

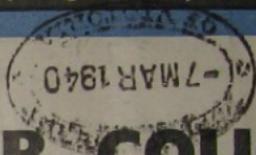
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# COMMUNIST

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# Review



## FATHER COUGHLIN

## AND

## HENRY FORD

Startling disclosures by America's  
ace reporter

JOHN L. SPIVAK

—See Page 154.

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MARCH

1940

# COMMUNIST REVIEW

A Monthly Magazine of the Theory and Practice of  
Marxism-Leninism.

EDITOR: R. DIXON                      ASSOCIATE EDITOR: E. W. CAMPBELL

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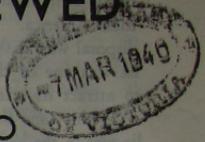
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# THE NEWS REVIEWED

E. W. Campbell

## RACKETEERING IN TOBACCO



ON the application of the Retail  
Tobacconists' Association the  
Commonwealth Price Control Com-  
missioner last month sanctioned an  
increase of one penny in the price of  
two ounce packets of a number of  
popular brands of tobacco.

No evidence of increased costs of  
production was advanced in justifi-  
cation of the claim.

The sole argument put forward  
by the Association was that the  
margin of profit on these items was  
too low.

The Commissioner, without in-  
vestigating the cause, readily agreed  
that this was so, and that the con-  
sumers of tobacco should be slugged  
accordingly.

The Commissioner's failure to  
probe deeply into the causes of the  
retailers' complaint that their profit  
margin was too low, and his willing  
agreement that smokers should be  
mulcted to rectify the anomaly, does  
not surprise us.

He has more than once shown  
himself to be a friend of big busi-  
ness, and to have made such an in-  
quiry would have meant exposing  
one of the greatest racketeering  
monopolies in Australia—the To-  
bacco Trust.

If it is true that retail traders in  
tobacco are forced to operate on a

low profit margin this is solely due  
to the stranglehold which the Bri-  
tish Tobacco Co. (Aust.) Ltd. has  
on the trade.

Thanks to its monopolist control  
of the industry this huge enterprise  
has retailers and smoking public  
alike at its mercy.

The history of this trust and its  
international connections provides  
an interesting study in the develop-  
ment of monopoly capitalism.

The Tobacco Trust was started  
in America in 1890, by W. Duke  
and Sons amalgamating a few firms  
interested in cigarette manufacture  
and trade, and joining the Ameri-  
can Tobacco Co.

Having obtained a monopoly of  
the American tobacco trade the  
Trust soon extended its operations.

In England it offered the dealers  
£4,000,000 and any profits it made  
in Great Britain if they would use  
only the Trust brands.

The Imperial Co., which was an  
amalgamation of the principal Eng-  
lish tobacco firms, and was interest-  
ed in the Australasian trade through  
W. D. and H. O. Wills. came into  
line and carried on the British trade  
under the direction of the American  
Company.

The British-American Tobacco  
Company was formed to operate in

Great Britain and countries other than America. The capital at its disposal was £6,000,000 and Australia was one of the earlier countries to attract its attention.

At this time the trade in Australia was in the hands of a number of competing local manufacturers and importers.

The firms which had the largest trades were the Dixon Tobacco Co. Ltd., W. Cameron Bros. and Co. Pty. Ltd., W. D. and H. O. Wills Ltd., J. Kronheimer Ltd., and the British-American Tobacco.

The importing of tobacco was controlled by Kronheimer Ltd., and W. D. and H. O. Wills. They amalgamated to form a company in which the British-American Tobacco Co. also took shares.

The principal manufacturers at this time were the Dixon Tobacco Co. and W. Cameron Bros. They amalgamated in 1903 under the title of the British Australian Tobacco Co. Ltd. Kronheimers, one of the principals of the other large company, took a large parcel of shares.

A third company, the American Tobacco Company of Australia was constituted at the same time. Dixons and the B.A.T.C. being large shareholders.

These three companies with interlocking interests quickly absorbed practically the whole of the importing and manufacturing of tobaccos in Australia.

After several rearrangements of capital and businesses these companies formed the British Tobacco Company (Australia) Ltd.

On the basis of capital and assets this is one of the largest undertakings in the Commonwealth today.

The British Tobacco Co. (Aust.) Ltd. does not manufacture nor distribute one ounce of tobacco or handle a solitary cigar or cigarette. It derives its income from shares in subsidiary enterprises.

These consist of the following: W. D. and H. O. Wills (Aust.) Ltd., British-Australian Tobacco Co. Pty. Ltd., States Tobacco Co. Pty. Ltd., S. T. Leigh and Co. Ltd.

With the exception of a comparatively small outside holding of preference shares in S. T. Leigh and Co., the British Tobacco Co. (Aust.) Ltd., owns all the capital in the subsidiaries.

W. D. and H. O. Wills is the subsidiary responsible for the distribution of the group's products and also manufactures tobacco and cigarettes.

The States Tobacco Co. makes cigars at Sydney and Melbourne.

The B.A.T. Co. manufactures tobacco, also in Sydney and Melbourne.

S. T. Leigh and Co. makes the canisters and does all the printing for the group.

These subsidiary enterprises do not publish figures disclosing their earnings.

However, the balance sheets of the parent company reveal that these are enormous.

In 1930, the net profit made by the British Tobacco Co. (Aust.) Ltd. was £1,075,672. The 6½ per cent. dividend on preference share

capital absorbed £97,000 and the 12 per cent. dividend on ordinary share capital £976,000.

The economic crisis, of course, interfered with the business of the trust. But thanks to its monopolistic position its profits did not suffer to the same extent as those of less fortunate enterprises.

All through the depression years it was able to keep its profits well above the half million mark, and experienced no difficulty in meeting dividend requirements on preference capital and paying a steady 6 per cent. as well on ordinary shares.

In 1936, profits jumped from £586,000 to £668,000, and the dividend was raised from 6 per cent. to 7 per cent.

In 1937, profits again rose to £1,219,000 and a 13¾ per cent. dividend was paid.

This increase was due to the subsidiaries handing over to the parent concern £307,000 by way of special dividends from profits accumulated over the past few years.

In 1938, the profit disclosed was £911,000 and a dividend of 10 per cent. was declared.

As in the case of the B.H.P., the C.S.R. and the Brewing Combines, monopoly control enables the Tobacco Trust to maintain the prices of its products at an artificially high level and reap these rich super profits from the consumers.

It is difficult to obtain figures to prove it, but there is not the shadow of doubt that the retail prices of cigarettes and tobacco are exorbitant and out of all proportion to costs

of production.

The Commonwealth Year Book, 1938, divulges that 20,710,554 lbs of unmanufactured tobacco was imported in 1936-37, valued at £2,013,401. This works out at approximately 2/- per lb.

From the same source it is revealed that in 1931 the manufacturers agreed to purchase 7,200,000 lbs of Australian leaf at an average price of 2/3 a lb. Actually they bought 10,500,000 at an average price of 2/1½.

From this it would seem that the cost of unmanufactured tobacco is not more than 2/1 per lb.

Contrast this with the 2/1 charged for a two-ounce packet and some idea of the extent to which smokers are exploited is obtained.

If free competition prevailed the retail price would be much lower.

But free competition has not only been eliminated from the importing and manufacturing side of the industry, it has been banished from the retail trade as well.

The Trust will not supply retailers unless they agree not to sell below a certain fixed price.

The Retail Tobacconists' Association stands in about the same relation to the Trust as the U.L.V.A. does to the breweries.

The Trust advances its wholesale price and the retailers are advised to pass it on to the consumers.

The price of tobacco has thus been pushed up more than 33 1-3 per cent. in the past 10 years, and smokers confronted with a take-it-or-leave-it attitude by the Trust.

An even more glaring illustration of the extent to which smokers are mulcted is provided in the balance sheets of Carreras Ltd. of Victoria.

This concern is outside the British Tobacco Co. (Aust.) Ltd. group. Although there is a Arthur Cozens on the board of the latter and a Norman Cozens on the board of Carreras, which seems to reveal some connection.

Carreras' history is also illuminating. In 1919, G. G. Goode and Co. was registered in Victoria to take over Smithers and Abrahams Ltd.

In 1923, G. G. Goode replaced the trading name of Smithers and Abrahams.

In 1930, the Australian interests of London Carreras welded with G. G. Goode.

At that time the share capital was only £58,000.

In 1933, 20,000 preference shares were issued, bringing the paid up capital to £78,000.

In 1935 and 1938, new issues of ordinary shares took place, bringing the capital up to its present £268,000.

All the ordinary capital is held by London Carreras Ltd. Australian investors being interested only to a minor degree in preference capital.

In 1931, the company made a profit of £6000 and paid out £4800 to preference shareholders, but no ordinary dividend.

In 1933, profits jumped to £11,000, and on top of 10 per cent. dividend on preference shares a 25 per cent. ordinary dividend was declared.

Profits have continued to mount during the intervening years, and in 1939 were £109,000.

For the past three years the company has returned an annual dividend of 33 1-3 per cent.

The Tobacco Trust has pursued a very subtle policy in relation to its employees.

Out of the super profits wrung from consumers, it has sought to purchase peace in the industry by bribing the workers through profit sharing and welfare schemes.

Thus it has avoided any big industrial upheavals which would have attracted unwelcome public attention.

But the recent strike of girl employees over piecework rates shows that this "goodwill" policy is losing its influence.

It is high time that a thorough governmental investigation into the Trust activities took place and a reduction in the monopolistic prices of its products enforced.

## CAPITALISM SEES SALVATION IN ANTI-SOVIET WAR

L. Sharkey

THE intrigues and conspiracies aiming at an anti-Soviet war are multiplying throughout European capitals. The propaganda to sell this idea to the masses is becoming more blatant as each day passes.

The ex-Kaiser of Germany, whom it was asserted 10,000,000 were slain in order to put an end to his war-mongering, has emerged from his oblivion to advocate a common front of all the imperialist powers against the Soviet Union. Duff Cooper is busy selling the idea to the Yankees, openly stating that British imperialism will shortly be at war with the First Workers' Republic.

The military commentators of the daily press, bourgeois politicians, the traitors like Citrine, vicious elements in the various reformist parties, all are working overtime on the job of attempting to blacken the Soviet Union and "ideologically" prepare the masses for this war aim of the imperialist governments.

The Sydney "Truth" writes that the "average man is now reconciled to the idea of war and Russia might as well be included."

The muck of the Eugene Lyonses, the Souvarines and renegades from the Australian Communist Party, who deserted when they read that the French Communists had been

attacked, all this is being used lavishly by the ruling class and their press and radios to prepare the ground for the anti-Soviet war.

The weird stories about the "defeats of the Red Army" in Finland, its "inefficiency," loss of "prestige" and all the rest, is another part of the anti-Soviet war plans, to encourage the neutrals to take part in such a war and to convince the "public" in the war mongering capitalist countries that the war against the U.S.S.R. would not entail any great hardships and sacrifices of life because it would be easy to defeat the Red Army and conquer the land of Socialism.

It is now admitted by the capitalist press that a censorship exists in Helsinki to prevent "too enthusiastic reports of Finn victories"; in other words, the Press correspondents, having been given a free hand in lying by their millionaire masters, told so many and such incredible stories that they defeated their own purpose—the readers began to laugh at them.

The Anglo-French governments commenced the preparations for a new "anti-Comintern Pact," a new front of capitalism against the one-sixth of the earth on which Socialism flourishes, when they used their insignificant vassal states to expel

the Soviets from the League of Nations, thereby destroying the last shred of credit that may have lingered in regard to that body.

Enormous pressure was brought to bear on the Scandinavian States to plunge into the Finnish struggle with the idea of spreading the war to Northern Europe and creating a new anti-Soviet front. Although the governments of Norway and Sweden have resisted the pressure up to the time of writing, it can be taken for granted that the pressure is still being maintained and, as the reports of successes by the Red Army against the Mannerheim line are coming through, the frantic war mongers are increasing their efforts to intervene in Finland. Their newest idea is to emulate Hitler and Mussolini in their savage onslaught on the Spanish democratic republic, that is, to send their forces as "volunteers," without a declaration of war. Recruiting stations in Britain and other capitalist countries are reported as already functioning for this purpose.

The intrigues and conspiracies to light the flames of war in the Balkans are also many and varied. The imperialist pressure on the recent conference of the Balkan Entente had the aim of starting the war in this area, with a view to bringing greater pressure on Germany, depriving her of oil and raw materials and also to serve as a base for operations against the Soviet Union.

At the same time the pact of the Anglo-French Allies with the Turks is being given an increasingly anti-

Soviet turn. The capitalist press is now full of stories about Turkey's "strategical position" in regard to the Soviet Union and how "vulnerable" the Baku oilfields, which the British capitalists grabbed during the Russian revolution but found too hot to hold, are to attack from Turkey and through the Caucasus.

Other newspaper strategists are planning to capture Odessa as well as the oilfields and to march imperialist armies from this area "to cut off Soviet Ukraine." They write all this stuff side by side with their denials that they ever intended to use Mannerheim's Finland as one of the bases of attack upon the Soviet Union.

It is openly declared that the Allied forces in the Near and Middle East are intended for war against the Soviet Union in that quarter.

Whilst they build their castles in the air about the "vulnerability" of the U.S.S.R. in this region, they can rest assured that there will be some mighty unpleasant surprises for them if they become embroiled with the Red Army.

"If Germany cannot get Russian oil," declares the New York "Sun," "she has as good as lost the war. Allied moves, including the arrival of the Australians, suggest that the Allies intend to control Russian oil themselves."—Sydney "Sun," February 13.

So they dream of Australians fighting against the Socialist Soviet Union in order that the imperialist oil millionaires may possess them-

selves of the oil belonging to the Soviet working class.

And whom, may it be asked, has given the Menzies government permission to declare war on the U.S.S.R.?

Certainly not the Australian people. The Soviet government has declared itself neutral in the war between the Allies and Germany. Are the Allies, crying out about "German and Russian aggression," about to become the aggressors against the Soviet Union? They can rest assured that the fight of the workers against war with the Soviets will be redoubled. The imperialists will find that the Soviet ports on the Black Sea are impregnable fortresses defended by the most up-to-date coastal fortifications and guns obtainable and will find a Maginot line or two in the Caucasus. The military position in this area has changed since they marched in and executed the 26 Bolshevik Commissars in the intervention in 1918-'20 period.

Recently, Mr. Casey, Australia's brand new ambassador to the U.S.A., stated that the Germans had a superiority, and a big one, over both the Allied land and air forces; the only sphere in which the Allies hold the balance being at sea.

Why, then, do the Allied powers want to add the mightiest air force, army, tank and artillery to the list of their opponents?

The plan is a complicated one. It aims at bringing enough pressure on the German bourgeoisie to force

it to relinquish its policy of non-aggression against the Soviet Union and join the Western imperialists for a united front against the Soviet Union. To do this, it is believed that the Hitler dictatorship would have to go and be replaced by a military dictatorship, with the probable restoration of the German monarchy. The German bourgeoisie would be promised Allied military aid against any people's movement, whether directly Communist or a movement to restore democracy in Germany. The German bourgeoisie would be forced to resume the anti-Soviet policy of the earlier days of the Hitler dictatorship.

At the same time, the U.S.A., as the greatest reserve of capitalism, the mightiest potentially of all the imperialist powers, would be called on to aid the holy alliance against the "Reds."

In the event of failure to change the policy of the German ruling class in an anti-Soviet direction and it proving impossible to overcome the antagonisms between Anglo-French imperialism and their German rival, and the Western imperialists starting war against the U.S.S.R. simultaneously with their war against Germany, they rely on the anti-Soviet hate of Wall St. to bring the American bourgeoisie rushing to their aid, as well as lining up in the anti-Soviet front all the smaller capitalist countries at present "neutral."

By this means, the British and French "rich families" hope to de-

stroy, at one and the same time, by embroiling the U.S.A., the imperialist threat to their domination of the world and continued exploitation of their enormous empires on the part of the German capitalist magnates as well as the menace to their capitalist system presented by flourishing Socialism in the Soviet Union.

Such are the aims for which the working class are asked to die by the millions; such are the reasons that plot and intrigue is daily carried on with a view to spreading the war to include the Soviet Union, the U.S.A. and the neutral countries.

In their plans to spread the war and to turn it into an anti-Soviet war, the capitalist class is receiving tremendous assistance from the British Labor Party.

In their most recent statement, these gentlemen are 100 per cent. for a victory of their own bourgeoisie, their own imperialism, over that of the "lesser breed" of capitalist imperialists, the German imperialists.

