, saw further, and took a wider and quicker view than all of us. We others were at best talented; Marx was a genius." We can take it that each gained much from the other and that the result was greater by the partnership.

Whilst not trying to prove that a working man because he is of the working class can always grasp the facts and nature of capitalist production and progress, it would seem that it certainly does come easier to a working man, who has once grasped the fact of his commodity status as a wage-worker, to acquire a consciousness of the necessity for Socialism. Whereas the intellectual born in middle class surroundings and often with a university (mis)education, as
many of the so-called intellectuals of England who seek to "lead" the British Labor Party have got; it almost seems a "miracle" is required for them to get an understanding of capitalism, and the necessity for Socialism such as emenated from Engels (certainly helped by his practical experience in commerce) and Marx.

There is in the British middle-class character an adoration and hero-worship of the "Great," especially if he has connections with the aristocracy. An inherent subservient snobbishness that urges each one of them to hope for the "greatness" in himself to be recognised by others (and he mostly is not backward in letting the rest know "his worth"); that also brings out an arrogance and scholastic profundity that in its turn encourages their own immediate entourage to adulation and snobbish respect; tempered perhaps by that which has been expressed by the snob Kipling in the lines: "the Colonel's lady and Judy O'Grady are sisters under the skin"; which has allowed the growth and development of democracy in Britain.

The latest exhibition is the "Life" of Sir Stafford Cripps, by Froom Tyler, who with all the intensity of an Englishman, worships this aristocratic, Catholic, utopian-socialist-pro-soviet would-be "Leader" of British Labor. A reviewer of the book in the "Age" also shows the "looking for a leader" attitude in referring to Cripps as "the man of to-morrow."* 

* "To Mr. Tyler it seems that the only man among British war leaders who is qualified for the supreme tasks of peace is Stafford Cripps. Since, he argues, capitalism, as our fathers knew it, is superseded and Socialism [Cripps' Fabian variety] "is suspect, even by the British working class, of being another form of dictatorship, 'which would substitute one boss-system for another,' a leader of exceptional ability and adaptability, 'a man who has long ago freed his mind from party dogmas' is needed. 'He must,' Mr. Tyler continues, 'be a man with a great love for the common people and an intense desire for the betterment of mankind; a man with an urgent sense of purpose and the courage and energy to pursue it indomitably.' Such a man he finds in Cripps.

"The book ends with these challenging notes:—'If we can emerge into a world of co-operative unity, in which the best features of past orders are joined to synthesise the claims of the community with the essential freedom of every individual within it, the light that is coming will not be yet another morning of false promise. But into that larger liberty we must be led, and, if not by Cripps, by whom?'"—"Age." 

Even Holy Writ advised against leaders. ("do not put your trust in Princes").
These middle-class intellectuals are of the "Statesmen" order. They show a genius at compromise and adaptability to the necessities of modern capitalism and would reform capitalism, leaving its basic foundation untouched, and by labeling their reforms "socialism" mislead the working class.

There are many such intellectuals in Britain and Europe who call themselves "Marxians" who in their expressed theoretical policies and practice are still only Utopians.

Utopians were those who thought that all that was necessary for an ideal society was for some powerful benevolent ruler to use his governmental authority to reorganise the country on socialist lines. We have utopian parties today who think that a political party can do what the early utopians hoped for from a benevolent despot, or that some wealthy philanthropist should advance the capital to permit a sample "Utopia" to be set going, as Robert Owen attempted to do in his day, and as numbers of colonies such as Lane's and his fellow-Australian's Utopian attempt in Paraguay, or the modern way of the German Social Democratic trade unions with their Labor Bank, Insurance and other enterprises to "gradually compete the capitalists out of existence." The Consumers' Co-operative movement is supported by many utopian socialists for the same reason, they see it as a means to a "new order."

The Australian Labor Party and soft-money theorists regard the Commonwealth Bank also as this way out; and many other schemes of getting together sufficient individuals to pool their resources to begin on similar lines have been mooted. The One Big Union as sponsored and advocated by the Socialist Labor Party was another utopian scheme to bring into existence Socialism without socialists, although the S.L.P. do educate towards Socialism.

There is also the Communist Party which in its most sincere sense (it has many other aspects, such as a racket etc.,) aims at capturing the State to form a Dictatorship of the Proletariat, and in so doing regards itself as Marxist "plus ultra"! This has been proved in practice to be of the utopian visionary order by Russia. When the proletarian industrial workers of St. Petersburg and the revolting sailors of
Krondstadt, and soldiers of Russian regiments, early in 1917, struck work in factories and revolted against the Czar’s government as a movement to end the war, the Communist Bolsheviks finally succeeded in October in placing themselves in “leadership”, and overthrew the resulting democratically convened Constituent Assembly in November 1917, declaring “Now for a Socialist Revolution.” They attempted to bring about Communism with the consciousness of the proletarian workers not having reached to revolutionary socialism, and the greater mass of the population of peasants, much more backward, with no desire in the least for Socialism. They were logically forced into a program and policy of development on Capitalist lines. Russia is certainly NOT a socialist state.

We have now reached the stage when it should be seen by all that the Communist Party is not a Marxist organisation. The exponents of Marxism in the old Bolshevik organisation have mostly been liquidated out of existence or have died.

“But Stalin,” scream the Communists, “as the successor of Lenin, is the greatest disciple and exponent of Marxism living to-day!”

As a critic of German Social Democratic practice, Lenin and Stalin could show how that movement had abandoned the living reality of Marxism—but will not admit the beam in their own eyes.

Stalin in his practice has distorted the teaching of Marx by his allegations that Russian Communism is Marxism in practice.

An edition of “Dialectical and Historical Materialism” by Joseph Stalin has been issued in Australia by Current Book Distributors of Rawson Place, Sydney, N.S.W. It is extracted from Chapter four of the “History of the Communist Party of the Soviet Union,” and dealt with the revisionist tendencies of 1908-12. Since Stalin came to power his every act is condemned in advance by his own previous written words:—

“In order not to err in policy, one must be a revolutionist, not a reformist”; and further on “we must not try
to check the class struggle but carry it to its conclusion.”

“In order not to err in policy, one must pursue an uncom­

promising proletarian class policy, not a reformist policy

of harmony...not a compromise' policy of 'the growing of

Capitalism into Socialism.’”

Stalin is now called a “pragmatist,” which is correct.

He is concerned with immediate results—in other words—
a practical opportunist. Socialists are concerned with the
ultimate solution of the Social Problem; as materialists,
Socialists aim for a classless society in which the class
antagonisms will be dissolved. Stalin, the pragmatist said,
on the 25th anniversary of the Bolshevik revolution: "The
logic of things is stronger than any other logic"; he is correct
in that the logic of capitalist development to-day is stronger
than the logic of Socialism to-day. It is also correct to say
that the logic of Socialism must ultimately triumph over
the logic of capitalism—the struggle will go on until the
antagonisms are dissolved.

Any class struggle is ruthlessly crushed in Soviet
Russia, any proletarian criticism is ruthlessly eradicated and
liquidated, and just as the rule of the Church in the Middle
(Dark) Ages fettered Europe for centuries during which
only slight changes took place in the constitution of social
relations, so would the Stalin regime attempt today to stifle
any change by similar repressive measures. Stalin as­
tounded even his bourgeois listeners when he said: "May
God help President Roosevelt in his task!” So much for
his materialist understanding.

Stalin states: "The dialectical method regards as im­
portant primarily not that which at the given momen!
seems to be durable and yet is already beginning to die
away, but that which is arising and developing even though
at the given moment it may appear to be not durable,
for the dialectical method considers invincible only that
which is arising and developing.”

In the regime which Stalin has assisted to “arise and
develop”—a tyranny, not a democracy, he has taken every
step possible by purge and liquidation to ensure its "in­
vincibleness.”
We hold that the pre-requisite for socialism is

(a) The organising of the productive forces from an individual basis (handicraft and small producers) to a social basis (the factory mammoth industrial organisations, etc.) all of which has been achieved by the present capitalist system, and with the advent of this war, furthered to the nth degree

(b) The working class must be conscious of the necessity for a change from the present system (with its alternating depressions, gluts and wars) to common ownership and production for use instead of commodity production for profit as at present. This "consciousness" of the "necessity" implies an understanding of the nature of capitalism, of the commodity status of wage-labor proletarians, so that they can make the most of such possibilities as are available. They must be conscious of the necessity to end the capitalist system, to organise as a class politically to do just that and only that, which implies hostility to and exposure of every move of reform and compromise that helps to perpetuate the capitalist system.

In Russia during the chaos that followed the war 1914-17, and the following civil war (counter-revolution) (a) did not exist, and (b) was absent from the overwhelming majority of the people.

Which implies that the conditions pre-requisite for Socialism did not exist in Russia, and that the efforts of the revolutionaries have produced results quite different from what was the original aim. Taking the conditions in Russia in 1917 and the state of consciousness of the people, nothing else could have been achieved especially as the policy of the regime has been one of using force, purging and liquidation. It follows also that the antagonisms arising from the new class stratification will cause future class struggles, and that Socialism will only be possible when the consciousness of the Russian working class reaches the point of acquiring power and the will to achieve it.
The same pre-requisites for Socialism apply to Australia (a) is here now; (b) has still to be brought about. The Labor Party has a supposed "socialisation" objective. Nothing in its practice or policy seeks to achieve it. It has entered upon a program in line with the necessities of capitalism—following a trend clearly discernible in other countries, notably in U.S.A. of a compromise reform partnership of capital and organised union labor, in which the private banking system is to be the scapegoat or red-herring to distract working class attention. The only difference discernible between the Labor Party and the Communist Party is that of rival "leadership" and that the Communists are more inoculated with Russian nationalistic aims than conditions warrant.

