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ORGAN OF THEORY AND PRACTICE OF THE AUSTRALIAN
COMMUNIST PARTY

Editor L. L. Sharkey

REPORTS TO THE CENTRAL COMMITTEE MEETING, MAY 16-19, 1947

J. C. HENRY

In considering the world situation I think that the following basic conclusions must arise. Firstly that the victory in the war against fascism has opened up the way for progress for the democratic forces in all nations. The world situation today is very different from that which followed the first world war and the so-called peaceful period which followed.

What are the main points of difference? We have estimated these before and they do not differ. First, the position occupied by the Soviet Union in the world today; secondly, the victory for the democratic forces in a large number of European countries; then the advance of the political consciousness of the peoples of France, Britain, U.S.A. and other capitalist countries, which is reflected in our own country; the advance of national consciousness in the colonial countries. Today there exists the United Nations Organisation, which, with all its difficulties, is a very different thing from the League of Nations.

Then the next question is: which way are things moving in the world at the present time? During the great anti-fascist battle there came into being great organised democratic forces. Victory strengthened these forces in all capitalist countries and in some colonial countries.

What is the movement of these forces at the present time? Have they reached their peak and are they now receding? No, they are not receding; they are still growing, becoming stronger, coming into being in new places, everywhere they grow both in breadth and in the degree of consciousness. Such are the motive forces, both the blind and conscious ones, that these forces must become more united, determined and conscious, until the goal towards which history is moving is reached. So that there is no likelihood of any recession of the great upsurge taking place throughout the world.

Does this mean that things are going to proceed smoothly and does it mean that there is going to be no more struggle? Does it mean that Browder was right after all? Of course not. It doesn't mean that the wars in China, Indonesia and Vietnam are illusions of the senses. These wars exist and the democratic forces of these countries have these wars forced on them by Imperialism.

If we take Czechoslovakia, there it is quite clear that the Government is mobilising the nation around the two year plan of the Communist Party to consolidate the great nationalised peoples' industries and during the course of this campaign to change Slovakia from a predominantly peasant country to a predominantly industrial country. The Government of Czechoslovakia is doing this supported by the people and this is another expression of the

struggle of the democratic peoples in their forward move in the present situation.

What about France? While I was there not only did Duclos explain to me the main points in the political situation, but I saw how the workers toiled in the nationalised industries and it was clear that they were not working for wages alone. They were working for the rebirth of France. Everywhere on the walls in these factories were the slogans of the French Communist Party and of the Metal Unions, the Committees in the various Departments, the production charts, plans and so on. Here is another form that the struggle is taking.

The situation is quite tense in France. One meeting that I attended was of 40 to 50 thousand people and everyone had to get a ticket from their local Communist Party branch before they could get in. When we went in we had to pass through five sets of ushers who were really guards. This shows that the situation is very tense and they are not taking any chances on it. Obviously the French leaders were speaking to the great body of the activists of the Communist Party in Paris. Thorez made it very plain. He spoke of the danger of the dictatorship from the right and he explained the position of the Party and said that the Party would defend the new constitution with everything within its power against such a threat from reaction. He told them it was not a matter of being vigilant from month to month, week to week, day to day, but from hour to hour.

Thorez made it plain that a great deal depended on the working class of Paris. He said: we are confident that the heart of France is sound because the working class of Paris is sound.

I have mentioned briefly these points of struggle and the different forms of struggle, and the conclusion here is that what remains of the fascist forces will make trouble everywhere and, moreover, the anti-democratic forces that were within the anti-fascist front during the war will continue to oppress the people. The struggle between the anti-fascist masses and the remnants of fascism and between democracy and anti-democracy will continue to occupy the greater part of the world.

Victory in the anti-fascist war opened the road for the victory of the peoples' struggle in this period. It is only after the victory of the people's forces that stable and lasting peace can be guaranteed. That is the crux of the position as I estimate it.

On a world scale the victory of the democratic forces will not take place overnight, it will be a somewhat protracted struggle, progress will differ from country to country.

We can take first of all the new democracies in Europe. It is quite clear that in these countries the reactionaries have been beaten. Not absolutely, but

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are no longer a dangerous force in themselves
use of the whole way things worked out.

We take France — there the situation is differ-
The reaction within France is still powerful
they are closer to the Anglo-American world and
ore closer to support from their friends in
countries and there, it would appear to a casual
ver that it is critical at the moment. But we
no doubts about what the outcome of the
le will be.

On the other hand the position in America is
different from this and the position in the
tial countries will take a long time to work out.
ictory anywhere is a victory for the whole
ment and that is how we must see it from a
point of view. There is no doubt the struggle
ake various forms, will differ in various ways
etermined by various circumstances. Much
sided upon the actual strength of the reaction
what desperate moves it will make as its posi-
becomes more and more untenable.

The next thing is about the Soviet Union. The
Soviet Union is a socialist country, there are no
democratic forces within that country, there
the Soviet Union will have no internal struggle
en democratic and anti-democratic forces,
l the rest of the world will.

This struggle is proceeding and will proceed in
capitalist world; furthermore, if this estimate is
the main contradiction, the main immediate
contradiction in the political scene is between the
dictic and the anti-democratic forces in the
list countries and not between the capitalist
and the Soviet Union, not between U.S.
alism and the Soviet Union.

At the present time, the reaction everywhere is
ring the Soviet Union, everywhere there is a
ndous campaign against the Soviet Union,
is talk and threats of war and all the rest
ut it is necessary in this situation to view the
on very closely. After the defeat of the
powers, U.S. Imperialism took the place of
Germany as the fortress, the spiritual leader
ld reaction. The main reactionary forces
world are the U.S. Imperialists, the group
spokesman is Mr. Churchill in Britain, those
are grouped around De Gaulle in France,
ll the old capitalists and semi-feudalists in
e and Asia, right down to the Kuomintang
s in China and the Japanese puppets of
th in Japan, and don't forget Franco and
ner remnants of fascism that survived defeat
Germany.

The most reactionaries in all countries are
process of becoming traitors to their own
es, and are being supported directly or in-
ly by American Imperialism. They are be-
busy selling out the peoples of their own
es. That is the path they are taking.

We know that early last year Mr. Churchill
to incite war against the Soviet Union.
schemes did not work, but this campaign of

which Churchill was one of the main spokesmen
did give a great build-up to anti-Sovietism and
to the talk of an anti-Soviet war, and it has been
seized upon and developed by the reactionaries in
America.

Today anti-Sovietism has become something
in the nature of a banner. It is the banner of
American Imperialism and every rag-tag and hob-
tial reactionary from one end of the world to
another.

What did Hitler's anti-Sovietism bring? First
of all it brought the enslavement of the German
people. Next it brought the subjection of the
peoples of Europe, and it was only after he had
conquered the European countries and had their
industries at his feet that Hitler engaged in war
against the Soviet Union.

Japan was one of the nations that was anti-
Soviet in the past, and along what pathway did
this particular banner take Japan's imperialists?
Did it take them into a war against the Soviet
Union directly? No, they set out first to enslave
the Japanese people, to attack China and the
peoples of the Pacific countries. It was only at
the last moment that Soviet-Japanese hostilities
occurred, and after all the talk over the years the
Soviet-Japanese forces never met till then. So
that the main aim of America's great anti-Soviet
campaign today is becoming very clear. First of
all, it is being used as a rallying cry to distract
attention for the purpose of the enslavement of
the American people, and they are doing this.
Are they not attacking the unions, are they not
attacking everything progressive in America? Did
they not threaten to arrest Henry Wallace for
criticising American foreign policy?