They are a thousandfold the "social-patriots" and "social-chauvinists" that Lenin exposed as the betrayers of the working class in the previous war.

The British Labor Party presents a programme of what it claims to be its "war aims" in which it states that there must be a just peace—Germany must not be dismembered, imperialism and revenge must be renounced and so forth.

This pious pacifist wail will naturally be disregarded by the imperia-

list bourgeoisie who are not in the war business for the good of their health or to spend billions to build Utopias. Within a few days, Pertainax, the French writer who knows just exactly for what French imperialism is fighting, answered the British Labor leaders by declaring, in reply, that the Rhineland must be annexed. The Rhineland, in enemy hands, leaves Germany powerless to prevent an enemy invasion.

The function of the "peace aims" propagandists is a truly contemptible one. They speak and act before the masses as if the Chamberlains and Churchills had accepted these pacifist, sanctimonious peace aim wails, drawn up on paper by the Labor Party leaders, liberals and petty-bourgeois lecturers and scribblers. When the new Versailles is imposed they will wring their hands, crying out that their "trust" in the Tories to see that "justice" prevailed had been betrayed; that their belief in a "new world" had been "trampled on" by the imperialists, and they will try to assure the masses that it "won't ever happen again" and generally plead that they were naive Alices in Wonderland.

Their paper "war aims" plays the role of deception of the masses by providing a screen to cover up the real aims and objectives of the imperialist war mongers. These Labor and Liberal war mongers will have no say in the final settlement if the magnates of capital are victorious. The working class can only end the war on a basis of justice and progress by means of a resolute struggle

against the war makers, against the capitalist rulers.

No less obscene is the role of the British Labor Party leaders in the preparation of an anti-Soviet war. They speak of how they hoped the Soviet Union would be on the side of the "democracies," as if the Daladier regime had left any democracy in France, for example.

No word of the anti-Soviet policy of Chamberlain, which frustrated an Anglo-Soviet Pact. No, the Tories are here given a clean slate. Citrine and Noel-Baker visit Finland as the guests of Butcher Mannerheim, at the moment he is hunting down Finnish workers as "Russian spies," when Mannerheim is engaged in a war against Socialism and against a free Finland. The

agents of capitalism within the reformist parties, not only in Britain, but also in Australia, are among the leading forces demanding an anti-Soviet war and striving to convince the workers of the need of such a war for British capitalism.

The working class, if it is to successfully fight during war time, must drive out of its ranks all war mongers, especially those whose propaganda assists the anti-Soviet war. The working class of the world defended the infant Socialist Russia against the imperialist interventionists in 1920; the defence of the Soviet Union is, again, one of the foremost tasks of the international working class, an essential condition of its own struggle for liberation.

## Working Class Needs Organisation

"In its struggle for power the proletariat has no other weapon but organisation. Disunited by the rule of anarchic competition in the bourgeois world, ground down by forced labor for capital, constantly thrust back to the 'lower depths' of utter destitution, savagery and degeneration, the proletariat can become, and inevitably will become, an invincible force only when its ideological unification by the principles of Marxism is consolidated by the material unity of an organisation which will weld millions of toilers into an army of the working class. Neither the decrepit rule of Russian tsardom, nor the senile rule of international capital will be able to withstand this army."—Lenin.

# KARELIAN REPUBLIC TRANSFORMED BY SOCIALISM

*This story of the socialist reconstruction of the Karelian Republic is of particular interest at the moment when the Soviet campaign in Finland is approaching success.*

*The victory of the Red Army over the forces of Mannerheim and Co. will liberate the Finnish people and create for them the possibility of making similar rapid progress.*

W. Cole

THE Karelian Autonomous Soviet Republic, that northern republic of the Soviet Union whose border runs side by side with the boundary of Finland from the Isthmus of Karelia for hundreds of miles right away up the Arctic Ocean, is today the centre of very widespread interest. And events indicate that before very long it is likely to attract still more widespread attention.

It was in this area that some of the fiercest battles of the war of intervention were fought by the young Soviet State against the troops of Britain, France and America who had been sent by their governments to smother any hope of Socialism. And it is in this area, too, that new moves are being made today to make a repetition of any such threat impossible.

The territory of Soviet Karelia is

almost five times as large as that of Belgium and three times that of Denmark. The population numbers 470,000 of whom one-third live in the towns.

This sparsely populated region possesses tremendous natural resources. Seventy per cent. of Karelian territory is rich forest land; there are great water power resources, and rich mineral deposits have been discovered.

Before the revolution Karelia was an undeveloped, desolate country—a place of exile for political offenders. There was no industry except for the ironworks of Petrozavodsk, which in 1913 employed 1,100 workers of the 2,000 industrial workers in the whole region.

Absence of roads and the extreme backwardness of agriculture doomed the Karelian population to semi-starvation.

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The staple food was bread baked with pine bark. Sixty per cent. of the land belonged to the Tsarist government, the monasteries and the very big landlords. The first railway was not built until 1917.

The bulk of the population was engaged in the timber industry. According to official Tsarist statistics the average wage of a lumberjack in 1904 was about four roubles a month.

The Karelian people were kept in ignorance, for there were no schools which taught in the native language of the population, nor did Karelians have their own alphabet or literature.

The arrival of political exiles in Karelia at the beginning of this century helped the establishment of a revolutionary movement there. The development of that movement is closely associated with the work of Mikhail Kalinin, now chairman of the Presidium of the Supreme Soviet of the U.S.S.R., who was exiled to Karelia in 1904.

The year 1918 brought a new era for the Karelian people. At the beginning of 1918 the Congress of Soviets of Olonets Province resolved to establish Soviet power. But great difficulties still awaited the Karelian people.

The Finnish bourgeoisie, bent on claiming Karelia's natural wealth at a time when they believed the country helpless, sent invading troops. The Finnish troops were supported by forces from Britain, France and America who seized the port of Murmansk and advanced into Karelia along the Murmansk railway.

The years 1918 and 1919 were years of hard-fought war. Karelian partisan fighters defended their native soil side by side with men of the Red Army, but it was only in March, 1920, that the foreign troops and the Finnish Whiteguards were expelled.

The Constituent Assembly of Karelia, representing the Karelian population, met on June 1 at Petrozavodsk, the capital.

The Assembly's resolution declared that the Karelian working people had no desire to be separated from Soviet Russia, nor any wish to become part of Whiteguard Finland.

In 1923, when the very last remnants of the Whiteguards were finally defeated, the Karelian Labor Commune was reorganised as the Karelian Autonomous Socialist Republic.

Karelia has changed beyond recognition. Take the electrical industry. In 1913, Karelia, with all its water power, had only four electric power plants with an aggregate output of 700 kilowatts; today Karelia has two large hydro power plants and 20 district power plants.

During the period of the Five-Year plans, twenty new industrial establishments have been built, including giant paper mills at Segezha which produce 70,000 tons of cellulose and 40,000 tons of newsprint every year—before the revolution Karelia did not manufacture these products.

The Karelian timber industry, which formerly worked by primitive methods, now has up-to-date

machines and tractors which help Karelian lumberjacks to show higher labour productivity than even the Canadian lumbermen.

Rapid industrial development in this formerly backward area has led to an 80 per cent. increase in population during the last 12 years. The urban population has increased by 180 per cent.

In the severe northern climate of this area, agriculture was formerly extremely backward. But the Soviet government's enormous work, in which the late S. M. Kirov played an outstanding part, made possible the cultivation of crops in northern areas where they had never been grown before.

Karelia now has 27 machine tractor stations serving 85 per cent. of the collective farms—all Karelian agriculture is collectivised.

Formerly the Murmansk Railway—built during the world war to enable Tsarist Russia to convey the arms shipped from abroad to Murmansk—was the sole mechanical

means of transport. But today Karelia has excellent transport facilities, among them being the White Sea-Baltic Canal, which was one of the biggest and most famous engineering feats of the Five-Year plans. The Murmansk Railway has been reconstructed and converted into an up-to-date trunk line.

Under Tsardom only 13 per cent. of the native population was literate; today 95 per cent. is literate. The Karelian people now have their own alphabet and their children study in their native language.

Twenty-eight newspapers are now published in the Karelian language, and the number of books in that language increases every year. Karelian folklore exhibits and Karelian music scored great successes during the Music Festival at the All-Union Agricultural Exhibition in Moscow this year.

The Karelians and Finns who inhabit this free republic, enjoy equal rights and work in harmony for the cause of Socialism and for promoting their own welfare.

## Lenin On Self-Criticism

"The attitude of a political party towards its own mistakes is one of the most important and surest ways of judging how earnest the party is and how it in practice fulfils its obligations towards its class and the toiling masses. Frankly admitting a mistake, ascertaining the reasons for it, analysing the conditions which led to it, and thoroughly discussing the means of correcting it—that is the earmark of a serious party; that is the way it should perform its duties, that is the way it should educate and train the class, and then the masses."—Lenin.

## WE REMEMBER KARL MARX

*March 14, marks the 57th anniversary of the death of Karl Marx the founder of Communism.*

*Marx was the genius who discovered the underlying laws of social development.*

*His teachings constitute the theory which guides the working class today in its struggle against capitalism and for a Communist society.*

*In commemoration of his passing we publish this extract from an article written by his dearest friend and close collaborator, Frederick Engels.*

*It deals with two of the most important discoveries made by Marx which raised Socialism to a science and caused his name to live forever.*

OF the many important discoveries through which Marx has inscribed his name in the history of science, we can here mention only two.

The first is the revolution brought about by him in the whole conception of world history. The whole previous view of history was based on the conception that the ultimate causes for all historical changes are to be looked for in the changing ideas of human beings, and that of all historical changes, political changes are the most important and are dominant in the whole of history. But the question was not asked as to whence the ideas come into men's minds and what the driving causes of the political changes are. Only upon the newer school of French, and partly also of English, historians had the conviction forced itself that, since the Middle

Ages at least, the driving force in European history had been the struggle of the developing bourgeoisie with the feudal aristocracy for social and political domination. Marx has now proved that the whole of previous history is a history of class struggles, that in all the simple and complicated political struggles what has been at issue has been only the social and political rule of social classes, the maintenance of domination by older classes and the conquest of domination by newly arising classes. To what, however, do these classes owe their origin and their continued existence? They owe it to the particular material, physically sensible conditions in which society at a given period produces and exchanges its means of subsistence. The feudal rule of the Middle Ages rested on the self-sufficient economy of small peasant

communities which themselves produced almost all their requirements, in which there was almost no exchange and which received from the arms-bearing nobility protection from without and national or at least political cohesion. When the towns arose and with them separate handicraft industry and trade intercourse, at first internal and later international, the urban bourgeoisie developed and even during the Middle Ages achieved, in struggle with the nobility, its inclusion in the feudal order as a privileged estate as well. But with the discovery of the extra-European world, from the middle of the fifteenth century onwards, this bourgeoisie acquired a far more extensive sphere of trade and therewith a new stimulus for its industry; in the most important branches handicrafts were supplanted by manufacture, already on a factory scale, and this again was supplanted by large-scale industry, which became possible owing to the discoveries of the previous century, especially that of the steam engine, and which in its turn reacted on trade by driving out handicraft labor in the backward countries, and creating the present-day new means of communication, steam engines, railways, electric telegraphy, in the more developed ones. Thus the bourgeoisie came more and more to combine social wealth and social power in its hands, while it still for a long period remained excluded from political power, which remained in the hands of the nobility and monarchy supported by the nobility. But at a

certain stage—in France after the great Revolution—it also conquered political power and from then on became a ruling class over the proletariat and small peasants. From this point of view all the historical phenomena are explicable in the simplest possible way—with sufficient knowledge of the particular economic position of society, which it is true is totally lacking in our professional historians, and in the same way the conceptions and ideas of each historical period are most simply to be explained from the economic conditions of life and from the social and political relations of the period which are in turn determined by these economic conditions. History was for the first time placed on its real basis; the obvious but previously totally overlooked fact that men must first of all eat, drink, have clothing and shelter, therefore must work, before they can fight for domination, pursue politics, religion, philosophy, etc. — this obvious fact obtained at last its historical rights.

This new conception of history, however, was of supreme significance for the socialist outlook. It showed that all previous history moved in class antagonisms and class struggles, that there have always existed ruling and ruled, exploiting and exploited classes, and that the great majority of mankind has always been condemned to arduous labour and little enjoyment. Why is this? Simply because in all earlier stages of development of mankind production was so little developed that the historical development could

only proceeded in this antagonistic form that historical progress as a whole was dependent on the activity of a small privileged minority, while the great mass remained condemned to producing by their labor their own meagre means of subsistence and also the increasingly rich means of the privileged. But the same investigation of history, which in this way provides a natural and reasonable explanation of the previous class rule, otherwise only explicable from the wickedness of man, also leads to the understanding that, in consequence of the so colossally heightened productive forces of the present time, even the last pretext has vanished for a division of mankind into rulers and ruled, exploiters and exploited, at least in the most advanced countries; that the ruling big bourgeoisie has fulfilled its historic mission, that it is no longer capable of the leadership of society and has even become a hindrance to the development of production, as the trade crises, and especially the last great collapse and the depressed conditions of industry in all countries, has proved; that historical leadership has passed to the proletariat, a class which owing to its whole position in society can only free itself by abolishing altogether all class rule, all servitude and all exploitation; and that the social productive forces which have outgrown the control of the bourgeoisie are only waiting for the associated proletariat to take possession of them in order to bring about a state of things in which every member of

society will be enabled to participate not only in production but also in the distribution and administration of social wealth, and which so increases the social productive forces and their yield by planned operation of the whole of production that the satisfaction of all reasonable needs will be assured for everyone to an ever increasing degree.

The second important discovery of Marx is the final elucidation of the relation between capital and labour, in other words, the demonstration how, within present society under the existing capitalist mode of production, the exploitation of the worker by the capitalist takes place. When once political economy had put forward the proposition that labor is the source of all wealth and of all value, the question became inevitable: "How is this then to be reconciled with the fact that the wage worker does not receive the whole sum of value created by his labor but has to surrender a part of it to the capitalist?" Both the bourgeois economists and the socialists exerted themselves to give a scientifically valid answer to this question, but in vain, until at last Marx came forward with the solution. This solution is as follows.

The present capitalist mode of production has as its pre-supposition the existence of two social classes; on the one hand that of the capitalists, who are in possession of the means of production and subsistence, and on the other hand that of the proletarians, who, being ex-

cluded from this possession, have only a single commodity for sale: their labor power; and who therefore have to sell this labor power of theirs in order to obtain possession of the means of subsistence.

The value of a commodity is, however, determined by the socially necessary quantity of labor embodied in its production, and therefore also in its reproduction; the value of the labor power of an average human being during a day, month or year is determined therefore by the quantity of labor embodied in the quantity of means of subsistence necessary for the maintenance of this labor power during a day, month or year.

Let us assume that the means of subsistence of a worker for one day require six hours of labor for their production or, what is the same thing, that the labor contained in them represents a quantity of labor of six hours; then the value of labor power for one day will be expressed in a sum of money which also embodies six hours of labor. Let us assume further that the capitalist who employs our worker pays him this sum in return, pays him, therefore, the full value of his labor power.

If now the worker works six hours of the day for the capitalist, then he has thereby completely replaced the latter's outlay—six hours' labor for six hours' labor. In this it is true there is nothing which falls to the share of the capitalist, and the latter therefore looks at the matter quite differently.

He says: "I have bought the labor power of this worker not for six hours but for a whole day," and accordingly he makes the worker work 8, 10, 12, 14 or more hours, according to circumstances, so that the product of the seventh, eighth and following hours is a product of unpaid labor, and falls in the first place into the pocket of the capitalist. Thus the worker in the service of the capitalist not only reproduces the value of his labor power, for which he receives pay, but over and above that he also produces a surplus value which, appropriated in the first place by the capitalist, in its further course is divided according to definite economic laws among the whole capitalist class and forms the basic stock from which arises ground rent, profit, accumulation of capital, in short, all the wealth consumed or accumulated by the non-toiling classes.

But this also proved that the acquisition of riches by the present-day capitalists consists just as much in the appropriation of the unpaid labor of others as that of the slave owners or the feudal lord exploiting serf labor, and that all these forms of exploitation are only to be distinguished by the difference in manner and method by which the unpaid labor is appropriated.