Just as the Labor Party in practice reacts to the "necessities" of Australian capitalism, and so acts as a shock absorber to the impact of the class struggle, so does the Communist Party react to the "necessities" of the Stalin bureaucratic regime in Russia.

The Labor movement generally, and the Utopian Socialists in particular, who took the Bolshevik triumph in 1917 at its own valuation—that the Bolsheviks were establishing Socialism—committed an error of wishful thinking (or hope) that now is seen in all its consequences. The working class of Australia were misled about Russia from the very start.

Practically alone, of all the Socialist organisations in the world, The Socialist Party of Great Britain took the right attitude—the scientific—the Marxist attitude—of clearness of vision towards the Lenin attempt. Whilst extending to the proletarian movement in Russia every encouragement to the success of their move against their oppressors, and rejoicing at the overthrow of the autocratic Czarist regime, The Socialist Party of Great Britain could NOT see the possibility of Socialism being established when the necessary foundations were absent. Not in any carping spirit, but in the interests of working class education in the movement for emancipation, the Party advised a careful evaluation of events in Russia, and not to accept the statements as to the founding of a Socialist regime as an accomplished thing, before such could be established as a fact.
The rabid spirit of nationalism, which holds "my country, right or wrong, is always right" is shown by the Communist Party.

In spite of all the evidence that Socialism is NOT in existence in Russia; that Russia is a bureaucratic dictatorship by a minority who have brutally purged all freedom of speech and discussion (as to how socialism could be established) from the national life of Russia; in spite of all this, the Communists blindly say: "The Stalin regime, right or wrong, is always right."

When Lenin openly accepted capitalist development as the New Economic Policy for Russia in 1921, the Labor and Socialist movement of the world should have been intelligent enough to take it at that. The swinging openly towards capitalism was an unavoidable necessity, dictated by the backwardness of Russian development, and the non-socialist understanding of the masses.

The Communist Party by its rabid boosting for a non-existing "socialism" in Russia, then put out a confusing smoke-screen, by lying statements to the effect that this "socialism" was a sort of preliminary stage to communism! Thus smothering up the capitalist nature of Russia development. The Labor Party also were led to believe that the road to Socialism was via State Capitalism.

This is all FALSE and misleading.

The road to Socialism is via the understanding by the working class of the necessity to abolish the wages system to end capitalism.

The workers must be conscious of this necessity.

The efforts of The Socialist Party of Australia and its kindred parties is to the end of arousing and creating this consciousness in the working class.

To throw all the onus in negotiation with Hitler and the Nazis on the purged Bolsheviks is unwarranted.

That heads of the bureaucracies were taking or prepared to take money from Hitler has been proved. That Generals of the Red Army were implicated is also accepted.
But what is hushed up and glossed over is the fact of early collaboration between the Russian Government and the German Reichswar. Under the guise of German officers training and organising the Red Army, Russia connived in the training of Germans as pilots and mechanics generally of aircraft, during the period when Germany was debarred from such under Allied Treaties.

The Russian pacts with Hitler's regime stank before the world.

The rape of Poland was a joint affair of Germany from the West and Russia from the East; Russia also seized the free Baltic States.

Thyssen alleges "Stalin expressed his admiration for Hitler after the bloody events of June 30th, 1934. By mur­during his political opponents (inside his own party). Hitler had shown Moscow that he had the makings of a real dic­tor. From that moment Stalin took Hitler seriously. Further, the Russians had been extremely impressed by the attitude of the Western Powers on the occupation of Czechoslovakia. In 1939 their sense of political realism showed how they could divert the Hitler menace from Russia and, at the same time to recoup their former frontiers. The con­clusion of the Pact was Stalin's master stroke." A Pact for ten years non-aggression was signed in Moscow by Ribbentrop for the Nazis, and Stalin, on August 22nd, 1939.

Britain declared war on September 3rd, 1939. On September 15th, The Soviet Union and Japan agreed to an armistice on the Far Eastern Front (to be followed later by a Neutrality Pact). On September 28th, Molotov and Ribbentrop signed an agreement in Moscow, partitioning Poland.

On November 28th, the Soviet Union denounced the non-aggression pact with Finland. Another "scrap of paper." Yet when Hitler treated his non-aggression pact with Russia similarly, how Stalin screamed vituperation upon him!

On November 30th, Russian aircraft bombed Finnish towns and Soviet troops invaded Finland.

These are dates to remember in the Communist calendar.
Having got going a long way on the road of development of capitalist production, it would be easy to understand that the superior German scientific and industrial methods and managerial capacity would arouse in some a desire for collaboration with Germany to get similar results in Russia. Lenin's "one step backward," as he termed it, has resulted in a steady "march" along capitalist lines (17 years of "one step backward"). Russian statistics would show enormous development and output, but investigators were quite convinced that the per-capita result was comparatively poor compared to either Germany or U.S.A.

The time has come when the Communist Party in Australia must be told in no uncertain terms to cease their subversive propaganda against Socialism.

The Communists have twisted the class struggle as enunciated by Marx into a struggle of Stalinism against Fascism. The Labor Theory of Value, supplemented by the discovery, by Marx, of Surplus-value as being the creator of Capital, is used not as it should, to arouse the class-consciousness of the wage-worker to his status in capitalist society, but to prove that the Russian State in using this surplus produced by the labor-power of the wage-worker to build up huge industries, and a powerful military machine, in Russia as evidence of the success of "socialism", whilst soft-peddling on the fact that the actual laborers get a mere subsistence pittance, and the higher technicians, the bureaucrats, and the artistic intellectuals get up to a hundredfold more.*

* W. Heineberg, a leaf merchant of Alliance Tobacco Co. spent five months in Russia, travelled 22,000 miles. One excerpt taken from a New York "Daily News" interview on his return in August 1941: "The engineers, architects, intellectuals and Army and Government officials are lavished with money and privileges. Even the very young ones all appear to get the equivalent of about $450 monthly, [$137 Australian] with large bonuses for working in the new Siberian plants and outposts.

"Some of these youngsters were going westward on one of my trips on the Trans-Siberian. Their pockets bulged with cash. They drank vodka before breakfast and champagne with their meals. The meals alone cost $4 in American money—[$1/4/5]—why, I was a piker in such company."
The classless society visualised as Socialism by Marx is alleged to exist in Russia where the population form an amorphous wage-graded mass (the "masses"), that the overhead Dictatorship Tyranny prevent from jelling into classes only by constantly stirring up by brutal purges, and stifling of all free expression of opinion. This bastardised form of capital exploitation is foisted off as "socialism" and the partnership of capitalist nations—partners only since June, 1941—although one of convenience only, is backed now to the limit by the Australian Communist Party, who now call on the Australian "masses" to back up the Labor Party for the "Unity of Australia." Their "twists" make even the Labor Party want to vomit.

Following up the "January Promise" 1942, of a Second Front, the Kremlin exerted pressure on the Allies, and the Communist Parties followed with propaganda. 60,000 massed in Trafalgar Square, London, to demand an "immediate" invasion of Europe, and even in Australia meetings were organised and the hoardings plastered with billboards demanding "action."

On August 12th, Churchill was in Moscow conferring with Stalin, who declined to be reconciled and still held out for the alleged promises of January.

Late in August, 35,000 demonstrated in Madison Square, New York City, which put further pressure on Britain by denouncing British Imperialism, and demanding "immediate freedom" for India.

When Willkie, the American non-official traveller reached Moscow, he had to dress Stalin down a bit. At a Kremlin "dinner" Stalin accused Churchill of "stealing" 150 Locheed planes out of a Russian-bound convoy. The statement in the presence of the British Ambassador made it a deliberate insult. The official explanation was that the 150 planes were taken at the request of Lt-General Eisenhower, for the North African expedition. being supplied under Lend-Lease conditions, they were the property of U.S.A. Willkie then reminded Stalin that while Russia now held the pass against the Nazis, it was Britain who held it
in 1940, and he wondered what Russia’s situation would have been had Britain been conquered at the time when Russia, for her own reasons, was neutral under agreement with Hitler.

It can clearly be seen that all Communist Party actions and propaganda followed the Kremlin lead.

As Socialists, we do understand that the ideas developing and taking the form of social consciousness or public opinion as expressed by the Labor Party, and to a certain extent by the Communists, and receiving the tacit approval of capitalists in the main (being endorsed by the capitalist daily press generally, with only mild remonstrances as to individual items)—we do understand that these ideas arise from the necessities of capitalism today. They are not proletarian ideas. In the main, the working class of Australia are supporting and carrying out a policy dictated by the necessity of the capitalist system.

Our task as socialists is to change this social consciousness of the working class from a capitalist conception to a working class conception. To struggle and work for what is a "necessity" for the working class, and be critically hostile towards the "necessities" of the capitalist system, which are so strong today that the veneer of class consciousness shown by the Labor Parties, Fabian utopianists and "red-raggers" of communism has been stripped off and underneath they have been shown by their action to be supporters of capitalism. Before they can become Socialists they must reach "a conviction of transgressions" against their own class—the working class. To become socialists they MUST understand and be cold and hostile to everything pertaining to capitalism, and its "necessities." They must strive for one thing only; the ending of the capitalist system.