Anti-Sovietism is being used actually to launch
aggression against the whole world. That is what
is actually happening. This aggression is not yet
taking the form of military warfare against people
who resist, but nevertheless the American imper-
ialists are seizing bases and are penetrating the
economic field with their new technique in
practically every part of the world.

There is some difference between the anti-
Sovietism of Germany and Japan and the present
position of the U.S.A. First of all, Germany was
close to the Soviet Union, and given the necessary
conditions, was able to launch an attack against
the Soviet Union. Japan was also close, but never
launched an attack.

What about the U.S. imperialists? The truth
is that the U.S. is very far from the Soviet Union,
between them lie the vast countries that comprise
the rest of the capitalist world, the countries of
Europe, Asia and Africa. So that it appears the
present and real significance of the U.S.A. anti-
Soviet campaign is that it is being used for the pur-
pose of oppressing the people of America and for
invading all countries outside of the Soviet Union
by "peaceful" means as far as possible. They come
as "protectors," as "liberators" of the people. As

one writer said, they have seized many Pearl
Harbors in the name of preventing another Pearl
Harbor.

No one would be so foolish as to say that there
is not a very profound contradiction between U.S.
imperialism and the Soviet Union. There is cer-
tainly a very profound difference because the
social and state system of the Soviet Union is much
stronger and more durable than the social and
state system of the U.S. imperialists, but to launch
a great anti-Soviet crusade and campaign is one
thing, and to go so far as to launch an anti-Soviet
war in the immediate situation is somewhat dif-
ferent.

Of course U.S. Imperialism would like to
destroy the Soviet Union because it hates the
Soviet Union, but before it can attack with any
hope of success it must proceed by enslaving the
various capitalist and colonial countries. This is
a necessary condition to enable the U.S. imper-
ialism to be in a position to launch an anti-Soviet war.
I think a close examination of the factors will lead
us to accept this conclusion, that for the U.S. to
bring the people of these countries into submis-
sion is an impossible task.

But while the contradiction between the Soviet
Union and the U.S. is very real, it is not the most
urgent contradiction in the present world situation.
I think you will find Stalin has expressed this belief
in many of his public statements. So, while the
reactionaries want to launch a war against the Soviet
Union, they are not in a position to do so and they
are using anti-Sovietism very largely as a smoke-
screen by which they seek to take the American
people unaware, they seek to transform every
capitalist and colonial country into American
dependencies.

The main task for us as Communists is to help
the working class and the farmers and the mass of
the people generally to tear the mask from U.S.
Imperialism, and to enable the real meaning of
offensive, which is first of all directed against
the other capitalist countries in the world, to be
clearly understood.

You are acquainted with the question of bases
that are being grabbed, with the meaning of the
trade policies being pursued by the U.S. imper-
ialists. You know what these policies mean to the
economy and the political systems of the countries
threatened. Against this great power of the U.S.
imperialists and their economic might and those
who are prepared to act as their sell-out men in
the ranks of world reaction are posed the world
democratic forces. If you examine these democratic
forces, in addition to the Soviet Union, which is
the main pillar, the other democratic forces seen
in broad outlines would be first of all the broad
masses of the people of America, secondly the
broad masses of the peoples of the capitalist
countries outside America, and the colonial peoples
who are moving forward in the struggle for national
independence.

Who are these people from the point of view
of class? Who are the people who constitute today
and will be tomorrow the great mass of the
democratic forces that will oppose the main danger?

The democratic forces range from the work-
ers and farmers right up the social scale to the
patriotic elements and advocates of peace amongst
the capitalist class.

So, today, in the period we are fighting in, in
the period in which lasting world peace can be
won, we recognise that such men as Henry Wallace
and the groupings that are building around him in
America, and similar people in other parts of the
world who are themselves capitalist, are playing a
progressive role, are fighting for peace, and they
constitute one section of the democratic alliance
that is coming into life, and that we must be cog-
nizant of and must be prepared to help and bring
into life and strengthen in this situation.

There is another factor when we are consider-
ing America. This factor must be considered
when we are working out how best to act in our
own country to maintain the independence and im-
prove the standard of life of our people, and that
is the oncoming economic crisis. It is not only
Professor Varga and people of the more advanced
school who are talking about the dangers of an
economic crisis originating in the U.S.A. at the
present time. You will notice that the gentleman
of "golden age" fame, Mr. Chifley, only the other
day drew attention to this danger so far as our
own country is concerned, and a group of United
States economists are now coming out and talking
about this danger as a real one, and demanding
that certain measures be taken to try and alleviate
it.

Of course this development shows the instability
of American capitalism, but at the same time we
must remember that it will speed up and make more
desperate the drive for markets, will sharpen in every
way the struggle between the United States of
America and the democratic forces in America, and
between the imperialists and the democratic forces
outside America; it will sharpen in every way the
struggle, the contradictions in the capitalist world.

If this estimate is correct then the problem con-
fronting the democratic forces is to develop the
strongest possible national and international unity to
defend world peace, to maintain the independence of
the countries that are independent at the present
time, and to assist to develop the struggle to gain
independence for all the nations that are still en-
slaved.

The democratic forces will work in this way,
at the same time fighting to expand and broaden in
every way democracy within these countries.

The needs of this situation are not entirely new
to us, because we have the experience of a previous
period, a period that was, of course, very dissimilar
to this in many respects. We have the guidance of
what was laid down at the 7th World Congress of
the Communist International in regard to the struggle

against fascism. The situation is different today but, in a number of respects, the tasks tend to flow along the same general lines.

This will be the dominant characteristic of the period of history that we are passing through at the present time and this will last right up to the period of the establishment of durable world peace. But, it is not something that is going to pass over next week, next month or next year, it is going to be a lengthy and drawn-out struggle.

In this struggle quite naturally the democratic forces will have the sympathy and the moral support of the Soviet Union, so it is in this light that we must come to study the questions that we are concerned about in a more immediate way. It is in this light that we must consider the crisis of the British Empire, the crisis of Britain and the tactics that we should seek to develop and employ here in Australia in regard to what we are going to do about the crisis of the British Empire, the crisis of Britain itself, so that it all links up with the international situation and the tasks flowing from it.

In this struggle the U.S.A. is out to take over the colonial empire of both Britain and France. That is one of the jobs they are out to accomplish and in the process they are actually seeking to make the home countries of these empires satellites or subject countries to the United States of America. That is the line that they are proceeding along at the present time.

So, in essence the policy being pursued by Churchill in England, and those who are grouped around him, and the policy pursued by De Gaulle in France and those grouped around him, is to agree that United States Imperialism should take over the French colonies, the British colonies and that these two nations will become as it were the "eyes men" of United States Imperialism; in other words they are prepared to sell out the national interests of the people of Britain and the people of France as well as the real interests of the people of the colonial world.

They feel that this is the best way for them. It is here that we should give some consideration to the approach to the national and colonial question in the conditions of today. I think that here, perhaps, the attitude of the Communist Party of France is a very good example to study; to see that there is perhaps a need to review in some respects the whole question of the colonial struggle and how it should proceed in the conditions of today.

Our country is not a colonial country, the colonies and people that are subject to Australia have not yet reached the stage where they are in a position to develop an independence movement, so it is not a practical immediate question for us in that sense; but it is a very important question when the other matters are raised about co-operation between the self-governing countries within the British Empire. For the self-governing countries it is necessary to co-operate in regard to the colonial world, therefore

we are interested directly in this national and colonial question, and particularly as it affects Britain.