This, however, also removed the last justification for all the hypocritical phrases of the possessing classes to the effect that in the present social order right and justice, equality of rights and duties, and a general harmony of interest prevail, and present-day bourgeois society no less than its predecessors is exposed as a grandiose institution for the exploitation of the huge majority of the people by a small, ever diminishing minority.

## THE VICTORIAN LABOR MOVEMENT AND THE IMPERIALIST WAR

J. D. Blake

*"In the conditions created by the imperialist war there has been a regrouping of forces in the Victorian labor movement."*

*The nature and significance of this regrouping is explained in the following informative article.*

ON December 15, by 89 votes against 59, the Melbourne Trades Hall Council carried the following resolution:—

*"This Council, believing that the possessed right of self-government cannot with justification be violated, declares that the invasion of Finland by Russia warrants the condemnation of the peoples of the world. Council views with horror the bombing of the Finnish civilian population, expresses the sympathy of Victorian Trades Unionists to the Finnish Trade Union Federation and the Finnish Social Democratic Party in their hour of travail, and hopes for the early establishment of Socialism in the world over, which alone will ensure lasting peace."*

Two things are evident from this resolution: Firstly, that the reactionary Labor Party and trade union leaders in Victoria cannot claim to speak in the name of any overwhelming majority of the Victorian trade unionists, the close vote

does not reveal the true position when it is understood that the reactionary clique gathered in well over a score of old die-hard chair warmers from the offices of tiny unions whose attendance at T.H.C. meetings is approximately an annual occurrence; these officials and many of the others who voted for the resolution already mentioned do not represent the opinion of the workers on whose behalf they act as delegates.

The second thing evident in the resolution is that the reactionary A.L.P. and trade union leaders base themselves entirely and without question on the lying war propaganda of the capitalist daily press.

Never since the years of the Russian revolution and the war of intervention against the Soviet Union has the daily press conducted a propaganda campaign of such violence and viciousness as that which is now being conducted against the Soviet Union in connection with the Finnish events.

The reactionary elements in the

March, 1940

Victorian labor movement have joined this anti-Soviet campaign with the full blast of all their trumpets; not only do they slavishly follow the lies of the daily press but they have also displayed quite a flair for lying and distortion themselves.

The T.H.C. resolution talks about alleged bombing of the Finnish civilian population but it is now clear for everyone to see that these alleged bombings of civilians in Finland were simply fabrications of the bourgeois daily press.

At a meeting in the middle of January this year the Melbourne Trades Hall Council decided by 83 votes to 50 to rescind a previous resolution in favor of organising the 1940 May Day demonstration.

This decision reveals very clearly the extent to which some leaders in the Victorian trade union movement have deserted the working class and passed over into the camp of the enemies of the workers. May Day is the international day of Labor, and this year, when an imperialist war is raging in Europe, it is more important than ever that the workers of the world should demonstrate international proletarian solidarity. The May Day demonstration this year will be a rallying point for the workers in their struggle to end the war: it will be a demonstration against the Menzies government which has plunged our country into war; it will be a demonstration in defence of democratic liberty, for a £5 a week basic wage and paid annual

holidays, against conscription and for Socialism.

In other words May Day this year will be the focal point of all the strivings of the workers in this country, and that is why the reactionaries in the Victorian labor movement, Stout, Lovegrove, Monk, Clarey and company, dropped May Day like a red hot poker.

They defend butcher Mannerheim, they support the imperialist war and render aid to the anti-working-class Menzies government because they are more concerned about defending capitalism than they are about the interests of the workers.

They do nothing to organise a real movement against compulsory military training and conscription, or against Australians being sent for overseas service in Chamberlain's war; they do nothing to organise actions of the workers to win a general rise in the basic wage to offset the increased cost of living. No, they do none of these things because that might hinder the prosecution of the imperialist war, it might lead to the defeat of the Menzies government, it might ultimately lead to the establishment of Socialism, and that would be the worst horror of all for these reactionaries who go by the name of Labor.

On every issue which separates the capitalists and the workers into two hostile camps this group of reactionary Labor leaders are to be found, not in the camp of the workers, but in that of the employing

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class.

This reactionary position of the top leaders of the Victorian Labor Party and trades unions is not confined to issues involved in the war or in federal politics but stands out clearly in political affairs within the State of Victoria.

In this State a political conflict has been smouldering for some time and is now beginning to flare up into the open. On the surface the conflict appears as one between the so-called Hocking faction of the Country Party and the Dunstan section which controls the State government.

The issues involved in this conflict are purely opportunist and careerist as far as both Dunstan and Hocking are concerned, and neither of them can claim to be acting in the interests of the workers and small farmers. But the interesting feature of the conflict is that Hocking has received a considerable measure of support from the small farmers in the State.

He has received this support, not because he has any real progressive policy, but because he is fighting Dunstan and the State Country Party government. Throughout the State there is a growing wave of hostility among the farmers against the Dunstan government arising from the utter failure of this government to render any effective aid to the farmers in their most difficult period since the great crisis of 1929-32.

From this it will be seen that the conflict in the Country Party is not

simply a dog-fight between Hocking and Dunstan but is connected with the fact that the State government is getting into a critical situation with the Dunstan Country Party and in danger of losing its mass basis among the farmers. At bottom the conflict is one between the great mass of small farmers and the Dunstan State government.

Yet in this situation Mr. Cain, the State leader of the Labor Party, considered that the best thing for him to do was to come out with a big blast in defence of the Dunstan government although he understood that in doing so he took a stand in direct opposition to the strivings of the small farmers in the State and thereby dealt another blow at the prospects for establishing an alliance of workers and small farmers against big business.

But of course such a position fits in with the relationship which exists between many of the top leaders of the State Labor Party and some of the influential "business" institutions in Victoria.

Recently a Royal Commission inquired into allegations of graft made against some Labor members of Parliament in connection with the Milk Bill and the Moneylenders' Bill. Strenuous efforts had been made in both government and Labor Party quarters to hush up the scandal which had broken into public light, but in spite of these efforts the government was compelled to set up a commission of inquiry mainly as a result of the public exposures printed in the columns of

the "Guardian," the official organ of the Victorian Communist Party.

When the findings of the Royal Commission were made public the "Labor Call" revealed its anxiety about the situation by declaring that the commission report exonerated the Labor Members of Parliament who had been charged with accepting bribes, but the report did no such thing; it merely stated that there was not sufficient proof to establish the guilt of the Members concerned.

Large numbers of workers throughout the State, many of them adherents of the Labor Party, are not at all convinced about "exoneration," and because of that the standing of the Labor Party in the estimation of the workers has fallen considerably.

The discontent with the Labor Party leadership which exists on a fairly wide basis among the workers, and is growing rapidly, is not only connected with the allegations of graft and corruption but arises from the whole policy pursued by the top leaders of the Labor Party.

In reply to this growing wave of discontent the State Executive of the Labor Party is setting out to strangle all inner-Party democracy in the A.L.P., but these efforts of the Executive only add to the mounting discontent. For example, last year an edict was issued that all delegates to the Easter Conference of the A.L.P. must have two years' individual membership in an A.L.P. branch; the effect of this is to deprive affiliated trade unions of the

right to choose their own delegates to conference; this edict is quite unconstitutional but the executive refuses to modify it in any way.

The strangling of inner Party democracy is the method used by the reactionary leaders of the Labor Party to prevent any movement which is likely to interfere with their treacherous policy of supporting the imperialist war. If a Labor Party branch or a group of Labor Party workers expresses a desire to organise meetings against Menzies' national security regulations or on similar matters relating to the war they are threatened with immediate expulsion if they dare to act in the way they desire. "The Labor Party supports the war and any movement against the federal government would not accord with this declared policy"—that, in effect, is the explanation given by the reactionary Labor Party leaders for the suppression of democracy within the Party.

Such an attitude on the part of the Labor Party leaders naturally engenders widespread discontent among the workers expressed in the movement among trade unionists demanding greater rights in the Labor Party, the demands that the Labor Party be liquidated, and in many other ways including the sectarian move for a protestant Labor Party.

This last move is not yet very strong but nevertheless it is dangerous because of the threat to divide the workers on religious sectarian grounds. It is a fact that Catholic Action or clerical fascist elements

play a big part in determining the reactionary policy of the Labor Party leadership in Victoria. But this is not a religious problem and cannot be solved by any sectarian religious conflict; it is a question of politics, a question of winning the whole of the workers, protestant and Catholic, for a resolute struggle against the whole reactionary policy of the main leadership of the Labor Party which acts as an agency of the enemies of the workers.

In the conditions created by the imperialist war there has been a regrouping of forces in the Victorian labor movement. In the period immediately before the war broke out there were three main trends in the labor movement. Firstly, the extreme right-wing headed by such individuals as Calwell, Kennelly, Stout and Lovegrove; secondly, the left or militant trend headed by the Communist Party; thirdly, vacillating between these two trends there was what could be termed a centre group headed by Crofts and Monk.

In the war situation there has been a concentration of the forces of the right-wing; Monk and most of his followers have definitely entered this right-wing concentration.

On the other side the left section headed by the Communist Party has stood firm and was able to command 59 votes as compared with the 89 mustered by the other two trends combined on the vital Finnish issue.

It is not the majority but the strong left minority on the Council

which expresses the real strivings of the majority of workers in the State; the thing that must now be understood is that organised actions of the workers for a higher basic wage, paid annual holidays and other economic issues, as well as opposition to the conscription measures of the Federal government provide the key for bringing about a further transformation in the Victorian labor movement.

Along this path of organised struggle is to be found the only effective means for developing a mass movement against the imperialist war; only in such struggles will it be possible to finally break the hold of the reactionary Labor leaders on the labor movement.

Finally, only in the process of fulfilling these two functions, developing the mass struggle of the workers and destroying the control exercised by the reactionary Labor Party and trade union leaders are we able to clear the road to our culminating objective—to end the imperialist war by revolutionary means and establish Socialism.

Events are developing with extreme rapidity and the Communists in Victoria will need to display the utmost alertness and initiative to handle competently all the great issues of this quickly changing situation and thus to guarantee the ultimate victory of the workers under the direct leadership of the Communist Party.

# A MODEL WORKMAN

A FIVE-MINUTE STORY FROM LIFE

## "Gordon"

*Orton had produced a bottle and syphon from the buffet and was measuring out two glasses. "My dear fellow, I'm a pastoralist, not an apostle of temperance. You don't pick up men like Gill every day for the asking. That man is the best carpenter and blacksmith in the Riverina. Soda?"*

"A H yes, the Salvation Army. You people are doing fine work."

The man with the peaked cap smiled appreciatively. He had not been invited to sit down, but Orton's manner was friendly, and not many squatters received him in their private quarters.

"You think so, Mr. Orton?"

"Decidedly. You go to the root of things. Did they look after you down at the huts?"

"Yes, thank you. I had dinner there. You have a fine lot of men here, sir."

"Not bad, not bad at all." Orton had adjusted his spectacles and was examining the sheet of paper he had received from his visitor.

The salvationist waited. Idly, he wondered who was the other man seated at the fireside, overseer, jackeroo, or friend. Wondered also what size wagon it had taken to transport the monstrous grand piano up here, over sixty miles from the railhead. Nothing primitive about the Riverina these days! That buffet, now . . .

Orton chuckled. "Ten shillings

from Tom Gill, eh?"

"Your blacksmith? Yes. Usually he only gives five. This is a very generous donation from a working man."

"You caught him in a good mood tonight. He begins his annual holiday tomorrow." Orton turned to the man at the fireside. "Tom Gill has presented ten shillings to the Salvation Army!"

"To help fight the demon of drink?"

"Presumably. It's the only demon he's scared of in his sober senses!"

"He's given to drink, then?" put in the salvationist eagerly.

"More or less." Orton's tone was indifferent. He had laid down the paper, seated himself, and produced a cheque-book. "But don't let that trouble you. I'm giving him quite a bit of attention myself these days. Let me see. I make this a total of fifty shillings."

"That is correct, Mr. Orton."

"And the cheque is for seventy. My own little contribution. I believe in your organisation. All jokes aside, this matter of drink is a seri-

ous one for employers."

"It's a serious matter for all of us, sir."

"Quite. But for employers in particular. With us it is a question of economics as well as morals."

"But aren't the men also . . ."

"Yes, yes, but only superficially. In the ultimate the responsibility is all here." The squatter jerked his thumb downwards at the carpet. "Drink is the curse of industry. In that sense you and I are comrades in arms. I allow no drinking on my station."

The salvationist eyed him curiously. He suddenly disliked the man; sensed instantly the utter falseness of the phrase: "Comrades in arms." He might have contested the point further, but Orton had placed the cheque in his hand and was already moving towards the door.

"Thanks for your donation, Mr. Orton. The Army has a big job to do."

"Don't mention it. I wish you luck. You're going on to Moor-  
neit tonight?"

"Yes. It's only fifty miles, and I have a car . . . of a sort!"

"You could stay the night at the huts."

"Thanks, but I'd rather push on. I want to be out of the Riverina before the weather breaks."

"As you please."

They had reached the verandah steps. Unexpectedly, the squatter thrust out his hand. "Goodnight, my friend, and good hunting!"

"Goodnight, Mr. Orton. And

thank you again."

Orton gave a deprecatory gesture, and remained a minute or two watching the upright figure striding away down the moonlit drive. Not until he turned to go in again did he observe the other man loitering in the shadows of the side path.

"Who's that?"

"Tom Gill, sir. I saw you were busy."

"All right, Tom. Come along."

With the stiff and crouching gait of a tired old workman Gill ascended the steps and followed his employer across the verandah into the lighted room.

"Mr. Evans told me to get my cheque from you if he wasn't back in time, sir."

"Quite so, Tom. He did leave it." Orton ran swiftly through a number of papers on the table. "Yes, here we are. It came out at a hundred and fourteen pounds. The book's there if you want to see your account. There's the ten shillings you've just given the Salvation Army, but it can come off next time. I won't alter the cheque now."

"That's all right sir." Gill had accepted the cheque and stood now considering it with a peculiarly rueful expression.

"What's the matter, Tom? Still got your doubts about the hotel?" The man grinned sheepishly. "I got a Hell of a doubt, sir! You know I never got past it once in five years."

"Well, here's your sixth chance!"

"Maybe, but you should've done what I asked an' put the cheque

through to Walhalla. It would've been safe then."

In a fatherly way the squatter placed his hand on Gill's shoulder. "Tom, my man, you've got to fight this little battle yourself. Avoiding the temptation is no way of mastering a vice. I want to see you beat this thing on your own."

"It's all very fine talking . . ."

"Why, man, you're beaten before you start out! Now look here, supposing you don't go to the hotel at all this time. Get Tim to run you straight to the station, and camp in the waiting room overnight. How about that? It won't hurt you, and you can sleep all the way down to Melbourne tomorrow. Keep away from the hotel altogether."

Gill's face brightened. "Sounds worth trying . . ."

"Of course it is. Now run along and show me what you can do. Bank the cheque as soon as you get to Walhalla. Make a fixed deposit of it; most of it, anyway. And tell your troubles to that sister of yours. She'll keep an eye on you. You know, Tom, you're a damned fool. You've been here six years, and not a red cent to your name . . . except that cheque. Let's see you make a job of it. I'll be a disappointed man if I have to send the buggy in to Deniliquin for you this time."

"I'll give it a go!"

"That's the spirit! Goodnight, and good luck."

"Goodnight, sir. You're a sport!"

"What's the betting?" enquired

the man at the fireside as the squatter closed the door on his second visitor.

Orton chuckled. "A hundred to one he doesn't get past the pub."

"As bad as that, eh?"

"Past praying for. Didn't I tell you, five times in five years he's set out for those relatives of his in Gippsland with a hundred pounds cheque in his pocket. And every time I've had to send the buggy in to Deniliquin for him after a few weeks."

"Then why the devil don't you do as he asks and send the cheque through to his people?"

Orton had produced a bottle and syphon from the buffet and was measuring out two glasses. "My dear fellow, I'm a pastoralist, not an apostle of temperance. You don't pick up men like Gill every day for the asking. That man is the best carpenter and blacksmith in the Riverina. Soda?"

"Neat, thank you. So what?"

"So what? Don't you see, I can't afford to lose him! He's just so good that he'd be good anywhere . . . even in Gippsland."

"I see. Thank you. Here's to him!"

"Cheerio. Gill could make anything from five to eight pounds a week if he had his head screwed on right. Once let him get out into the wide world again and Nanyang Station wouldn't seem so infernally attractive to him."

"You're a shrewd bird, Herbert."