The objective of the Socialist Party of Australia and its kindred parties is Socialism, a system of society based upon common ownership and democratic control. The party holds that the working class cannot achieve their emancipation except through democratically gaining control of the machinery of government.
Nazism and Liberalism

THEIR PLACE IN THE DIALECTICAL PROGRESSION
OF CAPITALISM.

The Dialectic Progression—is a concise logical unified statement
of the movement of society, an explanation of the growth of the
becoming (or arising), and thus explains the changes taking
place in Society.

The Communists have made a great parade of the "Dialectics
of Communism". There is NO SUCH THING.

Marx enunciated the Dialectical Method of the Materialist
Interpretation of History: therefore it is a dialectical method
of explaining the progress of Society from primitive savagery,
up through all pre-capitalist forms of society, through feudalism
to capitalist society of to-day. To-day Society is a Capitalist
Society (including Russia); therefore that which can be explained
is "Capitalism," and a more or less tentative, and therefore a
more or less sound view of coming developments can be inferred.

The Bubble of Conceit of the Communists is thus pricked
and found to be a Bladder of Wind.

Nazism is more than a National Movement.

It is the political outcome of a certain definite develop­
ment in Capitalism.

As such it has gained adherents all over Europe, and
to a certain extent even in Britain.

Political catholics, reformist "socialists," and communists
(Major Quisling of Norway was a former communist) as
well as bankers, professors, teachers, and capitalists in
occupied countries have flocked to the more or less active
support of Nazism—so much so, as to be a source of
irritation and embarrassment to Hitler, who with his fellow
Nazis, has had to slap them down. The French jackals,
Laval, Doriot, Deat, while perhaps hoping to feed upon
the carcase of France, still sense the movement of change
taking place, and hope for a seat in the band waggon.
The Nazis, on the other hand, feel they are on a sure winner, and do NOT want their racial plan diluted.

And no student will deny, that in this definite change fast developing, that German industry was in the vanguard. **With U.S.A. fast looming up as Nemesis.**

In occupied Europe, the Nazis, with their proved acumen, seized upon and exploited all the "frustration" of those opposed to the old regimes, as well as the active support of purely fascist parties already in existence before Nazi occupation.

The Nazi technique proved as successful in occupied Europe as it proved to be in Germany; in the absorption or elimination of opposition elements.

The old Roman maxim: "Divide and rule" was improved upon; internal dissensions were fostered, magnified and exploited.

The Nazi scheme was worked out with ruthless logic, political acumen and shrewd cunning which shows an intelligent understanding of the history of exploitation in the revolutionary changes that had taken place in the world.

It built out of capitalism a powerful political-economic machine backed by the most formidable military organisation the world had yet seen.

Were it not that a rival organisation has emerged from its birth-pangs in U.S.A., with a rapidly growing consciousness of reality, it would almost have seemed that the change was something actually over and done with (**fait accompli**) and that only the cleaning-up-house process was left.

A comparable development had been taking place in U.S.A. But not with the awareness and sureness in moves made by the Nazis. Hitler sensed this rivalry as Ambassador Dodds saw on December 3rd, 1937, when he says: "Hitler and Goering are the most conceited men I have ever seen, and both of them are angry, even uneasy, about the slowly changing attitude of the United States."
Hitler was right in his original estimate that he needed Great Britain as a neutral.

If you need a thing bad enough, there is a tendency to "wishful thinking" and error creeps in.

With the British Empire what it was; with its material possessions and territory, and possession of a world market; although young, arrogant, Nazism regarded old British-style capitalism as "decadent," she was still desired as a "partner," who, as a natural occurrence of ageing still further, would be dominated and in all probability be absorbed by youth in the person of Nazi Germany.

But the "original" world-market despot, England, regarded up-and-coming Germany as a rival.

The Nazis showed in many ways an uncanny sense of timing.

Yet their early history shows they did not possess infallibility, as their putsch of November, 1923, failed. The hour was not yet.

That they learned much from this initial failure was proved by their later successes. Right up to Munich or even to the eve of the invasion of Poland they proved masters of political strategy.

Were they too eager—too impatient? Or was it they were too poor? Germany had gone bankrupt once.

In spite of the Nazi attitude towards gold, they knew its role as the Standard of Value. Value incarnate, the Deity of foreign exchange. As late as April, 1940, Robert Ley, Leader of the Labor front, and therefore one of the top Nazis, described gold as "the weapon of Israel...with the lie of which the Jewish race has rendered secure its tyranny over mankind and nations." But one has to continually differentiate between Nazi political propaganda and their actions.

Was the net of gold finance drawing too close for their financial comfort? Germany had been bankrupt once—after the 1929 crisis. Had the time come when they could expect their losses through finance-politics-diplomacy to be greater than their future gains?

They had been winners up to August 1939.
Their actions up to that date speak for themselves.

The central bank of Austria was taken over outright by the Reichsbank. "The gold reserves and foreign exchange holdings of the Austrian National Bank—a total of 80 million dollars as of the last weekly statement of March 7, 1938—were acquired by the Reichsbank and included among its 'other assets.' The German exchange regulations were applied to Austria, and it was ordered that all privately held gold, foreign exchange, and foreign securities were to be surrendered to the Reichsbank by April 5, 1938. Collections from this source have been estimated at over 200 million dollars. (Financial News, London, April 4, 1938) making a total of some 300 million dollars for public and private holdings of gold and foreign assets. The Bank of Danzig was similarly taken over—the gold reserve at last reporting amounted to 4.3 million dollars.

"The steps taken in Czecho-Slovakia are more confused. In the districts ceded to the Third Reich by the Munich Agreement German authorities retired 2,908 million crowns in Czecho-Slovak notes and coins. Of this amount, they spent 1,653 millions for direct 'purchases' in Czecho-Slovakia. The remainder, 1,255 millions, was returned to the National Bank of Czecho-Slovakia in March 1939, in exchange for an amount of gold equal to 35 per cent of the notes thus surrendered. (This percentage represented the Bank's reserve ratio on the date of the cession of Sudetenland). In consequence of this transaction, the Bank's statement disclosed a drop of 466 million crowns, or 16 million dollars.

"Since the occupation of Prague in March 1939, the figures for the gold reserve of the National Bank of Bohemia and Moravia have shown but slight movements. This is to be attributed to the fact that practically the whole of the reserve had been sent abroad so as to be far from the reach of Germany. A third of this gold had, however, been deposited by the Czechs in perfect confidence with the Bank for International Settlements, an institution which claimed to be the World Bank. But shortly after Munich 1939, the International Bank took it upon itself to obligingly transfer the Czecho-Slovak gold deposited with it to the German Reichsbank. The gold so transferred was worth 25 million dollars and included that part of the Czech gold—the major portion— which the International Bank had deposited with the Bank of England in London. The latter raised no objections in its capacity either as a big shareholder of the International Bank or as guardian of the Czech gold. The Reichsbank returned these courtesies by consenting to give the National Bank of Bohemia and Moravia scrip to an equivalent value in the form of 'gold deposit certificates.' These 'certificates' are included in place of the gold in the figures for the gold reserve of the National Bank of Bohemia and Moravia.

"The extraordinary behavior of the Bank for International Settlements, an institution which aspired to be the World Bank, calls for explanation. The Bank has justified its action by asserting (Associated Press dispatch from Basel, Switzerland—New York Times of May 31, 1939) that it made the transfer of gold
after having received an official demand 'from the new administration of the Czech National Bank.' In view of the obvious fact that the Czech authorities acted under duress, this appears a flimsy justification." From "The Spoil of Europe" p.132 by Thomas Reveille.

"Another explanation for the action of the Bank is that given by Lord Strabolgi in the British House of Lords in the course of a debate on this subject." Mr. Reveille quoting from the "Parliamentary Debates," House of Lords, Vol. 114, No. 84, July 11, 1939, pp.50-61, says: "His Lordship gave the following explanation:

"The President of the Bank for International Settlements is a distinguished Dutchman, Dr. Beyen, of well-known Nazi sympathies. He is about to relinquish his post to join the great Unilever combine, which has large frozen Reichsmark credits in Germany. The Continental manager of Unilever in London is a certain Herr Franz Schicht, who plays a prominent part in organising the German Nazis in London. So much for the President. I now come to a distinguished German banker, Herr Hechler, who was formerly the assistant general manager of the Bank of International Settlements. He is known as a protege of the two English directors of the Bank, Mr. Montague Norman and Sir Otto Niemeyer. In 1937 the French general manager, M. Quesnay, died, and the English directors insisted on Herr Hechler's appointment to the post in the face of strong opposition from the French directors. I am the last person to blame Herr Hechler, as a German citizen, for doing all he could to have this Czech money made available for his own government."

Yet, in spite of all this, British average public opinion fed by the popular daily press and other propaganda, was that Nazi ideas seem so diametrically opposed to those of old-style (British-U.S.A.) capitalism that they have been dismissed or belittled as the fantastic dreams of a madman. Hitler is, or was, constantly referred to as a subject for expert lunacy medical specialists.

Socialists are familiar, in broad outlines, with the rise and fall of the systems of society preceding capitalism.