Briefly on the Communist Party of France we use this Party as an example because I know we have confidence in the leadership of the Communist Party of France, which is a great Party. It has pushed itself down through the years and furthermore the colonial people, not only the Communists of the national movements in the colonial countries, they too have confidence and agree to the ideas of the French Communist Party on what they call the French Union.

So in this situation the proposals are that the countries that are within the French Empire at the present time should fight, in accordance with the level of development in those countries, for independence, that is independent self-government, like Vietnam.

The French Communist Party will assist in every way, encourage and help the colonial peoples to fight for independence, but they want them to remain their own will within the French Union, within the Union of France, and they will have equal rights on the basis of equality within the French Union.

Why is this put forward? No doubt there are a number of considerations; one is that the world is not so free of robbers and scoundrels today as it would be a very safe proposition for some of our colonial country to break all its ties with a great country like France that can afford some protection; it is a wise thing to retain the legal, the constitutional link with France.

Take Vietnam. If it broke completely with France, went outside the French Union altogether and established a republic, there is a danger that the country would fall to America. They might appear to be "independent," the Philippines are "independent," as you know, and they would have something similar to this. America would have economic control, and, as a result of this, economic domination.

Take the Republic of Indonesia: I had a talk with De Groot about this in London and he said that the thought along the same lines, or no doubt had been very much influenced by the Communist Party of France, and they thought it was best for the Indonesian Republic to retain its old ties, at least in a formal way—that was not the worrying point—but they did not want to break completely away from the recognition of Holland and the former ties that existed. First because it would be a danger to themselves to open the way still further for the penetration of American capital, and furthermore it is to the mutual benefit of both Indonesia and Holland to maintain at least good relations between the new Republic and the Kingdom of the Netherlands.

Don't confuse the attitude of the C.P. of Holland with the Government of Holland, and don't confuse the attitude of the French Communist Party with the attitude of the French Government in relation to Vietnam.

In regard to the British Empire the situation is not the same as France or Holland, because there are a whole number of factors that enter here. Some of the colonial countries are mighty countries, India, for instance, with 400,000,000 people, with a number of highly developed industries. And then the feeling of the colonial movements in the British countries is very different towards Britain to the feelings of the colonial movements towards France, because they have confidence in the French Communist Party, whereas in the British countries the position of the Communist Party is very different, and one would need to have a vivid imagination to think that the problem of the colonial countries would be solved by the British Communist Party in power in the near future.

In relation to the conference of Communist Parties from countries within the British Empire. At the present time Britain is in a very difficult position. The decline of Britain has been taking place for quite a period, but the war speeded up in every way what was already taking place; the war sharpened the contradictions of the capitalist world.

You all know that Britain has passed from being the centre of a great empire to a debtor nation, the centre of the colonial world is passing away from Britain and a great stream of wealth is drying up.

It is taking many forms. Once upon a time Britain was the monarch of all it surveyed. Britain had a monopoly of the markets and the whole economic structure of British life is built on a completely false basis if considered in the light of Britain today; because the whole economic structure is built upon the basis of exploitation of hundreds of millions of colonial slaves.

This is all very sad for the British people because they apparently were not able to move with the times; they were unable to bring about a change at the time in history when such a change should have taken place.

It is true that the people of Britain are up against the people of London, particularly, are suffering in many ways. This of course arises from the loss of monopoly of world trade, they could not stand up against American competition. In addition they will meet competition from Australia, Canada and South Africa, from the colonies they founded in the other part of the world, because these countries have grown up into capitalist nations and are competing with the British, much to the annoyance of the British capitalists.

This is the position of Britain today and in this position the policy that is still being pursued by Bevin is, in fact, a continuation of Churchill's foreign policy. This policy is based upon the line-up of Britain with the United States of America, and under cover of this line-up and taking advantage of the weakness of the former great imperialist power they are placing Britain in a position of subservience to the United States. The United States is setting out to take over the British Empire, along with the colonial countries.

Such is this policy that is leading not only the people of Britain, but of Canada, Australia, New Zealand and South Africa into imminent danger from the United States. Not only are the people of Britain on a low standard of life but this policy threatens the standard of life of the other British countries. Actually they are selling out the interests, the national aspirations, of the people of the colonial countries which are striving for independence.

In these conditions the peoples of Britain, of Australia, Canada and New Zealand, and even the two millions who rule the other 8 million in South Africa, have a number of things in common on the basis of nations. Also the consciously progressive peoples in Britain, Australia, South Africa, Canada, have a lot in common with the peoples of the colonial world.

In the advanced countries we have the struggle to maintain independence, to try and develop the standard of life, in the colonial countries they want to advance the cause of the national struggle for independence.

There is the question of the policy that is being pursued in Britain at the present time and how long this will last.

Then, of course, there is the position in Britain and there, it is true, there is a very big growth of revolt within the Labor Party. I think it may be easy to misunderstand this revolt, because these people are obviously reformists and do not differ in a great number of respects from the outlook of Bevin. On the other hand, they reflect the growing feeling in Britain, a feeling which is reflected within the ranks of the bourgeoisie as well as in the ranks of the working class. If we see this development in Britain proceeding along similar lines to the development where Churchill, in certain circumstances, led the fight against Chamberlain — if we estimate it in this way, that Bevin and Churchill policy is much the same in regard to foreign affairs, the revolt is growing up on the basis that it can lead to a reorientation from the United States to the Soviet Union and try to bring about a better approach to the colonial world and within the dominion countries themselves.

Starting from that point of view I think we can say such a development is already reaching a fairly advanced stage; it is not being led by Communists but by Labor Party people who have, in the main, a bourgeois outlook. They would have to be pretty tough not to feel for their own people when they walk about the poorer parts of Britain, and London. If they have any national pride at all they must revolt against this policy and what it means in practice.

So we must assume that the progressive forces will gain the upper hand in Britain, and, in any case, a correct policy is correct no matter who is in charge of Britain today or tomorrow.

The real facts of the situation are that if Britain is to retain her independence as a nation, not as an Empire, she must break with the U.S.

and align herself with Europe and develop economic relations with the Soviet Union.

We come to the question of co-operation between the self-governing countries of the British Empire and what it means. We must approach it in the light of our estimate of the international situation, that the struggle for peace and for national independence will be primarily a political and economic struggle carried on by means other than the use of armed force, and that for the U.S. to become a military aggressor in open form today would be a serious defeat for her whole plan. So I am not talking about a war against the U.S., but I am going to propose self-defence measures for the preservation of the countries that are threatened.

If they took such measures openly by means of war instead of the peaceful seizure of bases or coming in to "protect" Turkey or Greece, the whole world would be united against them and they would have to fight Europe and Asia, as well as parts of South America and the Soviet Union. So that from a military point of view such action would be senseless. Hitler did not attack the Soviet Union until he had all European industry at his feet.

Let me speak first of all of what are referred to as the British nations. This is the term used quite freely in Europe; by the British nations are meant Britain itself, Canada, Australia, New Zealand, and South Africa. It is a bit hard to reconcile South Africa to this position but this is the position of the self-governing countries within this so-called Commonwealth of Nations.

All of these countries are threatened by U.S. Imperialism, and the proposition which arose from the Empire Congress was that we work to all pull together to save ourselves and each other, and by strengthening each one of these nations, strengthen democracy and independence for all. That is the proposition. It is a legally constituted grouping of self-governing people, with strong cultural, economic and political ties, and there is nothing wrong in such people co-operating for peace, independence, and against the economic crisis which will engulf all if the present policy of subservience to the U.S. continues. Altogether these countries constitute a strong force and none of them is likely to benefit from American domination. That is the way I see the problem.