"I have to be. The pressure's pretty strong these days, one way and another. A good handyman is

like a good cook; when you find one you must hang on to him. I never had the like of Gill before. There, John, you have the model workman. He can do any damned thing, that fellow. You've seen my new garage, and any body will tell you I have the best-kept wagons and windmills in the Riverina. And I don't know another station hereabouts that has a man who can cast a racing slipper. You simply can't fault him eleven months in the year. The twelfth . . . well, I can wait. In a few weeks I'll get a ring from Nesbitt at the hotel to send the buggy in. And Gill will come

back on the floor of it soaked in whisky to the very marrow of his bones."

"It would be a bit of a joke, wouldn't it, if he took your advice and gave the hotel a miss this time?"

"I'm not worried. Tim has to pull up at the post office with mails, and Nesbitt will be there."

"You seem pretty sure about that."

"I am. As a matter of fact, I took the precaution of giving him a ring. Nesbitt knows his work. Have a cigar?"

*The End.*

## The Future Belongs To Us

" . . . The bourgeoisie sees practically only one side of Bolshevism, viz., insurrection, violence, terror; it therefore strives to prepare itself especially for resistance and opposition on this field. It is possible that in single cases, in individual countries, and for more or less brief periods, it will succeed in this. We must reckon with such a possibility, and there will be absolutely nothing terrible for us if it does succeed. Communism "springs up" from positively all sides of social life. Its shoots are to be seen literally everywhere; the "contagion" (to use the favorite metaphor of the bourgeoisie and the bourgeois police, the one that "pleases" them most) has very thoroughly permeated its organism and completely impregnated it. If one of the outlets is "stuffed up" with special care, the "contagion" will find another, sometimes a very unexpected outlet. Life will assert itself. Let the bourgeoisie rave, work itself into a frenzy, overdo things, commit stupidities, take vengeance on the Bolsheviks in advance and endeavor to kill off hundreds, thousands, and hundreds of thousands more of yesterday's and tomorrow's Bolsheviks. Acting thus, the bourgeoisie acts as all classes doomed by history have acted. Communists should know that at all events the future belongs to them; therefore, we can, and must combine the most intense passion in the great revolutionary struggle with the coolest and most sober estimation of the mad ravings of the bourgeoisie."

—Lenin: Left-wing Communism.

# FATHER COUGHLIN AND HENRY FORD

John L. Spivak

*Father Coughlin is a dignitary of the Roman Catholic Church in America. His wireless talks on economic, social and political questions have brought him into prominence and earned him the sobriquet, "America's Radio Priest."*

*He poses as a friend of labor and champion of the underdog. But as John L. Spivak proves in this article Coughlin uses his church connections to split the progressive labor movement and to sidetrack the workers.*

*Coughlin works hand in glove with Henry Ford and the worst enemies of labor and democracy in America.*

*This article, and others which will follow, are of interest to Australian readers because there is evidence that Catholic Action here aspires to the role played by Coughlin's Union for Social Justice in the States. John L. Spivak has documents in his possession to back up each one of his charges. The Radio Priest has declined his challenge to sue him for libel.*

AT 2.30 in the afternoon of February 9, 1939, Loren J. Houser, secretary-treasurer of the United Automobile Workers of America, with offices in the Griswold Building in Detroit, found that he had no money to meet the pay roll. He walked into the private office of Homer Martin, who had broken away from the U.A.W.-C.I.O. and established an opposition group which was desperately trying to wreck the C.I.O. union. "How much do you need?" asked Martin.

"About 10,000 dollars."

Martin reached into the inside pocket of his coat and took out two cashier's cheques drawn on a

New York bank. One was for 10,000 dollars and the other for 15,000 dollars. Each was made payable to Homer Martin personally.

"Come on," he said, "let's go downstairs and cash it."

The teller in the bank next door to the building in which Martin's union had its offices handed over the cash.

"Here," said the labor "leader" casually, "use this. When that's gone there's more where it came from."

Martin, whose fight with the U.A.W.-C.I.O. had seriously hurt the drive to organise the automotive workers, for a time did not have enough to run his organisation.

Funds came from a mysterious source. That source was and is today Harry Bennett, head of the Ford secret service, whose chief activity is to prevent the Ford plant from being organised by any union. For this purpose Bennett established an amazing labor spy organisation; his operatives are found not only in the Ford plants but in the unions and in the political life of the State. How Homer Martin, nationally known labor "leader," whose "union" is now affiliated with the American Federation of Labor, was brought in contact with Henry Ford and finally began to take money from the Ford labor spy chief, brings us to the Rev. Charles E. Coughlin, the radio priest of Royal Oak, Mich., the "friend of organised labor." I shall show in this article that Silver Charlie Coughlin's activities while posing as a friend of labor have been such as have earned other persons engaged in similar activities the accusation of being provocateurs operating for the employers.

The story begins at the end of August, 1937, when a car drove up to the rectory adjoining the Shrine of the Little Flower at 12 Mile Rd. and Woodward Ave., Royal Oak, and R. J. Thomas, now president of the U.A.W.-C.I.O., and Homer Martin, then president, stepped out. The street, with its tall, heavily leaved trees, was asleep though it was barely the dinner hour. Royal Oak burghers were at their dining tables and it was long past the sight-seeing hours when visitors to

the Shrine walk around the block eyeing the church and the rectory housing the priest.

Thomas, a stocky, youngish labor leader, whose face normally has a stare of baby innocence which masks his keen observations, was frowning.

"I don't think we're doing a smart thing, Homer," he said.

"Don't worry about it," said Martin. "Dave Brand is an officer of the Dodge local. He came to me; I didn't go to him. He lives somewhere around here, close to Father Coughlin, and is one of his staunchest followers. He came up to my office, as I told you, and personally invited us. Said the Father wanted to see us. Now, I've known Brand for a long time and I'd have gone myself, but he said Father Coughlin wanted you to come along, too."

### No Friend of Labor

"I still don't think it's a very smart thing to do. Father Coughlin wasn't friendly to union labor even when he was building his church. He says he doesn't like the C.I.O., but he doesn't like the A.F.L. either. He's got something up his sleeve, and I have a feeling it's not for our benefit. I've heard too many stories about how he says one thing but does another."

The radio priest had apparently been awaiting them anxiously, for he personally opened the door in response to their ring and ushered them into his spacious living quarters. After dinner, to which they had been invited, the priest imme-

diately led the discussion from national problems to the labor situation. He launched into a furious denunciation of John L. Lewis as a "stooge of the Communist Party." Thomas listened in amazement, while Martin nodded. From Lewis the priest slipped into a scathing attack on Monsignor John A. Ryan of Washington, D.C., who, he charged, was more interested in "promoting the policies of the Communist Party than in the Catholic Church," and proceeded from the church dignitary to John Brophy, Richard Frankenstein, and other C.I.O. leaders. Then he started upon high dignitaries of the Catholic Church. The dignity of the church and of his own position as a priest of the church was forgotten as he lashed out at other Catholic priests in the Detroit area who, with Monsignor Ryan, had viewed C.I.O. organising efforts with friendly eyes.

Neither Martin nor Thomas had much chance to speak. It was not a conversation but an oration, and the more Coughlin spoke the more hypnotised he seemed by his own voice. The shrewd priest, however, soon noticed the look in Thomas' eyes and switched quickly to a personal note.

"Homer," he said, assuming the air of an old friend, "Lewis and the C.I.O. are stooges of the Communist Party. I think I've made myself clear on that. Now, if you want to fight Lewis and the C.I.O. I can give you a lot of help." He paused, and added slowly with emphasis: "You have possibilities in

the labor movement and I want to help you. My newspaper, "Social Justice," has an enormous circulation and following. Wait a minute," he exclaimed as if a sudden inspiration had occurred to him. "Let me get a couple of my editorial men so we can discuss this thing and see what we can do for you. I'm anxious to help you."

He beamed upon Martin and telephoned to the Shrine office. The "inspiration" seemed timed beautifully; it just happened that the two persons he wanted were around. Within a few minutes E. Perrin Schwartz, editor of "Social Justice," and Joseph Patrick Wright, an editorial assistant, came in. Wright had a peculiar smile and Schwartz acknowledged the introductions standing with that hangdog crouch to his shoulders as if he feared someone would throw something at him any moment. Throughout the evening they didn't open their mouths, except once, unless Coughlin spoke to them. They just kept nodding their heads in approval at everything Silver Charlie said until Thomas began to wonder whether they were just yessing him or were afflicted with the jerks.

"You know, Homer," Coughlin said, taking a chair close to Martin, "I can call some meetings of priests. I have considerable influence with a lot of priests. I can arrange for them to see you, and they in turn have a great deal of influence."

Thomas couldn't figure it out. There was something behind all this which the priest hadn't sprung yet, he felt. Coughlin rose and began

to pace the room, his head bowed as in deep thought. No one spoke. Both guests and employees eyed him. The priest seemed to be wrestling with himself like an actor on the stage who wanted to be sure the audience didn't miss the wrestle. Suddenly he paused dramatically in front of Martin with the air of one who has reached a decision and was about to dispense a great gift.

"Homer," he said, "how would you like to have the auto workers organise the Ford Motor Co?"

Schwartz and Wright caught their breath audibly as if amazed at the priest's generosity. Martin himself didn't seem as startled as a labor leader offered such a gift should, and Thomas, for the first time, wondered if Martin hadn't known what was coming.

"Well," said Martin, "that would be very nice."

Coughlin looked at Thomas, whose baby-innocent stare hadn't changed. "The auto workers would like very much to organise the Ford plant," said Thomas.

#### *Ford's Labor Tactics*

The C.I.O. was making intensive efforts to organise the Ford plant. Ford was fighting them tooth and nail. The entire huge system of labor spies developed by Harry Bennett was in motion to stop the union, yet here was this priest, known to labor as not so friendly to them despite all his protestations, offering to let the auto workers organise the plant. There was something behind this which made Thomas uneasy. He was familiar with Coughlin's

labor speeches and had long ago concluded that when Silver Charlie advised labor to follow his advice it almost invariably turned out that the employers got the benefit of it. Thomas remembered that back in 1934, when the auto companies fought unemployment insurance and old age pensions, Coughlin had raised a wail that the companies would go out of business. He remembered how Silver Charlie, while orating for union labor on the air, hired non-union labor to build this very church and rectory they were in. There was something in his unctuous speeches as a "friend of labor" which always seemed to hand Labor the short end of the deal, when you got down to what it was all about.

This offer to organise the Ford Motor Car Co. employees, which neither the A.F.L. nor the C.I.O. had been able to do sounded a bit peculiar, especially coming just when the union was making real headway. It was an old trick, Thomas knew, for employers to hire people to split the union ranks by starting another union. Such tactics, in labor spy parlance, are known as using "disruptors." The priest had started by attacking the C.I.O. and its leadership. That meant starting a different union which in turn meant creating an internal fight that would inevitably disrupt the drive to organise the auto workers. Employers had long followed such strategy and Ford himself was annually spending a fortune on labor spies for just such purposes. Only a company union

would be permitted in the Ford plant. There was the case of the mushroom Workers' Council for Social Justice, Inc., in 1937, which had all the Coughlin earmarks. It had been financed by a mysterious individual and the officers were Ford employees whom Harry Bennett had given "leave of absence." That effort fizzled, but it showed the Coughlin touch and the Coughlin desire to enter the labor union field. It was well known that unscrupulous persons had made fortunes by getting control of labor unions.

Thomas knew nothing about Coughlin's other activities except that it was generally known that while Silver Charlie was denouncing stock-market gambling in his broadcasts, he himself was surreptitiously playing the market. Thomas had wondered, along with many others, where the priest was getting the enormous sums of money to pay for his national broadcasts. Neither he nor the general public knew that those broadcasts were supposed to be paid for by "Social Justice" magazine, but that this publication was losing large sums annually and couldn't possibly be meeting the broadcasting costs. Many of these broadcasts were directed against the C.I.O. There was something very phoney about all this, and Thomas eyed him questioningly.

#### "You Should Meet Mr. Ford"

Coughlin noticed the look but apparently mistook it for doubt as to whether he could do what he had said. "I have a very high official in the Ford Motor Co. who is

in my parish," he said quickly. "It's Vice-President Martin of the Ford Motor Co."

Schwartz, his editor, opened his mouth for the first time. "Yes, that's true," he said brightly.

Coughlin shot a disapproving glance at him, and the editorial brains promptly retired to his silence.

"You know," Silver Charlie continued, "I think it would be a good thing if I contact Vice-President Martin. He can arrange a meeting between you and Henry Ford. I think Mr. Ford would like to hear your views and I am sure you would enjoy meeting him."

Homer Martin nodded and glanced at Thomas with a what-do-you-say air. Thomas shrugged his shoulders without committing himself.

"I'll tell you what, Homer," the priest added. "You write me a letter saying you want to meet Henry Ford and I'll see to it that Vice-President Martin makes the arrangements."

Thomas was finally convinced that it wasn't just a screwy offer but that the whole thing had been arranged just for this purpose, and he asked innocently: "But, Father, don't you think Homer should meet Harry Bennett, too?"

"Oh, no-no-no!" the priest exclaimed. "I don't think this is the time. I think he should first discuss matters with Mr. Ford directly."

Once this was settled the shrewd priest quickly switched to the country's political set-up. He didn't like it. Henry Ford didn't like it

either.

"Mr. Thomas," he said at one point, "you haven't said very much this evening."

"I was listening, Father," said Thomas, the baby stare becoming even more innocent. "I was very interested."

#### *The Corporate State*

"I am always interested in everybody's ideas, too. Now, I've got an idea I'd like to get your reaction on. I'm interested in protecting the interests of the workers, as you know. What do you think of this idea: suppose we were to set up an entirely new political machine in this country so that workers would have representation in Congress as workers?"

"I think if workers had a strong say in Congress it would be very good," said Thomas, wondering what was coming next.

"Let me finish. What I've got in mind is that workers be represented in Congress, lawyers have an organization and are represented in Congress. Doctors the same thing. Capital should have an organization and also be represented in Congress. What do you think of it?"

"Isn't that the corporate state idea?" asked Thomas innocently.

"It's the same sort of idea Mussolini put across in Italy and ultimately crushed the labor movement there. Hitler did the same thing in Germany. Personally, I think American workers are getting on all right under our democratic form of government. When the workers learn which side their bread is but-

tered on they'll get what they want from Congress. If those in Congress won't give it to them they'll send representatives who will."

The priest dropped the subject promptly and turned to his editor. "Perrin," he said expansively, "what do you think we could do to help Homer out? I'd like to help him, you know," and he added to Martin: "I can't go on the radio and speak for you but I can use my newspaper for that purpose. I can also call meetings of priests and influence them. But I don't believe I'll be able to do anything for you unless you pull out of the C.I.O."

Thomas stifled a smile. He had expected it, and the priest had finally come out plainly. That was the "punch line," as they call it in show business, in this drama played by Silver Charlie as the first step the Ford interests need to split the C.I.O.

#### *Other Meetings*

There were several other meetings with the radio priest, the second one some two weeks later after Homer Martin wrote to Coughlin saying he wanted to meet Henry Ford. Thomas attended the second meeting to see just how far matters had gone. At this session Silver Charlie for the first time launched into an anti-Semitic tirade, accusing Richard Frankenstein of being a Jew, charging that many C.I.O. organizers were Jews, that Jews on the executive board of the union were interfering with his efforts to bring his kind of peace in the labor field. Thomas recollected that Sil-

ver Charlie had protested repeatedly that he was not anti-Semitic, yet here he was charging that Jews were responsible for much of the C.I.O. activities. Hitler did the same thing in Germany before he got in power and finally crushed the labor unions.

Thomas refused to attend any more sessions after this second one. What happened between Homer Martin and Silver Charlie when Thomas wasn't present I don't know, since Thomas told me the details of the first two meetings; but it was shortly after this meeting, when Coughlin tried to arrange for Martin to meet Henry Ford, that the Ford labor spy chief, Bennett, began to shell out large sums of money to Martin. The members of Martin's union of course did not suspect that their "leader" was getting money from Ford's secret service.

Within a couple of months after these meetings at the Shrine of the Little Flower rectory, Homer Martin had left the C.I.O. and found himself with plenty of money to hire thugs. He supplied them with money to buy guns for raids and physical attacks upon C.I.O. organisers.

#### *Harry Elder's Story*

Let me tell you the story of Harry A. Elder, of St. Louis, Mo., formerly vice-president of Local 320 of the United Automobile Workers of America, who was hired as a plug-ugly by Homer Martin.