Karl Marx outlined the development of Capital and drew certain tentative, but sound conclusions. One of these is the inevitable periodic crisis, the period between these economic crises becoming shorter, and each crisis greater in severity, thus tending to the break down of the capitalist system. For hundreds of years, the capitalist system developed and the series of crises culminated in that of 1929. The greatest "depression" the world has yet seen.

Marx explained how the capitalistic method of production was nurtured in the womb of feudalism, and with the antagonisms thus caused by a rising class the landed feudal
aristocracy was jockeyed out of the saddle, and a new class—the capitalist reached dominance.

The conditions for revolution are that a rising class bring in an organisation that functions as a rival, and in a revolutionary epoch we have a new government system growing up and challenging the old government system. A more or less bloody conflict takes place as in the period of Cromwell’s Commonwealth, the French Revolution, and the Russian Revolution of 1917.

The capitalist system by the crisis of 1929 was rocked to its knees. But the working class failed to materialise as a revolutionary force.

We have seen the role of Nazism in Europe. Has it a counter-part in Britain and U.S.A?

If Hitler has made an error of impatience, it cannot be called an error of indecision.

U.S.A. shows the same tendency as Britain. Compromise. Engels pointed out that in these periodical crises “the bourgeoisie is convicted of incapacity further to manage the social forces it has called into being.”

Ambassador Dodd, in his Berlin Diary, June 15, 1934, p.122 refers to the U.S.A. former Minister to Sweden, Moorehead, as a convinced capitalist who did “not know what was the cause of American disaster in 1929.” Among a group of people “the Mooreheads (were) the most complacent and least informed, in spite of their great wealth, and in spite of wide experience. Moorehead said: ‘Ten per cent of any people make the money, lead in every phase of life, and should have unmolested control of public affairs.’” Mr. Dodd comments: “That certainly was Hoover’s idea, and Moorehead boasted of his relations with the discredited ex-President.”

These elements would favor Nazism, at least to the extent of neutrality. The isolationists would ignore the fact that the modern world is interlocked by myriad technological, economic, and cultural links; they sought to let the Nazis fight it out in Europe and keep U.S.A. out of war. They would have preferred the role of supplying munitions to both sides at a profit.

But the war had really started in 1933. It started when Hitler came into power. The economic crisis which broke in 1929 disrupted all efforts at reconstruction of German-American relationships which had been patched up under
the Dawes Plan and brought to an irritating defaulting-evasian, by Germany, through the Young Plan. German governments (federal and state), banks, and industrial corporations found it difficult, if not impossible, to meet the charges on the huge debts incurred under the Dawes and Young Plans to the United States, brought to a head by economic embargoes upon German exports.

Germany, under Hitler, had started on the road, which through refusal to repay in gold the debts due to U.S.A. yet still purchasing material for munitions with exchanges largely provided by a gold basis, led to cancellation of any further credits on a large scale with U.S.A. So on the actual outbreak of hostilities in September, 1939, Britain and France were able to take the whole available output of the munitions industry in U.S.A. Coupled with the competition of Germany and Britain in South America, seeking to oust America from this necessary and profitable outlet, the Isolationists grew more bitter against Britain in particular, and Europe in general.

It was from the reactionary tendencies of such conservatives that Liberal capitalists seek to save capitalism. Their role is one of reform; one of ameliorating what otherwise would be intolerable tyranny, in the light of the ideals and aspirations of a growing democratic public opinion. They can accomplish NOTHING of lasting benefit to Labor. The inherent progression of Capital towards further development will widen the breach between the classes. The lot of the wage-worker will comparatively become worse and worse. The regimentation of wage-labor and the enslavement of the working class is being intensified. Never can the Liberal element of the capitalist class take a revolutionary role. But while they act as a brake, in an ever-shrinking degree, upon the more arrogant reactionary section of capitalism, the time gained will enable the working class under the ideology of free speech, free press, and free political expression, to gather its forces together, by education towards that consciousness, that understanding of what alone the working class can and MUST do.

In U.S.A., Labor has not even got to the stage of a trade-union political party such as the British Labor Party or the Australian Labor Party; the trade unions "log-rolled"
with the Democratic Party (liberal capitalism). In Britain and Australia the Liberal Parties have almost disappeared their place being occupied by the Labor Parties, which do NOT challenge the capitalist system.

The popular expression of the working class as shown by the Labor Parties of Britain and Australia is one to attempt to ameliorate the condition of the workers generally and hence is very much to capitalism's benefit. Labor's advent in politics is such as to save capitalism from its more glaring blunders; to save it, as it were, from itself.

An influential section of the capitalist class appreciate this attitude of the Labor Party (some even join the party for this reason), and the party is used generally to further capitalist class interests. Only when the capitalist class wants some further "protection" against agressive trade-union action in times when the need to lower the standard of living and to cheapen the cost of wage-labor is a pressing "necessity" to capitalism, do such capitalists turn to the more conservative parties to offer a united front against Labor generally.

The 1943 election will be fought by the U.A.P. to get back into power, as the Labor Party for the moment has done all the employing class expect from them. The capitalists do not want to do anything more for the workers.

One of the phases of capitalist big industry has been that in times of depression, when the demand for their commodities has been "slack," these industries have been forced, in order to keep their trained personnel intact, to take stock and look ahead. Plans are made to further reduce the amount of socially necessary labor in their particular product. This generally means a further expansion of their plant, and an alteration of their processes.

The steel industry for example, goes on to produce the steel for new plants. It becomes its own consumer; in reality it is a further investment of its capital into new and greater mills and tends to partly even-out the production curve in what has been termed a "feast-and-famine industry." It was this expansion that enabled U.S.A. to fill the orders for armaments placed by Britain and France in 1940.

This was what the Nazis are up against. It is one of the dialectical processes of capital's progress. What Bobbie Burn's meant when he said: "the best laid plans o' mice an' men, gang aft a-gley."
The chemical industries also were able in this slack period of depression to concentrate their scientists upon the new technology, which now opens up a new world for capitalist exploitation.

Although U.S.A. had the biggest crisis in capitalism—the greatest economic disaster the world had yet seen—they were still enabled to progress. It gave big industry time to take a big breath and concentrate upon the expansion so vitally necessary to the system. The role of the State took on new and greater significance. Liberal capitalism in the form of the New Deal got into its stride.

Liberal capitalism rejects the class struggle. Its creed is embodied in "The Declaration of Independence" on the founding of U.S.A. and further amplified in the speeches of Abraham Lincoln and his "immortal" words blazoned on the walls of the Capital at Washington.

Liberal capitalism declares all men are equal. It stands for a system of 'free enterprise" in which all men have an equal chance according to their ability, their contribution to society, to acquire property and wealth; it holds that a wage-worker to-day may become a capitalist later on if he is thrifty, industrious, and has the ability to get on (at the expense of others).

In the interests of the people as a whole (ideologically it regards the nation as an amorphous mass) it is prepared politically to curb the individual tyrannical capitalist (The Trust) as well as the anarchial racketeer and gangster, whilst admitting the right to organise (forced to accept the fact) by groups for mutual aid and protection, subject to the average well-being of the mass.

Its practice is one of constant compromise and adaption to the facts of the warring interests of individuals and sections of society. Above all it stands for Unity in a dis-united society of warring groups.

Ideologically it sets itself a task to weld together, by ideals of patriotism, honor, charity, conciliation and compromise; which effort is eternally at war with its practice of graft, parliamentary lobbying of sectional interests, spoils of office to party members, "log-rolling, "boondoggling," and blocs within the confines of its own party seeking legislative plums; and to satisfy the material demands of the masses goes in for large-scale public spending to gain the votes and support to keep its party in office.
The Labor Party have inherited the Liberal ideology. The class struggle is visualised as a commodity struggle. Wage-labor is accepted as a commodity status, and Labor seeks for advantages and favorable terms for the workers to maintain their status as strugglers. The outlook of the Labor Party is one of capitalist ideology. They have no vision of the Unity of Labor being the Hope of the World; it is confined to the compulsory unity of wage-workers to secure better conditions, an improved standard of living, if possible at the expense of smaller profits to the capitalist class; if not, then at the expense of the greater exploitation of workers in less highly developed countries such as Asia, etc.

Each national working class hopes for its national group of capitalists to be dominant in the world struggle. Hopes that in the event of such success that more crumbs of cake will come their way.

The New Deal in its effort to bring back the unemployed as consumers of commodities, and so get the capitalist machine as a whole out of the depression, also found it advantageous to advance subsidies to agriculture, regulate imports and exports, went off the gold standard, increased the National Debt, and made loans to corporations through new government agencies that acted as bankers. Huge public works such as the Boulder Dam to provide electric power were entered upon.

All this preliminary activity, especially the research by bio-chemists, scientists and technicians, in chemicals, plastics, production of magnesium and aluminium, etc. fused together and fitted into a whole (like a jigsaw puzzle) when the need of re-armament came to a head (like a boil).

Re-armament and even war itself has infused new blood into capitalism's veins. It is stronger and more virile than at any stage in its history.* And when the war is over or at any rate, during the period when actual hostilities cease, and demobilisation commences, and orders slacken off for munitions, what then?

Will the pro-Nazi element, and the home-grown Fascism stand out like a sore thumb in the ideological "New World"? Or will the Imperialist expansion of U.S.A. over South-East Asia and South America provide sufficient scope for the capitalist system for a few more decades?

* The Communist Party allege capitalism is dying fast!
THE END OF THE COMINTERN.

(Reprinted from "The Western Socialist"—Boston, June, 1943.)