What are some of the factors in relation to it? First of all, assistance from the Dominion countries is necessary to feed, clothe and house the people of Britain. It is urgently needed by the people of Britain. The great mass of the people do not live well at all. In regard of this there are all sorts of questions raised about paying and in these countries that can produce the food, the necessary money exchanges to pay for more of the things the Dominions can produce and which are needed can be worked out.

The progressive trend in Britain needs a basis on which to relieve the plight of the British people that is to say, all those progressives in the British labor movement, when they are attacking the present foreign policy, must be able to show what they can accomplish by reversing his policy, how they can give food, clothes and houses. If they do that their position is ever so much stronger.

This question then is not merely a sentimental one, it is a question of practical politics in regard to the struggle against the main danger in the world today, American Imperialism. So if we deal with the position of Australian agrarian industries threatened as a result of the British American bloc.

Some may fear that this idea of co-operation particularly between the British nations, may strengthen British Imperialism in the present world situation. The wheels of history are moving along and Britain cannot recover in this way, but in any case the correct advocacy and development of such a policy is necessary, I feel, and I cannot see, after a great deal of consideration, any danger in this position so long as it is handled correctly and presented such a way as to strengthen the labor movement within these countries and weaken the imperialism in every way.

No doubt trade could be developed between the various governments in such a way as to eliminate the various monopoly groups that are engendering so much wealth out of these transactions.

The question in this world struggle, the immediate issue is to fight to establish durable world peace, to establish and strengthen the independence of all peoples of the world, and in each of these countries the Communists will fight to extend democracy in accordance with the conditions in each of their respective countries.

For instance, in Czechoslovakia there is a situation which will lead to socialism within a short period. But in Australia we are not likely to do that for some time. I think that puts forward a very general terms the main ideas.

Then, there is the question of colonial countries. This was the second point I thought about a great deal. I feel the Indian struggle must go on, for India is independent the better, not only for the Indian people but for the whole democratic cause all over the world.

On other matters, sure it is for the Indian people themselves to decide what they do, once they get independence, and by independence I mean independence, not some bourgeois or social democratic form of independence, but real independence when they get that, then will be the time for them to decide what they will do, they can secede from the British Empire or stay within the Commonwealth of British Nations, or whatever course the Indian people may decide is the wisest course.

You will notice in the Conference declaration that whilst the declaration re-emphasises the basic Communist position on the National and colonial question, it is set out that we demand the immediate independence of certain countries. Somebody might say why? Well, you see, comrades, we have to be realists and the real situation is that only these countries named are today in a position to become fully independent, only in those countries has the national movement reached the stage where they can really lead the country through to independence.

Then there is the attitude to the more backward colonial peoples, and here, of course, there is the trusteeship clause of the United Nations Organisation and so on. But here the problem for the Labor Movement in the advanced countries is to strive, to fight in their own countries, to fight their own opposition for a better deal for the colonial people at the present time. Because to just come and say they should have independence is just abstract talk, really they are not in the position yet, if they did become independent they would fall into the lap of worse scoundrels in the world than have them by the throat at the present time.

Here it is a fight for all those measures that will assist those people, but particularly measures that will assist to develop the economic resources of their country, because it is not on the basis of any other real foundation, other than the economic development of the country, that the necessary national and working-class movement can come into being, that can develop the struggle for independence and give the necessary leadership today.

At the same time we will continue our work, whatever assistance we can give to the people of the colonial countries in their struggle for emancipation from the yoke of Imperialism.

The questions which confront us, comrades, today in regard to the struggle against American penetration, and all the problems that flow from the present situation, mean that when we think of the broad front of the Australian people we must include that it should include workers, farmers, town middle class and the patriotic elements among the capitalist class in Australia. Those are the requirements of the situation as I see it and they are not impossible aims by any means.

Of course, these aims for independence, the struggle for the maintenance of peace, the establishment of durable world peace and the general uplifting of the lives of our people, these aims are most expressed by the aims of the Communist Party and also the Trade Unions and Labor Party, and undoubtedly as the reality of the position becomes clearer elements in the ranks of the Country Party and also the Liberal Party will be found to be for Australian independence as against American domination.

We have to speak and work more broadly, in the interests of the great majority of the people as a whole, and it is in this way that we will be better able to isolate the main reaction, better able

to isolate these people who will turn into American fifth columnists.

So, that is one question. Well, the other question I wish to present under this heading is not really a separate question at all, it is very closely related to it, but for the purpose of our consideration we have to see it as it were as a separate question.

That is that while proceeding along the above lines our Party must make a more studied, planned and persistent effort to get closer co-operation with the Labor Party, both from above and below.

I feel that the extent to which we are able to get closer to the Labor Party depends upon a number of factors. The two main factors are—first, our ability to work in the broader manner that I have been speaking about, and the degree of support which we are able to arouse for our position and our policy in regard to these questions. That is the first and probably the most important consideration.

The second consideration is our ability to eliminate sectarianism from the work of the Party whilst still maintaining the firm class balance in our work and in our approach to the Labor Party.

I do not think there is anything new in what I have said. It has been said in perhaps slightly different words many times, but the situation and the perspectives are opening up in such a way that it is necessary for us to re-emphasise these questions and to really go out and to try and overcome sectarianism in the way that it must be overcome.

When we consider the possibilities in this situation of developing this National Front, of developing a much greater degree of unity in the ranks of the Labor Movement itself, particularly between the Communist Party and the Labor Party, I think we must see that all the divisions, fears and rivalries that are beginning already to beset the ranks of the capitalist class, the tendencies that will become more pronounced as time goes on, will also find reflection in the ranks of the Labor Party itself because the Labor Party leaders themselves reflect all these things. There is no doubt that some of the extreme right-wingers, and perhaps some under the influence of the Roman Catholic hierarchy in the final analysis even they have gone over so far that they will stand on the side of world reaction and become traitors to the Australian Nation. I think such a development is quite likely among some, even of the Australian Labor Party.

But the Australian Labor Party is essentially an Australian Party, the great mass of its supporters, and even the majority of its leaders in the Parliamentary and trade union field, I believe, will fight against American domination, they will fight for Australian independence in the situation that is opening up.

Then the progressive and patriotic elements in the Labor Party leadership, they will certainly need friends and allies from the Communist Party and as their aims and ours on these major, broad questions

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will be very close, similar in fact, to preserve the independence of our country and so on, even if we have different ideas about going about it, this lays the basis for much more bigger developments along the lines of unity than perhaps have occurred in the past. In actual fact the Communist Party and the better elements of the Labor Party, and I believe they constitute the vast majority, will come much closer together in this situation. We must work very deliberately and consciously to make it easier for them—for history is going to force them nearer to our position and we have to estimate a fairly lengthy period before we reach a situation of durable world peace; what Australia is going to go through before this situation is reached is not yet known, but if you look at the map and see how we are situated we may go through some interesting times. Undoubtedly we will.

It should be appreciated that out of the anti-fascist war arose the liberation of a goodly portion of Europe, the development of the new democratic states that are marching forward to Socialism. In all capitalist countries democratic movements have become stronger; there has been a great uplift in the colonial struggles for independence, so that I feel it will not be far wrong to expect when the anti-democratic forces have been defeated and durable world peace established, the Soviet Union should be

mighty—then the greater part of Europe will certainly be Socialist and the major colonial countries will be free, independent democracies of the new type, the type of democracy spoken about by Mao Tse Tung.