By January 1939, Martin had become very thick with Harry Ben-

nett. The labor "leader" needed some tough babies and Elder was known as one. A Martin representative called on Elder in St. Louis and offered him a job at 50 dollars a week and six dollars a day for expenses. Elder arrived in Detroit, February 17, 1939, and checked into the Eddystone Hotel, where Martin was living.

Martin promptly told him that he wanted the tough baby to get some "boys" and some guns and raid the Communist Party headquarters on Fourteenth Street, destroy the records and "do plenty of damage generally." (The Communists' analysis of Homer Martin's activities pointed to a split-the-union tactic and Martin was being denounced as a suspected stool-pigeon.) The labor "leader" also wanted three labor organisers, Emil Mazey, John Ringwald, and Walter Reuther, who were attacking Martin's union-busting activities, to be "properly taken care of." Martin didn't want these men killed but "just put in a hospital. Break a couple of arms, etc." As a starter Martin gave Elder 250 dollars to go to St. Louis "to get some boys to help out and to get some guns."

Elder acted as Martin's bodyguard and throughout this period Martin was in constant telephone and personal communication with Harry Bennett and John Gillespie, Bennett's chief assistant. Secrecy surrounded all these conversations and meetings lest honest union members get wise. Whenever Martin wanted to call Bennett he left the Griswold Building and telephoned

from the Detroit Bank Building downstairs or from a booth in the Cunningham Drug Store across the street. It was Elder's job during these calls to stay outside the phone booth to be sure no one overheard the conversation.

In May, 1939, Martin and Elder, after a late but hearty breakfast at Stouffer's restaurant on Washington Boulevard in Detroit, hailed a passing taxi and instructed the driver to go to the Ford Administration Building. Martin kept peering through the rear window of the car to be sure no one was following him. At the Administration Building he went directly to Harry Bennett's office. It was obviously not the first time, for the man at the desk recognised the labor "leader" and ushered them into Bennett's office immediately lest someone not connected with the labor spy organisation see them.

As soon as the door closed, Martin promptly brought up his union problems—a procedure followed by paid labor spies. (The conversation concerned the choice of a judge to sit in a case between Martin's group and the C.I.O.; I am not detailing it here since I am mainly concerned with showing the role Coughlin played for the Ford interests while posing as a friend of labor, and not in exposing a labor spy.)

It was during this meeting with Bennett that Martin explained to Elder that he had wanted to leave the C.I.O. long before, but Henry Ford and Bennett sent for him and told him they didn't want him to re-

sign. They were quite satisfied with him, they said. Ford personally promised to go along and give him financial help to fight the C.I.O. Ford had smiled amiably and said, "You can't get along without such financial help, you know."

When the discussion drew to a close Martin said he needed 3,500 dollars.

"Some 4,000 dollars has been taken out of the fund this morning," said Bennett, and added that when he found out how much was in the fund he would communicate with him. Bennett was obviously too shrewd to make payments in the presence of a third person and he apparently didn't like Martin's telling what Ford had said, because he warned both of them, quietly but effectively, that the conversations in his office were to be kept strictly secret. "If anything leaks out," he added, "he'll be taken care of."

The return to union headquarters was made in a Ford Co. car placed at their disposal. The driver was told to stop near the Book-Cadillac Hotel to let them out and they walked the short distance to the union offices. It was on the trip back that Martin confided that he couldn't have run his union if Henry Ford hadn't given him help.

John Gillespie, Harry Bennett's chief aide, called upon Martin at the Eddystone Hotel on the following day. Elder was instructed to stand outside the door to prevent anyone from walking in or overhearing the conversation. After fifteen or twenty minutes Gillespie left and Martin came out striking a fist

against the palm of his hand in glee. "Boy, I got it, I got it!" he exclaimed. Martin showed his body-guard a stack of bills about two inches high. The top was a twenty and the packets were flat, as if the bank had handed them out as they came. The bands were still around them.

Throughout this period, when Martin was in constant touch with Silver Charlie, Coughlin apparently tried to play another angle which would give him a direct hold on Martin. On several occasions the radio priest offered Martin a building estimated to be worth between 50,000 and 150,000 dollars as his union headquarters. Martin was afraid of it; there were too many strings attached to the offer. Then, too, some honest union members might ask too many questions, especially if it leaked out that Ford was behind Coughlin.

To split the C.I.O. auto workers' union, which was making considerable progress in organizing the Ford plant, by an internal fight was obviously good tactics to halt the unionising drive. To start an "independent" union seeking a vaguely promised "social justice" was obviously another swell way to confuse the workers and prevent them from forming a solid front. Appeals to religious elements that the union making headway was directed by "atheists" and to patriotic Americans that the union leaders were "Reds" and "agents of Moscow," also kept many auto workers from joining. Smart manufacturers and directors of their labor spy divisions

pay people to create these "smoke-screens" while they pose a good union members of "friends of labor."

Oddly enough, we find that Silver Charlie Coughlin in his efforts "to help labor" has done precisely such things as those for which labor spies and disrupters are paid. Again, oddly enough, his broadcasts even today are devoted to attacking the C.I.O., which has not ceased its efforts to organize the auto workers. These talks, as I have mentioned, are supposed to be paid for by "Social Justice," but "Social Justice" has been operating on a deficit of between 60,000 dollars and 75,000 dollars a year in the last few years. And though there's a deficit, Coughlin has been trying to get more stations. Money doesn't seem to worry him and—he has never explained who is meeting these deficits.

Incidentally, before I close this article, there's another very odd point: Gerald L. K. Smith, Silver Shirt member No. 3223, is also attacking the C.I.O. Smith's broadcasts are handled by Aircasters, Inc., that peculiar advertising agency whose president, Stanley Boynton, was and is now an employee of "Social Justice." Smith hasn't explained where he gets the money to pay for his broadcasts, either.

Silver Charlie's strange tie-ups and mysterious financial backing are not confined to collecting money from the people by assurances that it's to be used for one thing and then using it for another. Their ramifications are even more sinister, for they are closely allied with those of secret foreign agents and propagandists working for Nazi Germany in the United States.

## A LETTER FROM MOSCOW

A. Claire

YOU ask, what is Moscow like today, the city to which "all roads lead"? You are interested to know what is in the minds of the average Muscovite, the rank and file Soviet citizen? You want to know what changes have taken place in their lives in these tragic days that are confronting us? If I understood you correctly, the following description should reply to your questions.

In the days when the Red Army proceeded on its splendid emancipatory march through former Poland, the centre of Moscow, Gorky Street, was the scene of intensive construction work. The street is being widened and re-paved, below the surface workers are busy reconstructing the tangle of cables and pipe-lines, and installing new ones for the fine buildings that are being erected to replace the old ones.

The scene was very similar in all other towns in the U.S.S.R. The construction of new houses and factories, sinking of new mines, the building of new schools and clubs has not been stopped for a single minute. This in itself should be very expressive to anyone who lives in present-day Europe.

Now, the following is a running, telegraph-like description of day-to-day life in the Land of Soviets. Twice a day the Soviet schools hospitably open their doors to millions

of children who a few hours later fill the streets of towns and villages with their robust songs and ringing laughter. The collective farmers of Kazakhstan have just completed, following the example of their Uzbek brothers, a new canal, the Ural-Kushum Canal, 78 kilometres long. It was cut in 30 days instead of the 45 days stipulated by the plan. By next spring, 100 collective farms will be served by this irrigation canal. Soviet locomotive drivers, actively participating in socialist emulation, are carefully examining the condition of each other's engines and are issuing "prepared for winter" certificates to those locomotive drivers whose engines are in perfect order. Cinema producers Pudovkin and Döller have finished work on a new film, "Minin and Pozharsky," dealing with the Polish attack on Moscow in the XVII century and the heroic struggle of the Russian people led by the patriot Count Pozharsky and the merchant Minin. Trade Union congresses of the heavy machine building workers' union, munition workers' union, auto workers' union, textile workers' union of Moscow District, tobacco workers, etc. have been opening in Moscow and Leningrad. These congresses have centred their attention on cultural and educational activities, on which the trade unions will spend 1,616,000,000 roubles this year alone. During the

last month the fish catch has been one million centners, bringing the total catch for the season up to 11 million centners. In Moscow, following the established custom, an Armenian art festival is being held at which opera and ballet companies of the Armenian Republic are demonstrating their achievements. The guest performers have been given Moscow's best theatre for 10 days. People are buying tickets for the whole family, and tickets are difficult to get. Meanwhile in Armenia work has been completed on a magnificent opera theatre, and when the Armenian artists return to their native land—and one may be quite certain that they will return decorated with Orders of Merit and with gifts presented to them by the Soviet government—they will be able to perform in a splendid new theatre.

The Baku Oil Trust has fulfilled its nine months' production schedule by 123.3 per cent. The slow progress of autumn ploughing in the Soviet Tartar Republic has evoked severe criticism in the press. A conference of head doctors of city and district hospitals was recently held in Moscow. Sericulture is being successfully introduced in the Chuvas Republic, while Soviet Karelia is priding itself on the successful pearl fishing—6,800 good sized pearls in one season. The government has awarded Orders of Merit to 240 collective farmers, men and women, and agronomists of Tajikistan, on the occasion of the 15th anniversary of that Republic. Postal workers have developed mass social-

ist competition to expedite the sending of telegrams, they now dispatch 1,100-1,200 telegrams in three shifts, instead of 600. A large new school has been built in Leningrad in 60 days. The Cossack collective farms in the Kuban Territory report that they have 2,418 mutual aid societies with aggregate funds amounting to 4,570,000 roubles. In addition to rendering aid to aged collective farmers, these societies have, during the first half of this year, spent 500,000 roubles on sending a large number of men and women collective farmers, who require medical treatment to sanatoriums, and 163,000 roubles in maternity grants to women members of collective farms. A large group of unemployed miners, glass workers, metal workers, etc., from West Ukraine and West Byelorussia have arrived in the Donbas. They were unemployed for years and now will receive employment; they will work six or seven hours a day, receive high wages, free schooling for their children, free medical service and good housing conditions. The newcomers are visiting cinemas and theatres and are speaking at meetings. They have plenty of reason to rejoice, don't you think so? A few days ago the All-Union Agricultural Exhibition finished its first season. In two months and 25 days it was visited by over 3,000,000 people and on the last day it was open, October 24, a rest day in the Soviet Union, its pavilions were packed to capacity.

This is but an incomplete list of facts which could be continued end-

lessly. I could tell you of hundreds of new dwelling houses which will be thrown open for occupancy by November 7, the anniversary of the Great October Revolution. By that day workers, engineers, teachers and Red Army commanders will move into new, comfortable quarters. Or I could write of the truly interesting football match, one of the national championship games, won by the Spartak team. I could write of the 68,000 women who have expressed their desire to learn the work of locomotive engineers and railway dispatchers. Or that only the day before yesterday friends and

relatives of the heroic crew of the ice-breaker "Sedov," now drifting in the far-off Arctic, spoke to the men on board over the radio and this unique conversation was broadcast over the whole country. And to all these big and little events that go to make up Socialism in action there has been added another historic event—the forthcoming elections to the local Soviets of Working People's Deputies. But this should be made the subject of a separate letter, otherwise the present letter may develop into a whole volume.

## Class Struggle and Dictatorship

"It is often said and written that the core of Marx's theory is the class struggle; but this is not true. And from this error, very often springs the opportunist distortion of Marxism, its falsification to make it acceptable to the bourgeoisie. The theory of the class struggle was not created by Marx, but by the bourgeoisie before Marx, and generally speaking is acceptable to the bourgeoisie. Those who recognise only the class struggle are not yet Marxists; those may be found to have gone no further than the boundaries of bourgeois reasoning and bourgeois politics. To limit Marxism to the theory of the class struggle means curtailing Marxism, distorting it, reducing it to something which is acceptable to the bourgeoisie. A Marxist is one who extends the acceptance of the class struggle to the acceptance of the Dictatorship of the Proletariat."—Lenin: State and Revolution.

Material on the History of the C.P.S.U.(B.)

## Marxist-Leninist Philosophy

### IV.—Quantative and Qualitative Changes

**THIS IS THE THIRD OF A SERIES OF ARTICLES ON THE HISTORY OF THE C.P.S.U.** We invite questions and comments from our readers.

*Last month we dealt with dialectics and the principle of development. But the dialectical method of cognition does not stop short at registering the principle of development. It is not enough merely to assert that everything is in a process of development. Marxist dialectics also shows how the development itself takes place.*

**M**ETAPHYSICS regards all phenomena only from the point of view of quantitative changes. Development is understood as a simple quantitative, merely evolutionary change. Phenomena, things are regarded one-sidedly: only from the point of view of their continuity. If everything merely undergoes an uninterrupted development, then it follows that everything examined can be reduced to a plain, quantitative, non-qualitative co-relation. From the point of view of metaphysics the laws of the development of one section of phenomena can be mechanically applied to all other phenomena. For example, the metaphysical method asserts that the laws that operate in the development of nature also operate in the sphere of social relations. Thus the metaphysicians do not draw any qualitative distinction between the laws governing nature and society, but completely identify them.

Bourgeois sociology contains many such theories in which social phenomena are completely identified with natural phenomena (the so-called organic school, social Darwinism, etc.).

Metaphysics does not see the qualitative singularity of phenomena, the qualitative distinction between one phenomenon and another. In social science this metaphysical approach leads to society being regarded not as in a process of development. Social phenomena are taken as something qualitatively unchanging, something fixed once and for all. On this basis, bourgeois sociology establishes certain general laws, allegedly applicable to every stage of human society. And usually all the arguments of bourgeois sociologists amount to a justification of the point that capitalism has existed eternally, that bourgeois relations are everlasting.

The enemies of the people, the Trotskyite-Bukharinite degenerates

endeavored to drag bourgeois sociology into the Soviet Union, to spread it in Soviet conditions, in the conditions of the dictatorship of the working class. In exposing Trotskyite-Bukharinite bourgeois theories, Comrade Stalin repeatedly pointed out that they were based on metaphysics.

As far back as the year 1926, Comrade Stalin wrote:

*"... the new opposition approaches the question of co-operation, not in a Marxist fashion, but metaphysically. It regards co-operation not as a historical phenomenon, taken in conjunction with other phenomena, in conjunction, shall we say, with state capitalism (in 1921), or with socialist industry (in 1923), but as something constant and immutable, as a 'thing in itself.'" (Stalin, "Leninism," Vol. I, p. 318.)*

Marxist dialectics regards all phenomena of nature and social life not only from the angle of their quantitative changes, but also from the angle of their qualitative changes.

*"Contrary to metaphysics, dialectics does not regard the process of development as a simple process of growth, where quantitative changes do not lead to qualitative changes, but as a development which passes from insignificant and imperceptible quantitative changes to open, fundamental changes, to qualitative changes a development in which the qualitative changes occur not gradually, but rapidly and abruptly, taking the form of a*

*leap from one state to another; they occur not accidentally but as the natural result of an accumulation of imperceptible and gradual quantitative changes."* (*Short Course of the History of the C.P.S.U.* [B.], p. 107.)

Every phenomena of nature and of social life grows quantitatively and at a definite point becomes transformed into a qualitatively new phenomenon.

All natural phenomena develop, and this development consists of qualitative and quantitative changes. The development of social phenomena also takes as a qualitative and quantitative change.

The example of the origin of the collective farms may be utilised to follow the manifestation of qualitative and quantitative changes in social phenomena. In 1929, when characterising the way in which collective farms differ qualitatively from individual peasant farms, Comrade Stalin disclosed the dialectics of life in the Soviet Union as follows:

*"In my recent article, 'A Year of Great Change,' I advanced the well-known arguments on the advantages of large-scale farming over small farming. In this I had in mind the large Soviet farms. It need not be proved that all these arguments apply equally to the collective farms as large economic units. I speak here not only of the advanced collective farms working on a mechanical and tractor basis, but also of the primitive collective farms representing, so to speak, the manufac-*

ture period of collective farm construction, and working with the implements of the peasant farm. I refer to these primitive collective farms being formed at the present time in the regions of mass collectivisation, based upon the simple pooling of the peasants' means of production. Let us take, for instance, the collective farms of the Khoper district in the former Don province. Outwardly, the technique of these collective farms scarcely differs from the small peasant farm (few machines, few tractors). And yet the simple pooling of the peasant means of production as the basis of the collective farms has produced an effect undreamt of by our practical workers. How has this effect been expressed? In the fact that the transition to collective farming has brought with it an increase of the cultivated area by 30, 40 and 50 per cent. And how is this 'dizzy' effect to be explained? By the fact that the peasants, powerless under the conditions imposed by individual labor, found themselves converted into a mighty force when they combined their tools and joined together in collective farms. By the fact that it became possible for the peasantry to till waste and virgin soil which is difficult to cultivate by individual labor. By the fact that it enabled the peasantry to take virgin soil into their hands. By the fact that the waste land, untilled spots, the field boundaries, etc., etc., could now be cultivated." (Stalin, "Lenin-

ism," Vol. II, pp. 189-190).