For the same basic reason that it came into existence the so-called Communist or Third International has now been dissolved. To serve as an instrument of Russian state capitalism has always been the essential mission of the Moscow International. When its existence was no longer expedient to its Russian rulers—it was scuttled.

The dissolution of the Comintern was a strategic measure of war. Russia is fighting for existence as a legitimate member of one capitalist war camp against another capitalist war camp. The primary object of the dissolution was to strike a blow at the Axis propaganda which continues its effective war cry: "Europe against the Bolshevik terror." In order to effect a greater unity among the Allies by removing some of the fear of a Russian dominated Europe; to open channels of communication with Hitler's satellite nations; and possibly to effect an alliance with the Catholic Church—the Comintern was killed. As Stalin stated recently: "The dissolution of the Communist International...exposes the lie of the Hitlerites that 'Moscow' intends to intervene in the life of other nations and to 'bolshevize' them...It facilitates future organization of the companionship of nations based upon their equality." (Our emphasis.) As the Christian Science Monitor so aptly put it: "The world is conscious today of another force besides that of revolution in Russia. It is a force all nations can understand. It is nationalism."

Although the Communist International has been declared dead, the puppet Communist Parties of the world live on. These tools of Russian foreign policy continue to dance to the tune of the Moscow masters. Regardless of whether or not Russian rulers sincerely desire to sever ties with their fifth columns, there will remain faithful followers of Russian policy throughout the world. Just so long as workers are under the illusion that Russia is a workers' paradise they will continue to follow any order or commit any act, regardless how vicious and despicable, if they are convinced it will help the "Socialist" Fatherland. Only sound Socialist education, coupled with the unfolding of history, will completely put an end to the myth that Russia is anything else but a capitalist country.

HISTORY

The Communist International, from the time of its formal organization in Moscow on March 5, 1919, was never communist nor international when viewed from the standpoint of the real needs of the world's workers. The Comintern was always the instrument of a capitalist country and its action reflected the normal needs of a nation striving for a place in the capitalist world. Its ever-changing lines of action were formulated to fit the foreign policies of the Soviet State. Regardless of its "socialist" slogans, its principles were always fundamentally opposed to working class interests.
To understand the real significance of the Comintern it is necessary to understand the nature of the Russian Revolution. In 1917 a revolution took place in Russia overthrowing a predominantly feudal economy and introducing capitalism. Despite the seductive slogans of the Bolsheviks, the basic conditions necessary for the establishment of Socialism—a highly developed production and a working-class conscious of the need for Socialism—did not exist. The Bolsheviks were confronted with a preponderantly peasant population (over 700 out of every 1000 were peasants) which was private property conscious—it was demanding and taking property in land; a working-class (immature and numbering but 10 million out of a population of 170 million) which was demanding bread and widespread reforms; a decadent aristocracy which was clinging precariously to its parasitical position; a weak and embryonic capitalist class (subservient to Czarism and foreign capital) which was impotent to carry out the tasks of the bourgeois (capitalist) revolution. The disastrous defeats suffered by the Russian armies in the First World War accelerated the forces of revolution.

The Bolsheviks, a small disciplined body of intellectuals and "professional" revolutionaries comprehended Russia's needs and adopted a program that gained the support of the peasants and the workers. They were swept into power on the slogans of "land for the peasants, peace for the soldiers, bread for the workers." They then set about trying to solve the essential task confronting them: overcoming the industrial backwardness of Russia. State capitalism, the form of government best adapted in the 20th Century to enable a backward country to maintain its national independence while rapidly developing industry, was a historical necessity for the Bolsheviks. Fulfilling the natural functions of a capitalist class, the Bolsheviks represented the new ruling and exploiting class.

The leading nations of the world did everything they could to crush the Bolsheviks and put into power a government more subservient to their interests. They saw arising in Russia a new power that cried "world revolution" and threatened to rob them of the lush loot that the tremendous resources of Russia represented. The armies of no less than ten different countries, including expeditionary forces from the United States, invaded Russia. For five years, 1918-1922, the Bolshevik state fought desperately against foes striking from every quarter.

One of the most powerful weapons in the struggle for existence by the Soviet Union was the Communist International. It was created primarily to rally the workers of the world to the defense of Bolshevik power. It was a weapon of war used to weaken the attacking nations by creating disorder in their homelands and colonies. The Russian rulers used the battle-cry of "world revolution" very effectively to terrify the attacking powers to tie up large numbers of their troops at home, and to gain sympathy and support for the Russian cause from workers everywhere. The Comintern served its creators well—it gained them valuable time to consolidate their power and to thrust out the invaders.
“SOCIALISM IN ONE COUNTRY”

The “world revolution” which the Bolsheviks seemed convinced would break out momentarily did not take place. The hopes of the Bolsheviks for a “world revolution,” modeled after the Russian state capitalist pattern and controlled by the commanders-in-chief at Moscow, were not realized. The line changed from “world revolution” to “socialism in one country” (National “Socialism”).

The policy pursued by Russia continually shocked and dismayed its devout followers. The Comintern was continually concocting apologetics to justify such typical events as: the massacre of the Kronstadt sailors and workers who petitioned for more democratic rights; the gift of munitions to the Turkish government which used them against the Turkish workers; the support of the Chinese National Movement, headed by Chiang Kai-Shek, which in turn butchered its workers by the thousands in 1927; the “business as usual” policy with the Nazi government from the time it first came to power and was ruthlessly slaughtering the workers; the sale of oil to Italy which used it for the Fascist planes which dropped death upon the Ethiopian serfs and Spanish workers; the hideous work of the Russian secret police in Spain; the frame-up trials at Moscow which were filled with fake testimony; the war Pact with Hitler which Stalin said was “cemented in blood and will be firm and lasting”; and the actions of the Third International which placed it in the same position as the Second International so fittingly described by Rosa Luxemburg as “the stinking corpse.”

From the time the Bolsheviks came to power in 1917, the task of the Workers' Socialist Party and its Companion Parties in explaining the reality of Russia has been extremely difficult. As compared with the intriguing slogans and ingratiating propaganda of the Comintern (and its puppet Parties in many lands), the scientific socialist analysis seemed “impractical” and “preposterous.” However Russia acted, as her economy dictated, in a capitalist manner, and soon facts came out of the Soviet Union that disillusioned many workers. Many workers learned about Russia from bitter experience; many learned the “hard way”; many have yet to learn.

COMINTERN COMMANDMENTS

That the Third International was never in harmony with working class interests can be easily ascertained by an examination of its various manifestoes and pronunciamentoes. At its inception the Comintern made it mandatory that its member parties rigidly adhere to the “Twenty One Points” handed down as commandments from Moscow. These “Points” (and others) stressed the necessity of immediate “armed and open warfare with the State power”; the creation of “illegal organization machines”; the “smashing of the State”; the advocacy of the “dictatorship of the proletariat”, i.e., a small dictatorial body in each country which was to gain control and direct the destinies of the workers—as in Russia. Renunciation of any of
these policies, according to the Bolsheviks would be "the same as treason to revolutionary duty and would be incompatible with membership of the Third International."

These "Points" (and many others manufactured in Moscow) were in direct conflict with the fundamental needs of the workers. This is only natural, for they were not formulated with needs of the workers in view, but for the defense of a newly arisen capitalist country. They ignored the fact that Socialism can only be achieved when the economic conditions are ripe and by the conscious action of a socialist majority; that education and understanding are necessary before the working class can act intelligently; that in direct opposition to the leadership-dictatorship principle, the "emancipation of the working-class must be the work of the working class itself"; that the advocacy of minority action and violence can only mean an invitation to disaster for the workers; that the workers will use the democratic process to gain control of the powers of government and put an end to the relationships of capitalism.

NATIONAL "INTERNATIONAL"

The Communist International was always national in its outlook. It always called for the "right of national self-determination for national minorities and dependent nations." As Lenin state: "The Proletariat must decisively and actively support the National movements for the liberation of oppressed and dependent nations." While this policy may have aided Russia in its struggle against nations with colonial empires, it is a far cry from the Socialist principle which calls for an end to all national divisions and the introduction of a democratically administered world community co-operating to produce wealth for the use of all. Support of national independence is no longer progressive in a world that has become an interrelated economic unit dominated by gigantic capitalist powers, and in which the problem of production has been solved. Support of nationalist movements implies alignment with capitalist powers. Even if the "depressed" nations or minorities were to gain independence, the new rules would continue the process of "depressing," oppressing and exploiting the working class. The only sound action for the workers is to keep clear of nationalist interests —Russian included.

The so-called Communist International was always a counter-revolutionary force, diverting the working class from its real goal by setting up capitalist Russia as an example of Socialism. Although an examination of the Russian economy, even as revealed in official Soviet documents, proves conclusively its fundamental capitalist characteristics—wage-labor, capital, commodities, money, banks, interest, income tax, bonds, "inheritance irrespective of the amount involved", etc.—the Comintern continued to idealize the U.S.S.R. (Union of Socialist Soviet Republics) as the model for all workers to follow. Although the workers in Russia, like in all other capitalist countries, are divorced from the means of production and, in order to live, must sell
their labor-power for a wage, which on the average is merely sufficient to keep them alive, the Comintern worked relentlessly to get the world's workers to pledge allegiance to this so-called "Socialist" Fatherland. Despite the camouflage of the Comintern, Socialism really means: the common ownership and democratic control of the means of production and distribution; the production of goods for use; the abolition of all forms of income from ownership of property; the abolition of the system of wage labor; and the consequent disappearance of privilege.