The conclusion is that generally throughout the world the democratic forces are in a much stronger position than ever before. The main contradiction is taking place within the capitalist world itself and not, as American Imperialists would have us believe, between the capitalist world and the Soviet Union. It does not matter what they do the way things are working out, the Soviet Union cannot be isolated, cannot be encircled. It is possible to prevent war, that is any big war, I don't mean to prevent the wars taking place at the present time. These are legitimate wars being fought against imperialism by the colonial people for their liberation. I think we can say that the possibilities of preserving peace, in the sense that there will be no third world war between America and the Soviet Union, are good. It is believed in European circles that such a war can be prevented, and the line of march we should pursue in our own country is to line up with the democratic forces in their struggle—this is the shortest cut we can take in the march towards the objective of our Party—Socialism.

L. L. SHARKEY

THE comprehensive and very thoughtful outline given us last night by Comrade Henry in every way sharpens the weapons of the Party in the present situation and concretises the policy that we have been carrying out over a period, that is, the struggle against the new pretenders to world domination, the American Imperialists, supported by the most reactionary circles of British Imperialism.

There cannot be any doubt of the correctness of Comrade Henry's estimation of the international situation, with America as the dominant imperialist power at the moment, the centre of world reaction. It is subjecting to itself not only backward colonial areas but, like Hitler, who tried to turn Europe into a colony of German imperialism, America tries to turn the whole world into a colony of American imperialism. It is even subjecting the former imperialist powers to itself, not only the British countries who are to be "junior partners" but also, by means of the proposed fusion of the zones in Germany, subjecting once-powerful German imperialism to the U.S.A. and likewise in regard to Japan, where they have succeeded with this policy up to the present.

Here we have an imperialist expansion on a greater scale than Hitler. Hitler was able to dominate the capitalist countries of Europe with the exception of Great Britain. The U.S.A. unless we are able to rally all forces against it, sets out to dominate the whole of the capitalist world. If they succeed in the next decade or so, we will be faced with the direct possibility of a third world war.

What is behind all this expansion? The America of today is the country of the most colossal trusts the world has ever seen, the greatest concentration

of capital the world has ever seen. This is the driving force of American expansion, just as it was of Hitler and the Kaiser, British, Italian, Japanese and French imperialism.

Our experience has emphasised that when we approach these questions we can only approach them from one angle, from the angle of Marxism-Leninism, and when we raise the question of American Imperialism the basic starting point for us is Lenin's Imperialism. Therein Lenin analysed the role of monopoly capital, which must strive to subjugate the world, the sources of raw material, of labor, of markets. This was clear in both Hitler Germany and Japan. Both made no bones about the fact that their ultimate goal was the conquest of the whole world. We recall the Tanaka document of the Japanese imperialists which was not simply a plan for the conquest of China, Korea and other neighbouring states, but of the whole world. And everyone is aware that the Hitlerite madmen consistently talked about dominating the world.

Today we have American imperialists talking about American domination, which they prefer to call the American "way of life," "American leadership," the "American century," and so on, but behind their smooth phrases are the same ideas that drove Germany and Japan to their destruction. We know England went farthest along the imperialist road because it started earlier than any of the others, and that it succeeded in subjugating a quarter of the world. Its failure was described by Comrade Henry when dealing with the plight to which British imperialism has brought the British people.

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History shows that all of these imperialist countries, whether Germany, Japan, Italy or France, have been led to ruin by imperialism. All of them today are nearly starving.

Will the fate of American imperialism, endeavouring to progress along this road, this madman's course, be any better than the countries I have named? It will not meet a better fate than its predecessors. The danger is that Wall Street might involve the world in another war, will involve Australia in this mad race to disaster. It wishes to turn Australia and the other British countries into its war bases, into satellites of U.S. imperialism.

As Lenin proved, imperialism is not a policy of monopoly capital in the sense that a policy is something that can be changed, something that one can adopt more or less at will. He debated with Kautsky on the point that it was not possible for the imperialists to choose whether they would be imperialists or not. Imperialism is inevitable because of the nature of monopoly capital; the fact that it can control the market with commodities, determining that it must expand and keep on expanding.

That is the law of development of monopoly as expounded by Lenin. We do not mean that a set of bad men have succeeded Roosevelt who was a good man. In a sense that is true, no doubt Truman is a very big step down from Roosevelt, but, nevertheless, whilst we take this into consideration, basically no Roosevelt or Truman or anyone else could alter the course of American imperialism. Only the masses can defeat it.

The only way to fight it is to arouse all possible forces against it.

The tendency of monopoly is to enslave the mass of the people in its own country as well as abroad.

And what path is America, is Wall Street taking? It has already taken the first steps to crush the American working class itself. They have no less than two hundred bills before Congress and the Senate, according to the reports in the capitalist press, dealing with restrictions on the trade union movement, in particular the militant trade union organisation, the C.I.O.

That is what the working class in Australia understands the best, and it will arouse Australian trade unionists against American imperialism when they become aware of these Bills put forward by stooges of American monopoly in the various Parliaments in the United States. Wall Street has always been noted for brutality towards the working class of America. Everyone knows that a strike in the United States is almost civil war from the very beginning. Tear gas, black jacks, machine guns, all these things, all sorts of suppression and terrorism are used by the state against the workers. Recall the Chicago martyrs, Sacco and Vanzetti, Tom Mooney, Joe Hill and thousands of others who have suffered the most dire penalties for opposition to the American capitalists. This shows what would be the fate of the workers of the world under the domination of United States imperialism.

Monopoly capital is the mother of fascism. It would be a mistake for us to look for fascism in this period in the old form, that is to say, with the brown shirt and the slogans from Mussolini and Hitler. These have been discredited. People have seen the nature of that brand of fascism, but the slogans and brown shirts and paraphernalia of Mussolini and Hitler are not necessary to the new forms of fascism that might be developed. Therefore we could have more concealed and refined forms, but in essence the same thing, and if we are looking for brown shirts and don't see them we would be making a mistake.

One can see the fascist trends clearly in certain capitalist countries today, particularly in the United States, with its attacks on the labor movement in full swing.

Of particular importance in the current U.S. witch hunt against the Communists is the attack on the Trade Union movement. While the outcry is against the Communists, it is the C.I.O. that gets the first blow by means of the new anti-union laws.

Behind the anti-Communist campaign, behind the red bogey is not only the attack on the Communist Party as such, but the attempt to shackle and destroy the mass organisations of the working class, and that is quite in line with the known features of monopoly capital: to destroy all the opposing forces, to attempt to establish the totalitarian rule of monopoly capital.

Monopoly capital, in its attempt to enslave the world, first of all begins, of necessity, to destroy the progressive forces within its own country.

Apply that to our own situation and realise that if our ruling class are going to ally themselves with this drive of American imperialism for world domination, then the same task confronts the ruling class of Australia, namely, the destruction, if they can, of the democratic organisations of the people, not only the Communist Party, but the trade unions as well. This is easily understandable to the working class of this country. We have had the Crimes Act; we have known many attacks on the Trade Union movement.

Certainly at this stage the Yankee imperialists have no desire to occupy Australia in the military sense; that would be a bad mistake, would mean they would be engaged in a war with the Australian people, or the Canadian, or the British people, whatever one they are paying attention to.

American imperialism has invariably pursued somewhat different methods to that of the old imperialists. Both Roosevelt and Willie came out with the slogan of the destruction of the old colonial systems, and they put it in the phraseology that this old system was a barrier to the world's progress, that it was keeping colonial peoples backward, and therefore the colonial system as known before the war should be scrapped.