The collective farms are a new quality, a new, socialist type of farm. Dialectical materialism teaches us that the new quality, once it has arisen, undergoes a process of quantitative growth. And from the example of these same collective farms we see how they have now changed by comparison with the first period.

"In our country the collective farms and the collective farming system, with all their new technique and their new organisation, have created pre-requisites for the progress of agriculture, and for the improvement of the standards of living of the collective peasantry, such as the peasants could not have even dared to dream of in former days. It is not without reason that there is a frequent shortage of workers in our industries and building jobs. In comparison with the past, life in the rural districts has become much more secure, and much more cultured and pleasant." (V. I. Molotov, Speech on the 21st Anniversary of the October Revolution, see *Inprecorr* No. 55/1938, p. 1,266.)

Marxist dialectics regards the process of development as a transition from one quality to another. And the transition takes place not gradually, not continuously, but in leaps. One quality passes into another, violating the uninterrupted character of the development. The new quality arises as the result of leap-like transitions. The hidden quantitative growth of the phenomenon

suddenly, rapidly becomes transformed into a new phenomenon.

In the years 1929-30 the peasants began to join the collective farms in masses. The Bolshevik Party and the Soviet government had, by all their previous work, prepared the way for the transition to complete collectivisation, for the peasants joining the collective farms in entire villages, districts and provinces. This solid collectivisation, the abolition of the kulaks as a class on this basis, the delivery of the kulaks' means of production to the peasants united in the collective farms—this was "a profound revolution, a leap from an old qualitative state of society to a new qualitative state, equivalent in its consequences to the revolution of October, 1917." (Short Course of the History of the C.P.S.U. [B], p.

305.)

The doctrine of dialectical materialism regarding the leap-like character of development is of tremendous revolutionary significance.

In the "Short Course of the History of the C.P.S.U. (B)" it says outright:

"... if the passing of slow quantitative changes into rapid and abrupt qualitative changes is a law of development, then it is clear that revolutions made by oppressed classes are a quite natural and inevitable phenomenon."

—Short Course of the History of the C.P.S.U. [B], p. 111.)

The doctrine regarding development as a qualitative and quantitative process is the third basic feature of Marxist dialectics.

(To be Continued.)

## On Slogans

"Too often has it happened that, when history has taken a sharp turn, even advanced parties have been unable for a fairly long time to adapt themselves to the new situation, and have continued to repeat slogans which had formerly been true, but which had now lost all meaning, having lost their meaning as "suddenly" as the turn in history was "sudden."—Lenin.

# CAMPAIGN IN FINLAND

## General Victor A. Yakhontoff

AN INTERPRETATION OF THE MILITARY PROBLEMS  
THAT FACE THE RED ARMY IN ITS DUEL WITH  
BARON VON MANNERHEIM'S FORCES

**C**ZARIST Russia carried on numerous wars with Sweden in the past. Czarist troops operated many times on Finnish soil before that country, previously part of Sweden, was detached from the latter in 1809 and became the Grand Duchy of Finland in the czarist empire. After Peter the Great's overwhelming victory over the Swedes at Gangut in 1714, Russian troops occupied Finland's entire territory. The treaty of Nystad ended the Great Northern war in 1721, leaving the czars the eastern part of Finland,

along with Estonia and Latvia across the Finnish gulf. The war of 1808-09 saw the complete separation of Finland from Sweden after Russian troops made their legendary crossing over the frozen waters of the Gulf of Bothnia and came to the very

gates of Stockholm. Many campaigns, then, demonstrated the worth of Russian soldiers. History has proved their ability to withstand the rigors of the Northern winters and Finland's extremely difficult terrain.

**VICTOR A. YAKHONTOFF**  
Gen. Victor A. Yakhontoff received his title with the Tenth Imperial Army in charge of its division of military operations. He was later military attache of the Imperial Russian Embassy at Tokyo. Under the Kerensky regime he was appointed assistant secretary of war. In the United States he has had charge of the publishing activities for Russia of the International Committee of the Y.M.C.A. As a military man and a visitor of the Soviet Union in 1929, 1931, 1933, and 1936 he is most competent to assay the activities and tactics of the Red Army in Finland. Despite the meagre news about the military operations against the army of Baron von Mannerheim, the simple, bold strokes of the advance show what is happening and what is going to happen.

area, the larger part of the balance consisting of tundra and marshes. Finland is the ideal country for guerilla warfare; small determined bands and even enterprising individuals count much more than large units of regulars. In the win-

ter time severe frosts and the very short day (in some places sunlight is limited to a few hours) excludes large scale troop movements. Specially trained soldiers are necessary, equipped for the particular region, properly clad and supplied with skis. Even so, no unusual speed of advance is to be expected. Nor can any troops, however proficient, expect to make extraordinary advances while snow covers the ground, as it does in the long Finnish winter.

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Of course, the stories in some newspapers about Russian troops having insufficient clothing and equipment are so much bunk. Those who have seen Soviet newsreels at all will remember Soviet troops on skis: for skiing is one of the most popular sports in a country which knows only too well what real winter means. As far as the wearing apparel of the Red Army is concerned, all of us have heard of the preference which the Soviet Union gives its armed forces. People who have visited the U.S.S.R. and have seen the splendidly clad Red Army men simply smile at such clumsy falsehoods. No, it is very unlikely that poorly clad troops were sent to Finland, just as we can be perfectly certain that their equipment was quite adapted to the latitude.

Covering a frontier from degree 60 to past the 70th degree, or almost 800 miles, the Red Army naturally has many objectives. In the north lies the warm water port of Petsamo, a port which was given to Finland by the treaty of Dorpat in

1920, a port that was Russian long before Finland was incorporated in the czarist empire. In 1950, the Russians built the orthodox monastery there: Pechenga. Here it was that the British and German naval authorities turned their attention, for, from Petsamo the Soviet port of Murmansk is easily menaced; the U.S.S.R. itself can be wholly severed from the Arctic. In the negotiations with Cajander and Erkkö on this issue, the Soviet Union firmly insisted upon naval rights; in the ensuing hostilities, it was here that the Red Army made its initial dramatic landing in boats and parachutes. Extreme nervousness in some quarters will be readily explained by the fact that the International Nickel Works are situated in the proximity of Petsamo. At the time of this writing, Soviet troops have reached the Norwegian border and are moving down the excellent highway toward Tornea. The occupation of Tornea and possibly Uleaborg will cut overland communications with Sweden.

Soviet progress at this point has been anything but slow. The thrust from Karelia, consisting of two or more independent lines through Kemijearvi and Kuusamo advancing toward Rovaniemi, has been relatively rapid. Indeed, considering the terrain, the frost and the snow, it is rather amazing. The Red Army now appears to have passed beyond Suomussalmi and Hyrynsalmi on its way toward Uleaborg, halfway across the narrowest breadth of Finland. It cannot be long before it reaches the Gulf of

Bothnia. If the Soviet naval blockade is equally effective, as reports from Sweden imply, Finnish lines of communication will be cut entirely in the very near future. That will seal the doom of the Ryti government, for, as Rudolf Holsti declared at Geneva the other day, sympathy alone can hardly save it.

### THE BRITISH-BUILT LINE

But the most important fronts are to the south, namely the fortified zone known as the Mannerheim line, which is actually a group of fortifications constructed under the supervision and plan of the British general, Kirk. These fortifications stretch across the fifty-mile Karelian Isthmus, barring the passage westward, and also northward from Lake Ladoga. Naturally enough, the Russians are not assaulting this fortified zone any more rapidly than the French and the British are tackling the Westwall or the Germans the Maginot Line. To do otherwise would be suicidal. There is no room here for Blitzkrieg and the Soviets never promised anyone Blitzkrieg. Such a frontal attack would cost too many lives, which is why the Soviet command apparently doesn't attempt it, contrary to all the reports of "commentators" and "experts."

It would be far more sensible to outflank the enemy's fortified position and that seems to be the Red Army's strategy. Thus far they have succeeded in driving the Finns from the north shore of Lake Ladoga and continue to advance slowly. This is made necessary on

account of the snow and the difficult terrain which limit the use of mechanised troops, but more significantly, in order to limit casualties to the minimum. On the Isthmus, they have apparently approached the main Finnish fortifications, have crossed the Taipale River, and are nearing the fortified shore port of Viborg. At this point the Red Army has long passed Terijoki; Finnish troops of the new people's government are co-operating with it.

### GUERRILLA WARFARE

One question that naturally arises upon the prospect of the collapse of the Ryti-Mannerheim government is the possibility of general guerilla warfare. But guerilla warfare depends largely upon popular support: the number of Finns who would support it depends on the class composition of the Finnish people. The farmers, as elsewhere, are not particularly well organised as a class. Most of them are petty-bourgeois, clinging to their meagre holdings. But many among them desire more land; many remember the brutality with which General Mannerheim handled them when backed by the Germans and then the Allied armies in 1918-20. Living in poverty, anxious for some improvement in their lot, many, if not all, will scarcely fight to preserve a regime which was never solicitous of their welfare. A large percentage of the Finns are lumberjacks, most of them well organised. Together with the industrial workers (who are not over-numerous, of course) they have demonstrated their discontent

in the past with pro-fascist governments, as well as with the present Agrarian coalition which represents landowners rather than farmers. How many of the lumberjacks can be expected to join in guerilla warfare?

But guerilla as well as regular warfare demands regular food supplies to keep people going. Finland doesn't have enough food of her own. If the blockade by the

U.S.S.R. is effective, or on the other hand, food shipments from Moscow are organised in the territories occupied by Red troops it is hardly risky to assert that the Ryti government has a poor chance of surviving as Finland's rulers. Only a government friendly to the Soviet Union, in the economic and military sense, will command the allegiance of the Finnish people.

"New Masses," Dec. 26, 1939.

## "Fellow Travellers"

Generally speaking, our attitude towards the vacillating elements in the International is of tremendous importance. These elements, namely Socialists of a pacifist shade . . . can be our fellow travellers. It is necessary to get closer to them with the aim of fighting the social chauvinists. But we must remember that they are only fellow travellers. . . . "We must not confine our programme to what is acceptable to these elements."

"We pay the I.L.P. the tribute of greatest respect for its courageous struggle against the English government in wartime. But we know that this party has never accepted the principles of Marxism, while, in our conviction, it is the chief task of S.D. opposition at the present moment to tell the workers, firmly and definitely, how we look upon imperialist wars, to put forward the slogan of mass revolutionary action . . ."

"Marxism is not pacifism. It is necessary to fight for a speedy end to the war. But only through a call to revolutionary struggle will the 'peace' demand gain proletarian content."

"When the Left began to unite under the slogan of Peace it deserved encouragement, provided it was the first step on the way to a protest against the chauvinists. . . . But insofar as the Lefts even now confine themselves to this slogan alone they are bad Lefts."—Lenin.

# INDIA—FOUR MONTHS OF WAR

G. K Peel

THE Indian working class and the Indian Communist Party demonstrated to the world by the successful one-day strike against the war in Bombay on October 2, in which 90,000 workers participated, that Indian labour, far from being politically backward as many only too readily believe and as British propaganda would have us British is in fact in the vanguard of the struggle developing in all parts of the Empire against the war.

The Imperialist Press in India is trying to confuse the issues in the international field by throwing mud at the Soviet Union and representing Soviet intervention on the side of the workers in Poland and Finland as Red Imperialism. This propaganda is not cutting much ice in India. The Indian peasant reads that the Polish peasant has been given the use of the lands which formerly belonged to the big landlords, that every peasant has been guaranteed enough land to live from and one cow. The Indian student reads that the Polish people can sing their own songs again, can learn in the schools in their own language, and these are the things he is struggling for in India. For the Indian worker it is enough to be told that the "Red" Army is on the march to liberate the workers, for

he looks always to the "Reds" to lead him in his struggles against the white and Indian bosses at home.

Jawaharlal Nehru, the great liberal Congress leader generally considered in Congress circles to be India's expert in foreign politics has clearly and publicly given his full support to U.S.S.R. and Red Army action in Finland. He recognises that Finland has long been built up as the base for foreign imperialism to attack the Soviet Union from.

Yet, at a time when nation-wide struggle is definitely on the agenda the Congress High Command dillies and dallies. The old policy of inaction, of wait and see, of alternately threatening and bargaining with imperialism continues.

It is only under the banner of the Congress that the struggle for freedom can be launched, but this struggle can only be brought about if the rank-and-file Congressmen lead struggles in their localities, against suppression of civil liberties, around the economic demands which are arising from the distress caused by high prices and the other effects of war, and thus mobilise the masses for political action, either carrying the present high command with them or isolating them from the Congress in the course of the struggle.

At a meeting of the Working Committee, September 15, 1939, a statement was made that: "A decision cannot long be delayed as India is being committed from day to day to a policy to which she is not a party, and of which she disapproves." In the four months since this statement was made, that policy which the Working Committee declared India was no party to has been pursued with impunity. The repressive machinery of Imperialism has been brought into full swing against the militant sections of the Nationalist movement. Hundreds and thousands of working-class leaders have been arrested and imprisoned. High prices for the necessaries of life have resulted in demonstrations and clashes with the authorities all over the country. The British government has given no satisfaction with regard to war aims. The stage seemed set for the Working Committee at its meeting on December 22 to ordain that a nation-wide struggle should be initiated by the Congress.

What actually happened? It was made quite clear that the present Gandhist leadership is more frightened of the growing working-class movement which it knows will get out of its control once nation-wide struggle is launched, than it hates British Imperialism.

Under the specious plea of "absence of non-violent atmosphere," etc., etc., the Working Committee has refrained from giving the call to action. At a time when direct action is possible the high command still thinks in terms of constitutiona-

lism. Stress is laid on "success of the programme of hand-spinning as an accepted symbol of non-violence, harmony and economic independence," "peaceful and legitimate methods," and every Congressman is urged to "spin regularly."

The right-wing, frightened to come out openly in favor of support for the war, is attempting to prepare the ground for surrender, for compromise, by a policy of inaction of leaving the initiative to the enemy.

Whereas at the beginning of the last war the Indian Nationalist movement as a whole co-operated with Imperialism, and whereas then it was only a small group of extremists and anarchists who resisted the government's war plans, the conditions in the country today are very different. Firstly, British Imperialism is not in a position to give important concessions to the Indian bourgeoisie as it did last time; secondly, there have been two major mass struggles against Imperialism in India in 1921 and 1931; and thirdly, and most significant of all, there has developed a native working class and working-class movement, with organised trade unions and led by the Communist Party, and following in its wake a mighty peasant organisation, all factors which were absent in the period 1914-18. It is certain that as the struggle continues and grows more intense, as it must as the war hits the Indian people more and more at the same time as weakening their imperialist masters, that these forces will take more and more the lead in the fight against Imperialism.

Signs of how the struggle is likely to develop can be studied in the recent strike struggle of the Bengal jute workers. These workers have

wrung 15 per cent. rise of wages from the unwilling hands of the jute bosses in the face of the severe war ordinances and repression. For the last two years the jute capitalists have been feeling the pinch of the depression which followed the short-lived armament boom of 1936-37. They sought to remedy the paucity of orders and dwindling of profits, by the sealing of looms, the curtailment of production and employment, and the cutting down of wages. When the big bosses in the jute industry could not force their restriction scheme on all the owners they got the government to help them out of their difficulty. Jute ordinance was promulgated limiting the weekly hours of work in the jute industry to 40 hours and imposing a system of sealing of looms. Thus the owners attempted to transfer the load of the depression on to the shoulders of the workers. Some 12 to 14 thousand workers were dismissed, 1800 looms were sealed, and a wage-cut of 12 to 13 per cent. was effected.

The Jute Workers' Union pointed these facts out on August 2, 1939, demanded a three months postponement of the change of working period and of the number of workers employed, and the reinstatement of those dismissed. The union called on the workers to be ready for a general strike if the demands were not conceded. Mass meetings and demonstrations of jute workers

were held in all jute districts of Bengal. A major conflict in the jute industry appeared to be imminent.