THE SOCIALIST INTERNATIONAL

Now that the Third International has been withdrawn by its Russian rulers, there has arisen the clamor by many so-called working class organizations for a new International. The Trotskyites claim they have an International ready for action; their paper headlined the slogan: "The Third International is Dead. Long Live The Fourth International." All these Parties are nothing more than instruments for the perpetuation of the illusions of the 2nd and 3rd Internationals. They all advocate varying and numerous reforms of the capitalist system, and their concept of socialism is "government ownership" or "nationalized economy" (which is nothing more than state capitalism) as their national and international endeavours.

There does exist the nucleus of a genuine Socialist International in the following five companion parties:

- The Socialist Party of Australia
- The Socialist Party of Canada
- The Socialist Party of Great Britain
- The Socialist Party of New Zealand
- The Workers' Socialist Party of U.S.A.

"For the first time an international working class organization has been attempted and its beginning achieved based upon a body of well defined principles [see back cover] common to all the companion parties. Never has there been an international the individuals of which are all recruited for an identical purpose, or an identical body of principles. Each individual member adheres to the same declaration of principles and is fully aware of the implications of the Socialist message, emancipated from national prejudices. All are agreed on the aims and methods essential to the achievement of Socialism." (Socialist Standard, May 1934).

Our parties have applied the Socialist analysis to both capitalist World Wars; we have always rejected the programs and principles of the 2nd and 3rd Internationals; we have never collaborated with any other political parties "whether allegedly labor or avowedly capitalist"; we have continually exposed the fallacy of reforms; we have at all times supported the fullest and freest expression for our members and our opponents; we have consistently fought the leadership-dictatorship principle; we have always advocated the conscious majority action of the working class to gain political power and put an end to capitalism. We have always acted in the interest of our class: the working class.

—G.G.
THE GROWTH OF STATE POWER.

Reprinted from "Socialist Standard" London

The State is the public power of coercion. It makes and administers the laws, and it does so in the interests of the class that is economically supreme at the different epochs. In antiquity it was the state of the slave proprietors, in the middle age the feudal proprietors, and in modern times the capitalist proprietors.

The State had its beginning with the birth of private property, which started with the limitation of property within the early communistic tribes. Members of the tribe were appointed as officials to guard the rights of this budding property. As the operations of private owners extended outside tribal limits, the functions of these officials were extended.

With the disintegration of tribal society the incipient State was personified in the military chiefs and his followers. These war leaders overran other territories, and, like the Spartans and the Normans, established themselves as ruling, tribute collecting bodies.

The growth of trading and the splitting of society into more clearly defined classes strengthened the influence and power of the growing state, and the struggle for control of it. It was the only body that stood apart from the various social groups, and therefore the most obvious body to take over the work of promulgating laws. It also had the power to enforce the laws.

This early form of the state was rude and barbarous, and frequently resorted to open force. It was an object of struggle between social classes because the class that was paramount in society had the power to enforce its will and, if necessary, sweep away its opponents. It was a state form that fitted early civilisations in which people lived in walled towns that were surrounded by agricultural territory.

In the city states of Babylon and Egypt the military rulers became both priest and law-giver, and the laws were administered at the gates of the temple. The temple itself was the receptacle for the tablets upon which the laws were engraved. From that time onwards religion remained a pillar of the state.

The growth of the small Roman state into the overlordship of myriads of similar states throughout Europe and a part of Africa and Asia threw up a host of administrative problems that resulted in a vast growth of officials and a huge bureaucracy that covered with a network the whole unwieldy Roman Empire. It was also a spur to the study of the use and abuses of private property, which resulted in the production of a mass of laws and methods of legal procedure, a good deal of which has lasted to the present day.
The empires that were based on the organisation into city states were not closely knit societies with local autonomy and direct connection with the centres, such as sprang up in modern times. They were in the main municipalities preyed upon by the central power. The Roman State was principally a huge tax-gathering machine.

Very little further progress was made in state building from Roman times until the modern state began to emerge in the 14th and 15th centuries with the opening of world markets and the rise of the capitalist class.

The growth of the modern state has followed similar lines everywhere, and thus a brief description of its development in England will give a clear enough general picture.

England was settled by different bands of warriors before and after the Roman conquest. The population was small and the country covered with woodland. The withdrawal of the Romans left it open for conquest by Angles, Jutes, Saxons and Danes, each of whom at first occupied definite tracts of country and kept their own identity. As consolidation developed tribal kingdoms become local administrative centres of large kingdoms, until eventually, in the ninth century, the whole country was brought under the control of one king. By that time also the manorial system, with its lords and serfs, feudal dues and local courts, had become firmly established.

By 1066, the Norman conquest, local government divisions of shire, hundred, borough and township had grown out of the swallowing up of earlier tribal territories in larger ones. The local settlement of disputes under the manorial system left little room for royal intervention at first, though it was from the latter that the state was to grow.

In those days the king was elected by leaders sitting in council, and obtained and held his position as a rule by his military prowess, although kingship generally kept within the same family group.

The Norman Conquest planted upon the country an upper tier of war lords, who exacted feudal tribute, and for this purpose took a census of the number, wealth and standing of the inhabitants. The different districts were organised into a system of land tenure under which the whole country was owned in theory by the king, but each district, or a number of districts, was held in fief by nobles (his personal followers), who owed him military and other service. They in turn had vassals, who owed them similar dues. In fact, the king was a glorified manorial lord, but his position at the head of the feudal system gave him the opportunity and the means to gradually intrude in local affairs. This intrusion began with the establishment of what is called the king’s peace. The lawlessness of some of the feudal lords and bands of feudal retainers became too much for the local courts to deal with, and furnished an excuse for the royal power to step in.
During the Middle Ages the King's Council ruled England. At first it consisted of the more powerful nobles, thanes, bishops and abbots, but was later reduced in size by various causes, including the crusades. Eventually the growing power of the king led to a struggle between the king and the nobles for control of the state. It was this body of feudal lords, neither elective nor representative, that began to be known as Parliament about 1250.

The influence of the crown in the general affairs of the country really began with the appointment of Justices of the Peace, at first to assist the local sheriffs in police duties, but later to perform a great variety of functions necessary for efficient administration. For instance, the increase in commerce increased the importance of the monetary system and the need for reliable standards of weight and measurement. Counterfeiting coins and clipping gold and silver coins was common. These were among the evils that the Justices of the Peace were organised to check. Also the putting down of piracy and securing the safety of highways came within their province. And so their number and activities increased until they covered the kingdom and attended to the smallest of local matters.

These justices were appointed by the King's Council and were only answerable to it, and they reported everything and spied upon everybody. Their growth was assisted by the disorders following the Black Death, the plague that ravaged England during the fourteenth century, and the wars with France during the fourteenth and fifteenth centuries. These factors contributed so much to the state power of the crown that by the fifteenth and sixteenth centuries the Tudor sovereigns, Henry VII., Henry VIII., and Elizabeth, had the country under the control of a despotism that covered the acts and aspirations of every single one of the inhabitants.

In the course of time control of public affairs had become so complicated that the King's Council, which by 1526 became the Privy Council, had to delegate its work to commissions, such as the Star Chamber, Court of High Commission, and Councils of the North, of Ireland, and of Wales. Secretaries were established covering the treasury, foreign affairs, and the navy and army. In the seventeenth century these secretaries and heads of departments formed a Cabinet Council, which later entirely took the place of the Privy Council for executive purposes. It was they who decided what money should be asked from Parliament and how Parliament should be prevailed upon to grant it.

It is necessary to go back a little to consider the development of Parliament itself.

The object of the crown in building up and controlling the state was to acquire wealth. At first the use of brute force was sufficient, but it could not thrive indefinitely upon plunder, because wealth has to be produced before it can be plundered, and a measure of security was essential to the production of wealth. Hence the crown's interest in the peace of the country.
The growth of trading, with the gradual disintegration of the manorial system, strengthened the central government, which undertook regulation of economic matters by proclamation and statute, but it also dried up some of the sources of royal revenue and forced the crown to devise other means of replenishing the treasury. In 1254 four representative knights (minor landowners) from each shire were summoned to a great council in London for the purpose of voting money to the royal exchequer. This was the germ of the House of Commons, just as the council of nobles and bishops was the germ of the House of Lords.

In 1265 two representatives of certain towns (borough members) were added to this council. And in 1322 Edward II. settled by Act that the Commons must take part in all future legislation. In 1341 the meetings of the council were restricted to Westminster, and the Commons sat apart from the Lords. By the middle of the fifteenth century the Commons had acquired the sole right of granting money, and used it to extract concessions from the crown.

The growth of the trading companies and the exploitation of the newly discovered foreign lands poured wealth into the hands of the commercial group, and they answered the financial demands of the crown with demands for influence in legislation. These demands culminated in the Revolution of 1640, which gave the Commons an opportunity to gain experience in legislating on their own behalf. That is to say, on behalf of the owners of property, because there was a property qualification for membership of Parliament which persisted until the Reform Acts from 1832 to 1885 cut into it, and it was finally abolished in the present century.

After the compromise between the crown and the land-owners and financial magnates in 1688, there began to appear responsible accounts of public income and expenditure, and the practice of governing by departments reached a position by the middle of the eighteenth century that was similar in its main details to present-day practice.