All very nice. Something to which everyone who has the fate of humanity at heart could say 'yes, it has been a very deplorable thing, has not it?'—therefore the colonial system as known before the war should be scrapped.

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world, it has been a bad thing—it must go."

Did Roosevelt and Willkie have in mind the liberation of humanity in our sense? Naturally they did not. They were but voicing the aspirations of American monopoly capital; they wanted to smash the barriers to American trade, placed by British imperialism in India, by Dutch imperialism in Indonesia, by French imperialism in various Asiatic and African countries, and by various other imperialist powers—that all of this must go. But they, the Wall Street imperialists, wanted to set up the same kind of imperialism they have in practice in the Philippines, to whom nominally they are granting independence. In reality, the Philippines are more under the domination of American imperialism, economically and politically, than before, and despite the fact that they proclaim independence, nevertheless the real ruler of the Philippines is American imperialism.

It has long been the policy of American imperialism, based on their superior production, superior industry, to pursue their imperialism in that way.

One has only to recall the position in China; when other imperialist powers were busily carving and slicing out their various bits, the Americans were demanding an "open door," believing, as they do today, that the more up-to-date industry of the United States would conquer for them the Chinese market in open competition. So this policy has quite a history, but it is an imperialist history.

America, as you are aware, was one of the great reservoirs of raw materials. American Trusts did not have to seek around to gain these raw materials in the sense of Germany and Britain, who did not possess them and had to go overseas and when they got control of them send their armies and navies to give them "protection."

This is changing; now Standard Oil has entered the Middle East; there are statements by American economists of the enormous drain on the American resources, particularly during the war, which has brought about a situation where many of these resources will be exhausted in a relatively short time, maybe a couple of decades, and American capital will be grabbing the sources of raw materials.

American capital is using its methods of penetration here. I have heard that in one firm no less than fourteen executives, who were Australian, were recently pushed out and fourteen Yankee executives went on to the board of directors in their place.

This shows how penetration is taking place. Waiting for the invasion of the American army—this is an illusion. Where we have to look is to the taking over of control of these industries in our country, to

R. DIXON

I am in agreement with the report of Comrade Henry, delivered on Friday night, and the supplementary remarks of Comrade Sharkov.

The state of capitalist economy today is a reflection of the general crisis of capitalism that has been greatly sharpened as a result of World War 2.

World War 2 resulted in a great increase in the

direction of our foreign policy by American imperialism, to domination by means of so-called "military protection" from nearby American bases and such "refined" methods of domination.

This is the way our national independence, as in the case of the Philippines, is being menaced by American imperialism.

Economic penetration by American imperialism threatens ruin of Australian industries. First it affects the agrarian, but it will not be very long before our manufacturing industries likewise will be threatened by the flood of American goods. More particularly must we see the menace in regard to Wall Street's control of Japan, where the bestial exploitation of the workers allows the sale of goods on the world market at a low price, knowing that the American monopolists are grabbing control of the Japanese industries, that they are going in future to reap the super-profits of imperialism, through the exploitation of the Japanese workers, by flooding the market with cheaply produced goods from Japan.

In the general struggle against the world domination plans of the Anglo-American bloc, more attention must be directed to the struggle against excessive armaments and the outlawing of the atom bomb. America spends 33% of her budget, the Soviet Union 18%, and Britain, whilst the masses starve, maintains an enormous army of 1 1/2 million. Enormous quantities of food have to be sent to maintain armies all over the world whilst the people are crying for food.

In regard to the situation here, our bourgeoisie, the Labor Party right wing and Lang are peddling the idea that war is inevitable, that a "conflict between Russia and America" must break out and Australia must be on the side of Wall Street. We repudiate this.

We point out to the workers that war is not inevitable and they have to make the choice right now. The workers are not, in docile fashion, going to accept the role of meekly going to war for the glory of Wall Street. Lang did not say to the masses that you must do something to prevent this war because Lang is one of the stooges of American imperialism.

The Soviet Union does not want war. As a Socialist country aggressive war is outside its calculations, the Soviet Union is not going to declare war on America and Britain. It is we who are being subjugated and all Australians who value their country's independence must resist Wall Street imperialism and its plan to turn our country into its vassal, must struggle for a durable peace,

aggressiveness of American imperialism. In the course of the war the productive capacity of American industry increased by 50%. Since the end of the war we have seen the colossal robbery of the American masses, the forcing up of prices so that the cost of living has outstripped wages increases. Profits in America today are 2 1/2 times greater than

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in the pre-war period. Monopoly was strengthened in every way during the war and today the American trusts are striving to dominate the trade of the world and grab up new sources of raw material.

The gigantic expansion of American industry compared with the relative restriction of the consuming power of the masses of the American people sharpens the contradictions of American capitalism and forces it along the path of grabbing up new markets, of strengthening reaction at home as revealed in the drive against the trade unions and the Communist Party, and of intensifying the drive for world domination.

In contrast we have the position of British imperialism.

In the course of World War 2, the ruling class of Britain lost one half of their foreign investments, which they had to dispose of in order to pay for war supplies. Their world monopoly of the shipping trade had gone. They have become much more dependent on the United States of America for the supply of food and raw materials. Unable to meet current payments to America, they had to seek the recent loan, on terms dictated by the Yankee imperialists, which are both difficult and humiliating for the British people.

Thus, this great world power, that once dominated the world militarily and economically, is today in a very difficult position, is even in debt to the colonial peoples it for so long exploited and robbed.

In addition to these difficult economic problems, the colonial peoples are in revolt, striving for independence from the yoke of British imperialism.

Thus the general crisis of capitalism is deeply reflected in the decline and decay of the British Empire.

Britain is economically vulnerable, because it depends so much on imports for the foodstuffs and raw materials it needs. The thousand million loan from the United States was intended to provide funds to tide Britain over the difficult period until 1950, when the government hoped that British exports would have expanded sufficiently to meet the import bill.

But already, within twelve months, one half of the loan has been disposed of and the British Government fears that the rest of it will be gone by the middle of 1948.

Because of the loss of overseas investments, the decline of the shipping monopoly and overseas military commitments, the British Government estimates that if it is to maintain imports at the level necessary to feed the people and supply the raw materials for industry, exports must be raised to 175% of pre-war levels.

Almost 50% of British imports come from what is called the "dollar bloc." On the other hand, of British exports, only 14% goes to the "dollar bloc." Thus there is a very big gap between what Britain buys from and sells to the "dollar bloc." For the 9 months, to September 1946, British imports from the dollar bloc exceeded exports to this area by £275 million. The difference is being made up tem-

porarily, by the Loan Britain obtained from the United States. But what is going to happen after June 1948, or when the Loan is exhausted? Where will the dollars come from to pay for the American goods?

The British capitalists say that if they are to restore the balance of payments and break their economic dependence upon the United States of America, they must increase their export trade by 75% over 1939. Britain must, therefore, find vast new markets throughout the world, markets additional to those they had in 1939.

Let us have a look at this.

The United States of America in the course of the war increased productive capacity by 50%. Lord Bruce told us the other day that America is headed for over-production which within a short period of time, will result in thirty million unemployed in America. America, he said, will seek to overcome the crisis by dumping huge quantities of commodities on the world's markets. Thus American imperialism will want new markets, will want to increase exports, and not merely by 75% over the pre-war level, but by twice or three times pre-war levels.