On the outbreak of war big government orders for hundreds of millions of sand-bags started pouring into the jute mill owners. Looms were unsealed, restrictions on output done away with. The weekly hours increased from 45 to 54. The bosses started making big profits out of their war. While the big jute monopolists found this war for democracy a profitable affair the workers, their slaves, in the mills of Dundee, Scotland and Calcutta, India, found it not so much fun.

Prices had risen enormously, the cost of living was soaring. The workers in the jute mills began demanding cancellation of all wage cuts. The government answered these demands by threats of severe punishment in case stay-in strikes were resorted to. Union organisers were externed and gagging orders served on others. All meetings, in public places or private houses, were prohibited. Trade union leaflets were proscribed and all the copies of them seized. The government was determined to terrorise the workers, to crush their growing solidarity and organisation. For the war must be won and the profits of the jute lords maintained.

The workers were, however, not cowed by these repressive measures. Although all legal trade union activity was suppressed, although special legislation under the Defence Act curtailed labour agitation, the workers developed their own sponta-

neous leadership and in the beginning of November a wave of spontaneous strikes started to break out. Some 10,000 workers in Hukumchand mills came out on November 2, and 5,000 in Matiaburz, demanding withdrawal of wage cuts. By the November 14, several mills in Howrah, Hoogly and Barrackpore were out. Some 56,000 workers in Calcutta were on strike demanding a wage increase of 13 per cent. Notices banning several labour leaders from entering the mills or the districts of Hoogly and Howrah were served under the Defence Act. Many workers were arrested.

In spite of the complete isolation of their leadership thus effected, and the suppression of their organisation, the workers soon showed the bosses that they had the capacity to unite and act on their own initiative. Repression did not have its desired effect. Within three days the owners announced a 15 per cent increase in wages. The workers had won their first round.

The jute strike in Calcutta showed the ability of the India workers to organise in the factory, to carry on the struggle even when cut off from central union officials.

All over India, in every factory and mill, workers today are showing the same initiative. In Bombay, where the penetration of the Communists into the factory is more thorough than in Calcutta, where the workers are better organised and where Party education has been on a higher level than in Calcutta it is certain that whatever repressive measures are taken against the known militant leaders others will take their place in the factory and carry on the work. But not only in Bombay and Calcutta but throughout India the workers, steeled in strike struggle, will produce their own leaders, and the peasants in the countryside, organised in committees, will not be behind in the struggle against the repressive British Raj.

When this picture of India today is compared to that of India 1914-18, it can be seen that as the war develops and distress and discontent grows, there is every likelihood of revolutionary movement of the masses of India developing into a life and death struggle with British Imperialism, and carrying the whole congress movement with it to possible victory.

# UNITED STATES OF EUROPE

## Lenin

IN No. 40 of Social-Democrat we reported that the conference of the sections of our party abroad had decided to postpone the question of the "United States of Europe" slogan pending a discussion in the press on the economic side of the question.

At our conference the debate on the question assumed a one-sidedly political character. Perhaps this was partly due to the fact that the Manifesto of the Central Committee directly formulated this slogan as a political one ("the immediate political slogan," it says), and not only did it advance the slogan for a republican United States of Europe, but it especially emphasised that this slogan is false and senseless "without the revolutionary overthrow of the German, Austrian and Russian monarchies."

To argue against such an approach to the question within the limits of a political estimation of the given slogan, for instance, to argue that this slogan obscures or weakens, etc., the slogan of the socialist revolution, is absolutely wrong. Political changes of a truly democratic nature, and especially political revolutions, can never under any circumstances, obscure or weaken the slogan of the socialist revolution. On the contrary, they always bring it nearer, widen the basis for it, draw ever new strata of the petty bourgeoisie and the semi-

proletarian masses into the socialist struggle. On the other hand, political revolutions are inevitable in the course of the socialist revolution, which must not be regarded as being a single act, but must be regarded as an epoch of turbulent political and economic upheavals, of the most acute class struggle, civil war, revolutions and counter-revolutions.

But while the United States of Europe slogan, raised in connection with the revolutionary overthrow of the three most reactionary monarchies of Europe, headed by Russia, is quite invulnerable as a political slogan, the important question of its economic content and meaning still remains. From the point of view of the economic conditions of imperialism, i.e., capital exports and the partition of the world among the "progressive" and "civilised" colonial powers, the United States of Europe is either impossible or reactionary under capitalism.

Capital has become international and monopolistic. The world has been divided among a handful of great powers, i.e., powers successful in the great plunder and oppression of nations. The four Great Powers of Europe—England, France, Russia and Germany—with a population ranging from 250,000,000 to 300,000,000, with an area of about 7,000,000 square kilometres, possess colonies with a population of almost half a billion (494,500,000), with

an area of 64,600,000 square kilometres, i.e., almost half the surface of the globe (133,000,000 square kilometres, not including the Polar region). Add to this the three Asiatic states, China, Turkey and Persia, which are now being torn to pieces by the plunderers who are waging a "war of liberation" namely, Japan, Russia, England and France. In those three Asiatic states, which may be called semi-colonies (in reality they are now nine-tenths colonies), there are 360,000,000 inhabitants and their area is 14,500,000 square kilometres (almost one and one-half times the area of the whole of Europe).

Further, England, France and Germany have invested capital abroad to the amount of no less than 70,000,000,000 roubles. The function of securing a "legitimate" profit from this tidy sum, a profit exceeding 3,000,000,000 roubles annually, is performed by the national committees of millionaires called governments, which are equipped with armies and navies and which "place" the sons and brothers of "Mr. Billion" in the colonies and semi-colonies in the capacity of viceroys, consuls, ambassadors, officials of all kinds, priests and other leeches.

This is how, in the epoch of the highest development of capitalism, the plunder of about a billion of the earth's population by a handful of great powers is organised. No other organisation is possible under capitalism. Give up colonies, "spheres of influence," export of

capital? To think this is possible means sinking to the level of a little minister who preaches to the rich every Sunday about the greatness of Christianity and advises them to give to the poor, if not several billions, at least several hundred roubles yearly.

A United States of Europe under capitalism is equivalent to an agreement to divide up the colonies. Under capitalism, however, no other basis, no other principle of division is possible except force. A billionaire cannot share the "national income" of a capitalist country with anyone except in proportion to the capital invested (with an extra bonus thrown in, so that the largest capital may receive more than its due).

Capitalism is private property in the means of production, and anarchy of production. To preach a "just" division of income on such a basis is Proudhonism, is stupid philistinism. Division cannot take place except in "proportion to strength." And strength changes in the course of economic development. After 1871 Germany grew strong three or four times faster than England and France; Japan, about ten times faster than Russia. There is and there can be no other way of testing the real strength of a capitalist state than that of war. War does not contradict the principles of private property—on the contrary, it is a direct and inevitable development of those principles. Under capitalism the even economic growth of individual enterprise, or

individual states, is impossible. Under capitalism, there is nothing else that periodically restores the disturbed equilibrium than crises in industry and wars in politics.

Of course, temporary agreements between capitalists and between the powers are possible. In this sense the United States of Europe is possible as an agreement between the European capitalists . . . but what for? Only for the purpose of jointly suppressing socialism in Europe, of jointly protecting colonial booty against Japan and America, which feel badly treated by the present division of colonies and which, for the last half century, have grown infinitely faster than backward, monarchist Europe, which is beginning to decay with age. In comparison with the United States of America, Europe as a whole implies economic stagnation. On the present economic basis, i.e., under capitalism, the United States of Europe would mean the organisation of reaction to retard the more rapid development of America. The times when the cause of democracy and socialism was associated with Europe alone have gone forever.

The United States of the World (not of Europe alone) is a state form of national federation and national freedom which we connect with socialism—until the complete victory of communism brings about the total disappearance of the state, including the democratic state. As a separate slogan, however, the slogan of a United States of the World would hardly be a correct one; first,

because it merges with socialism; second, because it may be wrongly interpreted to mean that the victory of socialism in a single country is impossible; it may also create misconceptions as to the relations of such a country to the others.

Uneven economic and political development is an absolute law of capitalism. Hence, the victory of socialism is possible, first in a few or even in one single capitalist country. The victorious proletariat of that country, having expropriated the capitalists and organised its own socialist production, would confront the rest of the capitalist world, attract to itself the oppressed classes of other countries, raise revolts among them against the capitalists, and, in the event of necessity, come out even with armed force against the exploiting classes and their states. The political form of society in which the proletariat is victorious, in which it has overthrown the bourgeoisie, will be a democratic republic, which will more and more centralise the forces of the proletariat of the given nation, or nations, in the struggle against the states that have not yet gone over to socialism.

The abolition of classes is impossible without the dictatorship of the oppressed class, the proletariat. The free federation of nations in socialism is impossible without a more or less prolonged and stubborn struggle of the socialist republics against the backward states.

For these reasons the editors of the central organ conclude that the U.S. of Europe slogan is incorrect.

## WAR AND THE CRISIS IN THE LABOR PARTY

R. Dixon

THE ferment inside the Australian Labor Party has increased since the outbreak of the war. This was inevitable. The war has widened the gap between the capitalists, in whose interests it is being waged, and the workers, who carry the burdens of the war. The Labor Party leaders, who support the imperialist war, are finding it increasingly difficult to hold the workers in check.

The roots of the conflict within the Labor Party are to be found in the bourgeois character of the organisation. The Labor Party is not a Socialist party, even in words. Its policy is adapted to the capitalist system and coincides with the interests of the ruling class. Hence, with every crisis, when the clash between the working class and capitalist class increases in bitterness, a crisis develops within the Labor Party. The policy of the leadership conflicts with the interests of the workers who constitute the mass basis of the Labor Party. This is true of the whole of Labor Party history.

With the spread of Socialist ideas amongst the working class, consequent upon the rise of the Communist Party, a new situation has been created. Confronted with a consistently working-class policy in opposition to their own, the

right-wing leaders have been, more and more, forced out into the open. Much to their dismay their influence over the working class is waning. To maintain their domination in the Labor Party they constantly limit internal democracy and strengthen the bureaucracy. Of course, there is a limit to this as J. T. Lang found out.

A further factor to be considered is the role being played by the Catholic Hierarchy. In Victoria, Tasmania, Western Australia, and Queensland they exert a dominating influence on the leadership of the Labor Party. In New South Wales the Lang "inner group" was a stronghold of Catholic Action. The advance of the Communist Party has galvanised Catholic Action leaders into greater activity, and in every State disruption is being organised in the trade unions, the Labor Party and other working-class bodies. Many Catholic workers, to their own detriment and the detriment of the working class as a whole, support the reactionary and disruptive policy of the Catholic Hierarchy. These workers must be brought face to face with the truth and shown where Catholic Action is getting to.

In Queensland, Protestant reactionaries have seized upon the association of Catholic Action with the

bureaucracy of the Labor Party to form a "Protestant Labor Party." In other States, there are similar dangerous tendencies which must be resisted in the interests of working-class unity.

At the present time the situation of the Labor Party in the three Eastern States is approximately as follows:

In Queensland, the bureaucracy, closely associated with the Fallon controlled A.W.U. machine, and of course, the State Government, is in a powerful position. Opposition amongst the trade unions and the rank and file is strong, and some impatient elements are talking of forming an Industrial Labor Party. The Protestant Labor Party, which appears to be declining, has been in existence some years.

In New South Wales the August Unity Conference displaced the Lang "inner group" and restored unity within the Labor Party. Since then Lang forces have carried on disruptive activity against the new leadership and are working to get control of the Easter Conference and through it, of the N.S.W. Labor Party.

In Victoria, the position of the bureaucracy is somewhat shaky. Charges of graft against various executive members have not been completely cleared up. Discontent exists in the union and Labor Party branches with the interference of the executive in the internal democracy of the organisation.

It is in the light of the above that the influence of the war on the

situation in the Labor Party must be considered.

Because of the imperialist character of the war, working-class leaders have the duty of opposing it, stripping away the falsehoods under which it is conducted, and denouncing the rotten patriotism of the ruling classes. They must organise the struggle of the Australian workers not against the workers of any other nation, for we have no quarrel with the workers of other lands, but against the capitalist enemy within Australia who robs and exploits the workers and attempts to drive them into the imperialist slaughter.

No leader of the labor movement who stands true to the principles of the working class can adopt any other attitude.

But is this the attitude of Mr. Curtin, of Forgan Smith, McKell or Lang?

These gentlemen, one and all, having forgotten their working-class principles if they ever had any, are for the imperialist war until victory has been achieved. "Labor is not half-hearted in its adherence to the cause of the Allies," declares Mr. Curtin.

Labor is opposed, however, to the sending of Australian troops overseas. There is an apparent contradiction between wholehearted "adherence to the cause of the Allies" and opposition to an Australian expeditionary force.

Let us examine this question more closely.

Labor's war policy, whilst meet-

ing with response from the workers, who have no desire to become cannon fodder, is, nevertheless, an anti-working class policy. But it is also anti-British, or next door to being so. If anything, Labor's policy corresponds most nearly to the needs of Australian capitalism.

During this last 25 years, industrial expansion in Australia has been rapid. High tariffs, for which the Labor Party is largely responsible, limited the import of manufactured goods, much to the disgust of British manufacturers, and gave a monopoly on the Australian market to local capitalists. The growth of Australian capitalism has been away from British imperialism. And the more the ruling class of this country contemplate their future, the more they are convinced that Australia's destiny is bound up with the East and the problems of the Pacific. There is a desire to get closer to the United States. This process is facilitated by the increasing investment of the almighty dollar in Australian industry.

By 1936-37 United States capital investment in Australia had mounted up to £36,250,000.

The outbreak of war has opened up new avenues for the expansion of industries in Australia for the supply of war materials and other goods. According to some sources, there is a plentiful supply of capital for new industries, and therefore, expansion is limited only by the number of workers that are available, especially skilled workers. If large contingents of soldiers are

sent overseas the supply of labor power for industry will be restricted and Australian capital will be unable to exploit all the possibilities of the war.

The party that most radically expresses the needs of Australian capitalism in this connection is the Labor Party which opposes the despatch of troops overseas. It believes that Australia's war effort should consist of producing and selling war materials and other goods to the Allies.

J. T. Lang, who in 1931-32 was campaigning for repudiation of interest payments to British bondholders, is, in his loud-mouthed way, appearing in a "left" role. After severely criticising Mr. Curtin for his lack of a firm stand on the issue of troops for overseas service, Mr. Lang, in the "Century" of February 2, writes: "If it (the L.P.) believes in its policy, there is only one thing to do. That is to stump the country from end to end and prevent any further enlistments to make up this expeditionary force."

On this, as in so many other issues, Lang is quite unscrupulous and unprincipled. His chief concern, at the moment, is to capture the Easter Conference of the New South Wales Labor Party and restore "inner group" control and he believes that by adopting a seemingly "left" policy in relation to the despatch of troops overseas, he will accomplish this. But Mr. Lang is, at the same time, a staunch supporter of the war.

Such is the attitude of the Labor

Party today.

But another matter we must consider is: What will be the attitude of the Labor Party in the event of it becoming the Federal government, as is quite possible before this year is out. We know that in New Zealand not only is the Labor government actively organising forces for service overseas; it is actually considering the introduction of conscription.

On the subject of Labor's policy in the event of it taking office, Mr. Curtin has not been very communicative. At the beginning of February he declared that he was not called upon to state the policy of the future Labor government to the war as it was impossible to say in what circumstances Labor would take office. We have known all along that Curtin was very shaky on his attitude to sending Australian troops overseas and now he hints that this policy may even be changed if Labor were to take office, for that is the implication of his statement.

Mr. Curtin's uncertainty arises from Labor's support for the war. If the Labor Party opposed the war, Mr. Curtin would be able to declare, now, that Labor, in the event of it assuming office, would not only not despatch further forces overseas, it would take steps to withdraw those already there and demand an end to the war. This is the policy the workers of Australia must fight for and insist that the Labor Party adopt.

We Communists are opposed to overseas service, conscription and

compulsory training because of our opposition to the war and to capitalist class rule. We must clarify the issues before the working class. Among the workers there is no enthusiasm for the war. It would not be stretching the point to say that there is a slumbering hostility which can awaken into opposition to the war as the burdens press more heavily on the workers.