The increasing complexity of social affairs, coupled with the struggle of the workers to make their voice heard, resulted finally in the admission of the whole of the population to the vote, and hence, in theory, to a voice in the control of social affairs. In fact, however, the mass of the population have not yet reached the point of desiring to control their own affairs, due partly to the work of bamboozling accomplished by the capitalists and their supporters, and partly to a failure so far to grasp the fact that society is organised at present in the interests of private property.

The acquisition of the vote by the workers has, however, given them the key to the control of the state when they wish to use it to serve their own interests by establishing a new form of society in which the means of production will be commonly owned, thus abolishing private property and the need for a state.

GILMAC—"Socialist Standard."
How the state gradually developed by partly transforming the organs of the gentile constitution, partly replacing them by new organs and finally installing real state authorities; how the place of the nation in arms defending itself through its gentes, phratries and tribes, was taken by an armed public power of coercion in the hands of these authorities and available against the mass of people; nowhere can we observe the first act of this drama so well as in ancient Athens. The essential stages of the various transformations are outlined by Morgan, but the analysis of the economic causes producing them is largely added by myself.

In the heroic period, the four tribes of the Athenians were still installed in separate parts of Attica. Even the twelve phratries composing them seem to have had separate seats in the twelve different towns of Cecrops. The constitution was in harmony with the period: a public meeting (agora), a council (bule) and a basileus (military chief).

As far back as we can trace written history we find the land divided up and in the possession of private individuals. For during the last period of the higher stages of barbarism the production of commodities and the resulting trade had well advanced. Grain, wine and oil were staple articles. The sea trade on the Aegean Sea drifted more and more out of the hands of the Phoenicians into those of the Athenians. By the purchase and sale of land, by continued division of labor between agriculture and industry, trade and navigation, the members of gentes, phratries and tribes very soon intermingled. The districts of the phratry and the tribe received inhabitants who did not belong to these bodies and, therefore, were strangers in their own homes, although they were countrymen. For during times of peace, every phratry and every tribe administered its own affairs without consulting the council of Athens or the basileus. But inhabitants not belonging to the phratry or the tribe could not take part in the administration of these bodies.

Thus the well-regulated functions of the gentile organs became so disarranged that relief was already needed during the heroic period. A constitution attributed to Theseus was introduced. The main feature of this change was the institution of a central administration in Athens. A part of the affairs that had so long been conducted autonomously by the tribes was declared collective business and transferred to a general council in Athens. This step

* See "Ancient Society" by Lewis H. Morgan. (Chas. H. Kerr, Chicago.) The gentile constitution of society was based on blood affinity; the gens was a family.
of the Athenians went further than any ever taken by the nations
of America. For the simple federation of autonomous tribes
was now replaced by the conglomeration of all tribes into one
single body. The next result was a common Athenian law, stand-
ing above the legal traditions of the tribes and gentes. It bes-
towed on the citizens of Athens certain privileges and legal
protection, even in a territory that did not belong to their
tribe. This meant another blow to the gentile constitution;
for it opened the way to the admission of citizens who were not
members of any Attic tribe and stood entirely outside of the
Athenian gentile constitution.

A second institution attributed to Theseus was the division
of the entire nation into three classes regardless of the gentes,
phratries and tribes: eupatrides or nobles, geomoroi or farmers, and
demiurgoi or tradesmen. The exclusive privilege of the nobles to
fill the offices was included in this innovation. Apart from this
privilege the new division remained ineffective, as it did not
create any legal distinctions between the classes. But it is im-
portant, because it shows us the new social elements that had
developed in secret. It shows that the habitual holding of gentile
offices by certain families had already developed into a prac-
tically uncontested privilege; that these families, already powerful
through their wealth, began to combine outside of their gentes into
a privileged class; and that the just arising state sanctioned this
assumption. It shows furthermore that the division of labor
between farmers and tradesmen had grown strong enough to con-
test the supremacy of the old gentile and tribal division of society.
And finally it proclaims the irreconcilable opposition of gentile
society to the state. The first attempt to form a state broke
up the gentes by dividing their members against one another
and opposing a privileged class to a class of disowned belonging
to two different branches of production.

The ensuing political history of Athens up to the time of
Solon is only incompletely known. The office of basileus became
obsolete. Archons elected from the ranks of the nobility occupied
the leading position in the state. The power of the nobility in-
creased continually, until it became unbearable about the year
600 before Christ. The principle means for stifling the liberty
of the people were—money and usury. The main seat of the nob-
ility was in and around Athens. There the sea trade and now
and then a little convenient piracy enriched them and concentrated
the money into their hands. From this point the gradually arising
money power penetrated like corrosing acid into the traditional
modes of rural existence founded on natural economy. The gentile
constitution is absolutely irreconcilable with money rule. The
ruin of the Attic farmers coincided with the loosening of the old
gentile bonds that protected them. The debtor's receipt and the
pawning of the property— for the mortgage was also invented by
the Athenians—cared neither for the gens nor for the phratry.
But the old gentile constitution knew nothing of money, advance
and debt. Hence the ever more virulently spreading money rule
of the nobility developed a new legal custom, securing the creditor
against the debtor and sanctioning the exploitation of the small farmer by the wealthy. All the rural districts of Attica were crowded with mortgage columns bearing the legend that the lot on which they stood was mortgaged to such and such for so much. The fields that were not so designated had for the most part been sold on account of overdue mortgages or interest and transferred to the aristocratic usurers. The farmer could thank his stars, if he was granted permission to live as a tenant on one-sixth of the product of his labor and to pay five-sixths to his new master in the form of rent. Worse still, if the sale of the lot did not bring sufficient returns to cover the debt, or if such a debt had been contracted without a lien, then the debtor had to sell his children into slavery abroad in order to satisfy the claim of the creditor. The sale of the children by the father—that was the first fruit of paternal law and monogamy! And if that did not satisfy the bloodsuckers, they could sell the debtor himself into slavery. Such was the pleasant dawn of civilisation among the people of Attica.

Formerly, while the conditions of the people was in keeping with gentile traditions, a similar downfall would have been impossible. But here it had come about, nobody knew how. Let us return for a moment to the Iroquois. The state of things that had imposed itself on the Athenians almost without their doing, so to say, and assuredly against their will, was inconceivable among the Indians. There the ever unchanging mode of production could at no time generate such conflicts as a distinction between rich and poor, exploiters and exploited, caused by external conditions. The Iroquois were far from controlling the forces of nature, but within the limits drawn for them by nature they dominated their own production. Apart from a failure of the crops in their little gardens, the exhaustion of the fish supply in their lakes and rivers, or of the game stock in their forests, they always knew what would be the outcome of their mode of gaining a living. A more or less abundant supply of food, that would come of it. But the outcome could never be any unpremeditated social upheavals, breaking of gentile bonds or division of the gentiles against one another by conflicting class interests. Production was carried on in the most limited manner; but—the producers controlled their own product. This immense advantage of barbarian production was lost in the transition to civilisation. To win it back on the basis of man's present gigantic control of nature and of the free association rendered possible by it, that will be the task of the next generations. [It is our task to-day.—Editor]

Not so among the Greeks. The advent of private property in herds of cattle and articles of luxury led to an exchange between individuals, to a transformation of products into commodities. Here is the root of the entire revolution that followed. When the producers did no longer consume their own product, but released their hold of it in exchange for another's product, then they lost the control of it. They did not know any more what became of it. There was a possibility that the product might be turned against the producers for the purpose of ex-
ploting and oppressing them. No society can, therefore, retain for any length of time the control of its own production and of the social effects of the mode of production, unless it abolishes exchange between individuals.

How rapidly after the establishment of individual exchange and after the transformation of products into commodities the product manifests its rule over the producer, the Athenians were soon to learn. Along with the production of marketable commodities came the tilling of the soil by individual cultivators for their own account, soon followed by individual ownership of the land. Along came also the money, that general commodity for which all others could be exchanged. But when men invented money they little suspected that they were creating a new social power, that one universal power before which the whole of society must bow down. It was this new power, suddenly sprung into existence without the forethought and intention of its own creators, that vented its rule on the Athenians with the full brutality of youth.

What was to be done? The old gentile organization had not only proved impotent against the triumphant march of money; it was also absolutely incapable of containing within its confines any such thing as money, creditors, debtors and forcible collection of debts. But the new social power was upon them and neither pious wishes nor a longing for the return of the good old times could drive money and usury from the face of the earth. Moreover, gentile constitution had suffered a number of minor defeats. The indiscriminate mingling of the gentiles and phrators in the whole of Attica, and especially in Athens, had assumed larger proportions from generation to generation. Still even now a citizen of Athens was not allowed to sell his residence outside of his gens, although he could do so with plots of land. The division of labor between the different branches of production—agriculture, trades, numberless specialties within the trades, commerce, navigation, etc.—had developed more fully with the progress of industry and traffic. The population was now divided according to occupations into rather well defined groups, everyone of which had separate interests not guarded by the gens or phratry and therefore necessitating the creation of new offices. The number of slaves had increased considerably and must have surpassed by far that of the free Athenians even at this early stage. Gentile society originally knew no slavery and was, therefore, ignorant of any means to hold this mass of bondsmen in check. And finally, commerce had attracted a great many strangers who settled in Athens for the sake of the easier living it afforded. According to the old constitution, the strangers had neither civil rights nor the protection of the law. Though tacitly admitted by tradition, they remained a disturbing and foreign element.