British capitalism, in striving to increase overseas trade, will be confronted with, and have to compete against, a great U.S. drive for markets.

Then, Australia and Canada have to be considered. Australia increased productive capacity by about 50% in the course of the war, and, therefore wants new markets, and the same with Canada and some other countries.

Thus, competition for markets will be very intense.

What of the markets of the world? Have they grown since the war?

The European market, which was one of the greatest pre-war markets, is today quite limited because the people are impoverished as a result of the war and the devastation it caused. They are spending very largely, upon supplies through UNRRA. But America has disposed of UNRRA. UNRRA was not a sufficiently good political weapon for Yankee Imperialism. Now, in order to get the vital American food, the countries of Europe must seek loans in the United States, and on the political terms the American imperialists dictate. American foodstuffs and dollars are used to bolster reaction in Europe and Asia.

The European market, for the present, is very restricted. The markets in China, and the colonial countries are also limited. There cannot be very much expansion of the markets in these countries until standards of living are raised, and this is dependent upon independence being achieved by the peoples in the colonial countries.

So we get a picture of Britain seeking to expand its pre-war export trade by about 75%, the U.S.A. by 200% and more, of Canada and Australia wanting to extend their trade and all in a world where the markets show no signs, as yet, of any corresponding growth.

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You can see that capitalism is headed for extreme economic difficulties. It is certain that the contradictions between British and American capitalism will sharpen very considerably in the immediate future.

Also sharpen, as will the contradictions between Australia and Britain and so on. Thus, the vast the almost unlimited expansion of productive capacity stands, in contradiction to the limited markets of capitalism and will inevitably hasten the economic crisis, and sharpen the general crisis of capitalism.

These factors will have a great bearing upon the struggles against the reactionary policy being pursued by the American trusts and monopolies.

If the Anglo-American conflict is sharp, and will intensify, we must ask: why do the British capitalists pursue a policy which actually subordinates British Imperialism to the United States of America?

In this connection I read a very interesting article by Kardelj, one of the leaders of the Communist Party of Yugoslavia, in which he pointed out that great political considerations dictate the policy the British ruling class are pursuing.

The British Imperialists know they can no longer maintain their world position without the help of the United States of America. Therefore, in the view of Kardelj, they are ready to accept a subordinate position to the United States of America, to admit American economic penetration of the Empire, in order to maintain, in some degree, their world position. Take, for instance, the Mediterranean, one of the main trade routes of British Imperialism. In the past, Britain has jealously guarded her interests in the Mediterranean. Now it has asked America to take over responsibility for Greece and Turkey and to share in all the problems of the Middle East, where the Arabs are rising in revolt against imperialism. The British ruling class seek to draw American imperialism into participation in holding the Arabs in check throughout the Middle East, and in preserving Anglo-American positions in the Mediterranean.

Then there was an interesting article in "NEW TIMES" which pointed out that there was an agreement between British and American Imperialism, under which America was to get a free hand in China and Japan, whilst Britain was to have the predominant say in India.

In this policy being pursued by the British ruling class there is by no means complete unity in the ranks of the British capitalist class. We know that Churchill, who little more than 12 months ago advocated an Anglo-American alliance against Soviet Russia, and who today is calling for a "United Europe," which is only another name for a "United Bloc, has very much in common with Bevin. In the Conservative Party there is considerable opposition to the policy that would subordinate Britain to the U.S.A. Inside the Labor Party and the British

labor movement, there is very much opposition to Bevin's policy.

Thus, resistance is growing in Britain to the policy of subordination to American Imperialism, and we can be sure it will grow stronger in the future because of the economic developments.

An interesting feature of the present situation is that important sections of the Australian ruling class, which up till now have consistently supported the foreign policy of Evatt and Bevin, now that they are facing the implications of American policy for Australia, are beginning to buck that policy.

Differences between Britain and Australia on foreign policy are developing.

There is the major problem of Empire trade. The Geneva trade conference, now taking place, shows that the Anglo-American bloc is not just one big happy family by any means. At this trade conference the markets of the Empire are under discussion, a matter of vital importance to Australia.

The British market is the main export market for Australian goods. Before the war, in 1939, Britain took 47% of Australia's exports, the U.S. took 13.2%. In 1946 Australia's exports to Britain were 26%, to the U.S. 17%. There has been a relative decline in trade with Britain and an overall increase with the U.S. I think that after the dislocation resulting from the war are overcome the tendency will be for an enlargement of Australian trade with Britain.

Trade between Australia and Britain has been built up, to a considerable extent, because of the Empire trade preference system. Preference has operated for many years but was really consolidated at the Ottawa Conference in 1932; 1932 was a year of economic crisis. Faced with an intense trade war with the U.S., the British imperialists, together with representatives from the Dominions, developed the system of Empire Trade Preference, to develop trade within the Empire, very largely at the expense of products of American industry. Thus Empire Preference was a weapon in the trade war with the United States.

The Communist Party consistently exposed the trade-war methods of the capitalist class, of preference, high tariffs, etc., because they resulted in inflationary prices and a lowering of living standards of the working class and because they had the effect of drying up the springs of trade throughout the world and, thereby, increased the danger of war.

Today, we are confronted with a different situation inasmuch as the aim of American Imperialism is to establish domination in the markets of the internal affairs of these countries and through this to interfere in the territories of the difficulties confronting Britain during the war in order to enforce this policy. Thus, the Atlantic Charter, the Lend-Lease Agreement and the Loan, all contain clauses in which Britain agrees to grant "equal access" to the markets of the British Empire for American products.

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It is absurd to speak of equality in trade with the United States of America, that gigantic monopolist power with its vast wealth and resources. When the Yankee Imperialists speak of "equal access" to the markets of the British Empire, they mean that these markets should be thrown open to them, so that they dominate the field of trade.

How would the abolition of Empire Trade preference affect Australia? Comrade Jones pointed out that 50% of the sugar production here is exported, most of which goes to Britain under Empire Trade preference; 80% of our tinned and dried fruits are exported and also a big part of our meat under the preference system. The wheat industry will suffer sooner or later and so will the dairying industry if Empire preference goes.

Economic disaster faces a number of Australian industries, the sugar, canned and dried fruits and meat industries for a start, if Empire preference is abandoned as Yankee Imperialism demands. Thousands of farmers will be bankrupt and driven from the land, workers will be thrown out of industry to join the unemployed army. Thus Empire preference has a vastly different significance for Australia today to what it had in the 1930's. Today it means the difference between destruction or maintenance of a number of industries vital to this country.

America is also insisting on a substantial reduction of tariffs that protect many of the manufacturing industries of Australia. I have no doubt that there could be a reduction in tariffs without difficulty to a number of Australian industries, but if the American policy is given effect to, there is danger of the dumping of huge quantities of cheap American goods on the Australian market in competition with Australian products. This will mean the closing down of factories, or restriction of production, resulting in the rapid growth of unemployment.

For these reasons we have to review our attitude to Empire preference and tariffs. The American policy of forcing the abolition of Empire preference and breaking down tariffs is the policy of the reactionary monopolist groups of the U.S., has the most reactionary aims, and can only mean disaster for Australia.

This danger inevitably flows from the policy of Bevin and Evatt of subordinating Britain and Australia to American foreign policy. We have the task of explaining to the working class, farmers and other Australians just where the Evatt-Bevin policy is getting the people of this country, the economic disaster that subordination to American Imperialism will bring in its train, and the threat, implicit in the American policy, to our independence.

These are factors which are playing an important part in the discussions now taking place in Geneva.