The Labor Party leaders are attempting to canalise the latent opposition to the war into anti-conscription channels and opposition to overseas service. We must explain, again and again, that the labor movement must fight not only against conscription, compulsory training and overseas service, it must go right to the root of the question and oppose the imperialist war.

During the last war the anti-war struggle of the workers was limited by the Labor Party and trade union leaders to the fight against conscription. One can oppose conscription and yet support the war. Today the workers must not only be anti-conscriptionist, they must be anti-war.

There are no better issues militant workers can seize upon today to develop the anti-war spirit than opposition to service overseas, compulsory training and conscription. Thousands of youth who have refused to register for compulsory training are to be prosecuted, according to press reports. The labor movement must rally to their defence and prevent their persecution.

We must put an end to compulsory training and remove the threat of conscription.

This is going to be something more than a battle of words. Mr. Curtin wants to confine working-class activity to mere talk, to legal methods. The working class, however, will not be successful unless it is prepared to struggle and resorts to revolutionary methods. The fight against war is a fight against capitalism to establish Socialism. The Labor Party leaders want to save Australian capitalism: the working class must end it.

As the war goes on and the conditions of the workers decline, revolutionary conditions will develop in this country. The labor movement will more and more come into conflict with capital and the question of seizing power will appear upon the agenda. But this question can-

not be approached concretely without the defeat of the pro-war Labor leaders and their isolation from the labor movement.

Objectively, the opposition of the Labor Party to overseas service must arouse anti-war sentiments amongst the people and the very rise of such sentiments cuts right across the intentions of the Labor imperialists. It will bring the masses in the Labor Party into conflict with the right-wing leadership. The Labor reformists are, involuntarily, developing a movement that will destroy themselves. We Communists must help them on their way. By the proper application of the tactics of the united front from below, by arousing the workers to struggle against overseas service, conscription and the war, we can and must win to our side and under our leadership a majority of the Australian working class.

## The Struggle Against The War

"As distinct from the first imperialist war, the trust of the working masses in the bourgeoisie, in capitalism has already at the beginning of the present war been considerably undermined and will continue increasingly to be undermined. The Social Democratic leaders will not succeed for long in deceiving the masses, as they were able to do during the first imperialist war. Their treacherous policy, their anti-Communist, anti-Soviet drive is already causing acute discontent in the ranks of the Social Democratic parties themselves. As the war goes on, the indignation of the masses will grow and the anti-war movement will become increasingly extensive. The most furious persecution by the bourgeoisie is not in a position to hold up and stifle the struggle of the working people against the imperialist war."—Dimitrov: War and the Working Class.

## LETTERS TO THE EDITOR

### THIS MONTH'S BEST LETTER

We give this letter from M.S. pride of place because it contains just that element of constructive criticism which we find so valuable in shaping the policy of the "Review."

MY experience in trying to gain new readers for the "Review" is that it publishes insufficient news about Australia. Although international articles are of great interest, they should not have twice as much space as Australian ones (see Dec., 1939).

Surely the "Review" should provide a Marxist interpretation of Australian affairs. This cannot be done in any of our other publications. (The "Tribune" contains good topical material, but space, etc., prevents its publishing long theoretical articles.) For example, I was able to interest several new readers by an article on soil erosion published over a year ago. This gave a dialectic interpretation of a grave national problem.

I believe that it is the "Review's" job, as the theoretical organ of the Australian Communist Party, to clarify and offer solutions for the problems that are peculiar to our country. No one else is going to do this for us—not Dimitrov nor Stalin nor J. R. Campbell. Yet many of those things that most worry Australian citizens have not been analysed sufficiently. We know the broad general lines of our policy. But we have failed to provide factual evidence that will educate others.

For instance, let us have a dialectical interpretation of such local problems as the Australian trade union movement, the history of Langism, of wheat, wool and agricultural development, of our democratic history, of social services and cultural developments. What would be the effect of socialism on our wheat farmers, our dried fruit

growers, our middle classes? How would a Socialist government face up to the problems of soil erosion, irrigation development and other such subjects?

Such articles would be stimulating to everyone interested in such subjects, whether they are close to the Party or not; and they would be eager to buy the "Review" in order to read this new and provocative outlook on Australian conditions.

I notice on looking over past files that the space devoted to Australian subjects has decreased considerably over the last two years. Sales have also decreased. I believe there is a close connection between the two.

Let us have more Australian articles.

—M.S.

### IMAGINARY VICTORIES

"Red," Sydney, asks a very pertinent question arising from a cable report on Finnish censorship activities.

I HAVE read that the Finnish authorities have decided to tighten up the censorship regulations because certain enthusiastic war correspondents have been reporting imaginary Finnish victories at the rate of two a week. In future, it was stated, reports will not be so exaggerated.

I wonder if this will be followed up by a decree cancelling these paper victories and restoring to life the millions of Red Army men slaughtered by the pens of these ink-slinging tools of imperialism?

### GOOD NEWS FOR CHAMBERLAIN

"D.G.," Sydney, thinks Chamberlain will be overjoyed at this message from Mannerheim:

"WHEN I have disposed of the Reds I will come to your aid."  
This is the text of a telegram

which, according to cable news in the capitalist press, was sent from Mannerheim to Chamberlain.

I can just imagine the scene in the British Cabinet when this heartening news came to hand.

Poor old Neville throwing his gamp into the air and slapping fat little Churchill on the back: "Winston, old boy, we've got Hitler licked. Cable Daladier at once, give him the glad tidings. Mannerheim is on his way."

"But Neville, old chappie," replies Churchill, "don't you think you are being a trifle impetuous; aren't you overlooking what the dear old Baron says about first disposing of the Russians?"

"Ye Gods, Winston, you are right. But we'll soon remedy that. Send another boatload of journalists. Arm them with double-barreled fountain pens, and let them write to the last man and the last drop of ink until the Red Army is no more."

"Too late, I'm afraid," says the First Lord, "here's another telegram announcing that the Mannerheim Line has collapsed, Russian troops are entering Helsinki and our dear friend the Baron is on his way here. He just had time to pick up the funds of the Bank of Finland and a few more odds and ends of movable property. He wants to know if there's a spare suite at Buckingham Palace, or will he have to pig it at Cliveden with the Astor crowd?"

### APPRECIATION

"Student" lets us know how much he appreciates the series on Marxist-Leninist philosophy. What do other readers think of this series?

THE articles on dialectical materialism are most timely and valuable. As a would-be student of Marxism I find them of great educational value. They have helped me considerably to get a much clearer grasp of some of the more difficult sections of the History of the C.P.S.U.

I hope the series will be continued.

### WAR AND HORTICULTURE

T.G., South Murwillumbah, writes about the effect of war on horticulture. His letter is too long for publication in full, but here we present the essence of it.

THE first imperialist world war of 1914-18 affected the export of horticultural seeds and bulbs from Britain and Central European countries. America developed seed growing on large scale.

The onset of the second world war will result in further curtailment of mid-European seed production.

My seedsman has already cut my order for certain seeds to one quarter, with this comment:

"We have been forced to ration supplies because the Commonwealth government has imposed a ban on all flower seeds bought from non-sterling countries . . ."

Holland has always led the world in the finest bulb production. The war will effect Holland, and the U.S.A. bulb producers are preparing to capture this section of the horticulture industry.

Even the horticultural world can learn something from Lenin's teachings on imperialism.

# CHINA IS CONFIDENT JAPAN MUST FAIL

E. Williams

THE Chinese people are confident in final victory, but they have already experienced and know what difficulties and privations accompany their struggle for national liberation, what great sacrifices it requires. The people and their leaders understand that the most dangerous thing for the war of national liberation is the attempts of the Japanese invaders to split the unity of the masses, to enslave China by the hands of the Chinese themselves.

Japanese imperialism has from the very outset of the war endeavored to cause a split in the Kuomintang and the government, using for this end the dregs of Chinese society, of the type of Wang Ching-wei. In the territory occupied by the Japanese, in Peiping, Nanking, Hankow and Canton, puppet governments have been established. This has all been done with a view to enslaving China by the hands of the Chinese themselves, to introduce division and disintegration into the ranks of the Chinese government and the Kuomintang, to shake and disorganize the ranks of the fighters for the national independence of China.

## TACTICS FAIL

These efforts of the Japanese imperialists have invariably failed.

The puppet governments have proved to be helpless. The Chinese population of the occupied provinces do not recognise the hirelings of the Japanese, and do not hide their hatred and contempt for them.

One of these hirelings, Weng Tsung-yao, chairman of the Legislative Chamber of the puppet Nanking government, in a declaration on October 8, gave the following estimation of the "activity" of the puppet governments established by the Japanese:

"After two years of endeavors, this Administration is not only not in a position to compel the people to give up their support for the National government of China, but has also suffered defeat in its attempts to pacify the people. Although we write and shout with all our strength about the establishment of various governments, the people call us traitors."

We must give his due to this flunkey of the Japanese: He knows how to look the truth straight in the face and does not fear to call things by their own names.

The people not only call the stooges of the Japanese by the name of traitors, but answer the efforts of the invaders of China to "pacify" the occupied regions with heroic guerrilla warfare.

"Guerrilla warfare in China," Chu-Teh has pointed out, "is the anti-Japanese war of the wide masses of the people, the war of the whole of the Chinese people.

"In the guerrilla units millions of courageous and strong Chinese fighters are in the most difficult conditions going through the school of struggle not for the sake of titles or riches, not for the sake of their personal interests, but for the sake of the national existence of China."

The most important communication lines of the Japanese army are under the blows of the guerrilla units. The big towns occupied by the Japanese have repeatedly been the object of guerrilla attacks. The activity of the guerrillas is paralysing the efforts of the Japanese invaders to master the occupied territory.

The partisans have penned the Japanese within the walls of different towns and in blockhouses along the main communication lines. All the remaining territory occupied by the Japanese is in fact under the control of partisan units and is administered by officials of the Central Chinese Government.

The partisan movement has drawn enormous masses of people into its ranks, and is inflicting incalculable moral, political and material damage on the Japanese invaders. The very fact of the existence of the mass partisan movement, and the helplessness of the Japanese imperial army to destroy it, show that the Japanese, having staked on enslaving China by the hands of the Chinese themselves, have lost.

## STRONG REAR GUARD

The confidence of the Chinese people in their final victory is also based on the fact that in the course of the war of national liberation a strong, efficient army and rear has been established that can satisfy wartime demands.

The Chinese National Government, supported by the entire people, has done a great amount of work in creating a base in the rear. New industrial regions have come into existence in the provinces in the heart of the country. Three hundred and forty industrial enterprises that were evacuated from the old industrial centres conquered by the Japanese, have renewed work in a new area, in the province of Szechuan and adjacent provinces. In the year 1938 alone, 204 new coal mines were opened. Energetic prospecting work is being done in seeking out and working up reserves of industrial raw materials. New factories and industrial plants are being built. Government expenditure on economic reconstruction is reaching the sum of 400,000,000 Chinese dollars a year.

An entirely new form of organization—industrial co-operatives—has made its appearance in Chinese industry. Thirty thousand of these co-operatives have come into being in a short space of time. They play a considerable role in supplying the army with arms and equipment.

A great amount of attention is being paid to the development of communications and railways, es-

pecially of the roads leading through the south-western provinces into Indo-China and Burma. Energetic work is being done in building railroads and highroads. The Honyan-Kweilin railroad is completed. At the beginning of 1940, the Yunnan-Burma railroad is to begin operations. Nearly 3000 miles of new telephone lines have begun to function; over 2000 miles of line are in the process of construction. Measures are being taken to develop air communications. The Chungking-Burma air line recently began to function.

The first successes in economically mastering the natural riches of the provinces in the heart of the country show that the Chinese people are emerging with honor from all the difficulties being created by the war. Their rear base, established in the provinces in the heart of the country, has stood a two-years' test, and has shown that it is capable of providing for both the army in action and the population occupied in defence of industrial enterprises and in agriculture.

#### SUCCESSFUL STRATEGY

Since the end of 1938, military operations in China have developed in general outline, as follows: After the unsuccessful efforts to surround and destroy China's main armed forces at Nanking and in the region of Suichow, after the capture of Canton and Hankow (1938), which did not bring the desired victory to the Japanese, since they again failed to destroy the Chinese Army, relative calm set in at the fronts. The

Japanese command at that time was faced with the fact that their strategic plans for the war had failed. The conquest of part of Chinese territory brought no results. The Chinese army completely maintained its fighting capacity. The war dragged on, the hopes of speedy victory disappeared.

The Chinese command, on the contrary, had every ground for being able to note that the principles which it had made the basis of its strategic plan of war against the aggressor, had completely justified themselves. The war as it dragged out thoroughly shook up the economic life and the armed forces of the enemy. The further dragging out of the war threatened Japanese imperialism with still greater difficulties. The Chinese, at the cost of some losses of territory, maintained an army capable of fighting the aggressors, of enfeebling and undermining them, and then of inflicting a final crushing blow on them.

It was in accordance with this that the Chinese command steered a course for dragging out the war and wearing down the enemy, and built its war plans.

After the fall of Hankow, the Japanese army for almost five months undertook no big offensive operations. The Chinese command at that time undertook guerilla action on an extensive scale in the rear of the Japanese army.

In April, the Chinese undertook a series of successful attacks along the whole length of the huge front

from Kaifen to Canton, and won back over 70 towns. The Japanese losses, killed and wounded, amounted to several tens of thousands of men.

The Japanese command, compelled to reinforce the units at the front with new units from the districts in the rear, proved incapable of carrying through the offensive projected on the central front and was compelled for a time to stop the struggle against the partisan units that was being conducted on an extensive scale.

#### OFFENSIVE BROKEN

In the autumn of 1939, the Japanese army undertook two big attempts to crush the Chinese troops in the Shansi province and to the south of the River Yangtse, in the provinces of Honan and Kiangsi. These were the biggest battles during the year 1939.

In Shansi province, in the mountainous districts, big forces of Chinese regular troops and partisan units operated for a long time. The region of their operations cut like a sharp wedge into the territory occupied by the Japanese. Four railroads—the Taiyuan-Chenting, Tantung-Puchow, Peiping-Hankow and Lunhai—were flanked by the Chinese troops from the north, west, east and south. The Japanese command decided to surround the Chinese troops and to wipe them out. In July, the Japanese troops undertook an offensive in nine directions. Considerable forces and technical resources were drawn into the offensive. The first period of

the offensive showed some success for the Japanese soldiers. They succeeded in capturing various towns. However, the Chinese troops, by a bold drive in the flank of the attacking Japanese units, smashed the ring that was tightening around them and won back lost cities.

In the autumn the Japanese again attempted an offensive in Shansi province. But on each occasion the Chinese troops beat off the offensive. The Japanese paid dearly for their attempt to surround the Chinese troops. In August alone their losses in Northern China amounted to over 11,000 men.

In September the Japanese command, after lengthy preparations, began a big offensive operation to the south of the Yangtse River. To the north of Changsha, in the region of Iochow, the Japanese concentrated a strong group of troops, amounting to nearly four infantry divisions. Another group of Japanese troops was concentrated in the north-western part of Kiangsi province. Both groups were reinforced with technical units, and considerable air forces were also drawn into the offensive.

The direct aim of the operation was to capture the city of Changsha. However, the general aim of the offensive on Changsha was undoubtedly considerably wider. When the Japanese began the operation, they proposed a simultaneous offensive from the north and the south-east, to surround the Chinese troops that were defending

Changsha and the districts adjacent to it, and to wipe them out.

However, already by the early days of October, the Chinese troops inflicted heavy blows on the attacking Japanese units. Attacking the flanks of the Japanese, they wiped out three of their units which were advancing on Changsha. The offensive of the main grouping of the Japanese troops was held up.

The Japanese troops began to retreat northwards from Yochow. The offensive of the Chinese troops continued in the days after October 20. The net result of the offensive of the Japanese troops on Chang-

sha was very deplorable for them. Not one of the tasks of the offensive was fulfilled. The Japanese failed to crush the Chinese troops and to capture the city of Changsha.

Thus, both the autumn operations of the Japanese army in Shansi province and on the Changsha front ended in failure. In the last battles the Chinese troops showed themselves able to find their bearings in difficult situations, capable of rapidly regrouping their forces, of finding the enemy's weak spots and of hurling their main forces against them.

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### INDEX AVAILABLE

A comprehensive index of the contents of Volume VI (Jan. to Dec., 1939) of the "Review" has been compiled. Since it would have been too costly to have this printed and included in the "Review," we have had it roneoed and will be glad to forward a copy to any reader post free on application to Modern Publishers.

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