In short, gentile constitution approached its doom. Society was daily growing more and more beyond it. It was powerless to stop or allay even the most distressing evils that had grown under its very eyes. But in the meantime the state had secretly developed. The new groups formed by division of labor, first between city and country, then between the various branches of
city industry, had created new organs for the care of their interests. Public offices of every description had been instituted. And above all the young state needed its own fighting forces. Among the seafaring Athenians this had to be at first only a navy, for occasional short expeditions and the protection of the merchant vessels. At some uncertain time before Solon, the naukrariai were instituted, little territorial districts, twelve in each tribe. Every naukraria had to furnish, equip and man a war vessel and to detail two horsemen. This arrangement was a twofold attack on the gentile constitution. In the first place it created a public power of coercion that did no longer absolutely coincide with the entirety of the armed nation. In the second place it was the first division of the people for public purposes, not by groups of kinship, but by local residence. We shall soon see what that signified.

As the gentile constitution could not come to the assistance of the exploited people, they could look only to the rising state. And the state brought help in the form of the constitution of Solon. At the same time it added to its own strength at the expense of the old constitution. Solon opened the series of so-called political revolutions by an infringement on private property. We pass over the means by which this reform was accomplished in the year 594 B.C. or thereabout. Ever since, all revolutions have been revolutions for the protection of one kind of property against another kind of property. They cannot protect one kind without violating another. In the great French revolution the feudal property was sacrificed for the sake of saving bourgeois property. In Solon's revolution, the property of the creditors had to make concessions to the property of the debtors. The debts were simply declared illegal. We are not acquainted with the accurate details, but Solon boasts in his poems that he removed the mortgage columns from the indented lots and enabled all who had fled or been sold abroad for debts to return home. This was only feasible by an open violation of private property. And indeed, all so-called political revolutions were started for the protection of one kind of property by the confiscation, also called theft, of another kind of property. It is absolutely true that for more than 2,500 years private property could only be protected by the violation of private property.

But now a way had to be found to avoid the return of such an enslavement of the free Athenians. This was first attempted by general measures, e.g., the prohibition of contracts giving the person of the debtor in lien. Furthermore a maximum limit was fixed for the amount of land any one individual could own, in order to keep the craving of the nobility for the land of the farmers within reasonable bounds. Constitutional amendments were next in order. The following deserve special consideration:

The council was increased to four hundred members, one hundred from each tribe. Here, then, the tribe still served as a basis. But this was only the remnant of the old constitution that was transferred to the new body politic. For otherwise Solon divided the citizens into four classes according to their
property in land and its yield. Five hundred, three hundred and one hundred and fifty medimnoi of grain (1 medimnos equals 1.16 bushels) were the minimum yields of the first three classes. Whoever had less land or none at all belonged to the fourth class. Only members of the first three classes could hold office; the highest offices were filled by the first class. The fourth class had only the right to speak and vote in the public council. But here all officials were elected, here they had to give account, here all the laws were made, and here the fourth class was in the majority. The aristocratic privileges were partly renewed in the form of privileges of wealth, but the people retained the decisive power. The four classes also formed the basis for the reorganisation of the fighting forces. The first two classes furnished the horsemen; the third had to serve as heavy infantry; the fourth was employed as light unarmored infantry and had to man the navy. Probably the last class also received wages in this case.

An entirely new element is thus introduced into the constitution: private property. The rights and duties of the citizens are graduated according to their property in land. Wherever the classification by property gains ground, there the old groups of blood relationship give way. Gentile constitution has suffered another defeat.

However, the gradation of political rights according to private property was not one of those institutions without which a state cannot exist. It may have been ever so important in the constitutional development of some states. Still a good many others, and the most completely developed at that, had no need of it. Even in Athens it played only a passing role. Since the time of Aristides, all offices were open to all the citizens.

During the next eighty years the Athenian society gradually drifted into the course on which it further developed in the following centuries. The outrageous land speculation of the time before Solon had been fettered, likewise the excessive concentration of property in land. Commerce, trades and artisan handicrafts, which were carried on in an ever larger scale as slave labor increased, became the ruling factors in gaining a living. Public enlightenment advanced. Instead of exploiting their own fellow citizens in the old brutal style, the Athenians now exploited mainly the slaves and the customers outside. Movable property, wealth in money, slaves and ships, increased more and more. But instead of being a simple means for the purchase of land, as in the old stupid times, it had now become an end in itself. The new class of industrial and commercial owners of wealth now waged a victorious competition against the old nobility. The remnants of the old gentile constitution lost their last hold. The gentes, phratries and tribes, the members of which now were dispersed all over Attica and completely intermixed, had thus become unavailable as political groups. A great many citizens of Athens did not belong to any gens. They were immigrants who had been adopted into citizenship, but not into any of the
old groups of kinship. Besides, there was a steadily increasing number of foreign immigrants who were only protected by traditional sufferance.

Meanwhile the struggles of the parties proceeded. The nobility tried to regain their former privileges and for a short time recovered their supremacy, until the revolution of Kleisthenes (509 B.C.) brought their final downfall and completed the ruin of gentile law.

In his new constitution, Kleisthenes ignored the four old tribes founded on the gentes and phraties. Their place was taken by an entirely new organization based on the recently attempted divisions of the citizens into naukrariai according to residence. No longer was membership in a group of kindred the dominant fact, but simply local residence. Not the nation, but the territory was now divided; the inhabitants became mere political fixtures of the territory.

The whole of Attica was divided into one hundred communal districts, so-called demoi, every one of which was autonomous. The citizens living in a demos (demotoi) elected their official head (demarchos), treasurer and thirty judges with jurisdiction in minor cases. They also received their own temple and divine guardian or heros, whose priest they elected. The control of the demos was in the hands of the council of demotoi. This is, as Morgan correctly remarks, the prototype of the autonomous American township. The modern state in its highest development ended in the same unit with which the rising state began its career in Athens.

Ten of these units (demoi) formed a tribe, which, however, was now designated as local tribe in order to distinguish it from the old sex tribe. The local tribe was not only an autonomous political, but also a military group. It elected the phylarchos or tribal head who commanded the horsemen, the taxiarchos commanding the infantry and the strategic leader, who was in command of the entire contingent raised in the tribal territory by conscription. The local tribe furthermore furnished, equipped and fully manned five war vessels. It was designated by the name of the Attic hero who was its guardian deity. It elected fifty councilmen into the council of Athens.

Thus we arrive at the Athenian state, governed by a council of five hundred elected by and representing the ten tribes and subject to the vote of the public meeting, where every citizen could enter and vote. Archons and other officials attended to the different departments of administration and justice.

By this new constitution and by the admission of a large number of aliens, partly freed slaves, partly immigrants, the organs of gentile constitution were displaced in public affairs. They become mere private and religious clubs. But their moral influence, the traditional conceptions and views of the old gentile period, survived for a long time and expired only gradually. This was evident in another state institution.

We have seen that an essential mark of the state consists
in a public power of coercion divorced from the mass of the people. Athens possessed at that time only a militia and a navy equipped and manned directly by the people. These afforded protection against external enemies and held the slaves in check, who at that time already made up the large majority of the population. For the citizens, this coercive power at first only existed in the shape of the police, which is as old as the state. The innocent Frenchmen of the 18th century, therefore, had the habit of speaking not of civilised, but of policed nations (nations polices). The Athenians, then, provided for a police in their new state, a veritable “force” of bowmen on foot and horseback. This police force consisted — of slaves. The free Athenian regarded this police duty as so degrading that he preferred being arrested by an armed slave rather than lending himself to such an ignominious service. That was still a sign of the old gentile spirit. The state could not exist without a police, but as yet it was too young and did not command sufficient moral respect to give prestige to an occupation that necessarily appeared ignominious to the old gentiles.

How well this state, now completed in its main outlines, suited the social condition of the Athenians was apparent by the rapid growth of wealth, commerce and industry. The distinction of classes on which the social and political institutions are resting was no longer between nobility and common people, but between slaves and freemen, aliens and citizens. At the time of the greatest prosperity the whole number of free Athenian citizens, women and children included, amounted to about 90,444; the slaves of both sexes numbered 365,000 and the aliens—foreigners and freed slaves—45,000. Per capita of each adult citizen there were, therefore, at least eighteen slaves and more than two aliens. The greatest number of slaves is explained by the fact that many of them worked together in large factories under supervision. The development of commerce and industry brought about an accumulation and concentration of wealth in a few hands. The mass of the free citizens were impoverished and had to face the choice of either competing with their own labor against slave labor, which was considered ignoble and vile, besides promising little success, or to be ruined. Under the prevailing circumstances they necessarily chose the latter course and being in the majority they ruined the whole Attic state. Not democracy caused the downfall of Athens, as the European glorifiers of princes and lickspittle schoolmasters would have us believe, but slavery ostracising the labor of the free citizen.

The origin of the state among the Athenians presents a very typical form of state organization. For it took place without any marring external interference or internal obstruction—the usurpation of Pisistratos left no trace of its short duration. It shows the direct rise of a highly developed form of a state, the democratic republic, out of gentile society. And finally, we are sufficiently acquainted with all the essential details of the process.
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That society as at present constituted is based upon the ownership of the means of living (i.e., lands, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class by whose labor alone wealth is produced.

That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.

That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

That, as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.

That this emancipation must be the work of the working class itself.

That as the machinery of government, including the armed forces of the nation, exist only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

That as political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

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