Our export of wool to America has grown considerably since 1939. On a weight basis exports to the U.S. from the average in 1934-38 of 3.1% have grown to 43.9%. Mr. Chifley made the statement recently that if there was a 50% reduction in the American wool tariff the benefit to the Australian

wool industry would be considerable and, he said, in that event it would be possible to achieve trade agreements that would generally benefit Australia. He said that this agreement may mean that a few industries, tinned and dried fruits, etc., would be badly hit, but if the economy in general would benefit we should be prepared to put up with inconvenience in some industries.

Those were Mr. Chifley's views.

The Yankee Imperialists, however, have come back with a different proposition. Instead of reducing, they are proposing an increase of 50% in the tariff on Australian wool. This caused the crisis in the discussions at Geneva. The Australian Government was prepared to make concessions to America in return for concessions, but the American Imperialists do not think in terms of compromises and concessions, they make demands and expect them to be fulfilled. They want to take all and give nothing in return. Thus the full fruits of the foreign policy of the Chifley Government are now being realised.

That is how things are between Australia and American Imperialism.

Britain is pursuing a different policy to Australia. Dependent upon the United States, it is striving for a trade agreement that will increase British exports to America even at the expense of trade with Australia and other Empire countries. Serious differences are, therefore, arising between Australia and Britain on trade with America and trade within the Empire.

In the past the foreign policy of Evatt and the Government of subordinating Australia to American foreign policy has been almost unchallenged. The bourgeoisie have supported it up to the hilt. The only force in opposition was the Communist Party and sections of the labor movement. Now conditions point to a substantial change. As the real threat to Australia from dollar imperialism becomes apparent, new forces are coming into action that will be a great addition of strength to those in the country who are opposed to the foreign policy of Evatt and the Government. We must be conscious of the change that is taking place as a result of economic developments, the threat to Australian trade and industries because it opens up a new and widest field for activity, for mobilising new and greater sections of the Australian people to fight for a progressive policy in foreign and internal affairs.

First of all there are the sugar farmers who are beginning to see that once the market in Britain goes, or a substantial portion of it goes, as it will if Empire preference is abolished or modified, they will be confronted with disaster. They will oppose Evatt's policy of subordination to America.

The fruit farmers from the irrigation areas who depend upon the canned and dried fruits trade will oppose Evatt's policy. Meat producers will oppose it because their well-being depends upon the British market. The manufacturers will object to tariffs being forced down to satisfy Yankee Imperialism.

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The task of the Party is to arouse all these people to the danger threatening Australia, to draw these new forces into the struggle against American Imperialism, against the subordination of Australia to American Imperialism.

We must develop nation-wide movements of the people for this struggle. Naturally the working class will be the core, the basis of these movements. We must draw farmers, middle-class people and various sections of the capitalist class into activity in support of the working class position and their own interests. These movements of the people are not something of mere theoretical interest but are really practical politics for the Australian Communist Party.

There is another aspect of this question, that is of the utmost importance — the danger of economic crisis.

We have had many warnings of the danger of economic crisis in America. As the crisis develops there will be an intensified drive by American Imperialism for markets throughout the world, for the Australian market, the British market, markets in the colonial countries and so on. If Empire trade preference goes and America has open and "equal access" to the markets of the British Empire this country will be quickly hit by the economic crisis developing in the United States. American Imperialism will try to overcome its crisis at the expense of Australia and other capitalist countries.

It would be wrong to think that Empire trade is a barrier to economic crisis. It is not. Empire preference, however, will limit the extent to which America can try and solve its unemployment and crisis at our expense. Restrictive trade practices are not our objective. What we aim to do is to prevent the United States from crushing the economic life of Australia and other countries, and so completely dominating them.

We are opposed to a bloc of the British Empire with the United States against Soviet Russia, and we are not in favor of a bloc of the British Empire with Soviet Russia against the United States.

We are not the apostles of world division, we are the exponents of the idea of world unity. This is why we oppose blocs.

Australia and Britain should pursue an independent foreign policy, independent of the Yankee Imperialism. Australia should not subordinate itself to the United States of America. We should combat all moves to divide the world, to prevent the division of the world the reactionaries are aiming at and which can only end in war. Australia's policy should be to promote, in every sense, world unity. This is the way to world peace. It will mean that new avenues of world trade would be opened up, trade restrictions swept away.

We must also examine the role of American Imperialism in relation to the export of capital. I endeavoured to get figures on the amount of American capital invested in this country in recent years but no up-to-date figures are available. Mr.

Dedman made a statement in Federal Parliament last year in which he said that there were sixty-two overseas firms planning industries in Australia, with a total investment of £19,000,000 new capital, that would give employment to 17,000 workers.

Up to March, 1946, £8,500,000 of new capital had been invested in Australian industry, in accordance with post-war plans — £4,000,000 British capital, £2,000,000 Australian capital and £2,500,000 American capital.

You can see that American capital, invested in this country exceeds Australian investments in the recent period.

These figures, I understand, relate only to the bigger industries. There are no complete figures on all capital investments since the war.

A factor hindering the investment of American capital in Australia is double-taxation. On the profits they make in Australia, American capitalists have to pay tax to the Australian Government, and also to the American Government. They are doubly taxed.

We support double taxation insofar as American capital is concerned.

The policy of the American monopolists when they export capital, whether it is to Australia, South America or Europe, is to establish joint companies. That means to say, if we take Australia, companies with Australian as well as American capital.

The Americans take 51% of the shares and grant the Australians 49%, which means that the American monopolists hold the dominating position and can always determine the policy and future of the industry.

What is the significance of this policy?

These giant American monopolies are seeking to merge with the Australian monopolies, to "intertwine," as Kardelj put it, the economic life of this country with American Imperialism. The Americans are building up a Fifth Column of a size that Hitler could not dream of because German Imperialism was never as powerful as American Imperialism.

Important sections of the Australian bourgeoisie are being drawn right in to the camp of American Imperialism.

Thus, on the one hand, the trade policy that America is pursuing will arouse hostility amongst smaller producers, while, on the other hand, the American monopolists are linking up with the big bourgeoisie in this country.

Another method to extend their influence is to make available industrial and technical secrets, but on certain terms, often including the placing of key men in Australian industries.

Then again, there is American advertising and publicity work which enables them to carry more weight than otherwise. Take the publicity firm, J. Walter Thompson, which has backed J. T. Lang and other reactionary politicians. J. T. Lang said the other day that America was headed for a war against the Soviet Union, and that the Australian Communists would betray their country in this war. It seems, according to J. T. Lang, that failure to sup-

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port the American Trusts and combines in a reactionary war is treachery. It is obvious Lang has become a stooge for American Imperialists.

Finally, the Australian army is undergoing a process of re-organisation and American weapons will become the standard weapons just as in the British army, Australian factories are tooling up in order to produce these arms for the military forces.

It can be said that Yankee imperialism is penetrating, by a thousand ways, into the life of this country, threatening the further industrial development of Australia and also our independence.

J. B. MILES

It has been made clear that the urgent, dominant contradiction is that between the democratic and anti-democratic people in the capitalist world, between U.S. Imperialism along with its Quislings, and the independent nations in the capitalist world and colonial and semi-colonial peoples. It is an urgent, pressing and dominant contradiction demanding our close attention, our skillful leadership, and a stubborn struggle along the lines indicated by Comrade Henry in his report.

On the question of the war danger, it is also evident that we have not yet got complete ideological unity. It is recognised that there will be no period of pacifist illusions such as developed in the twenties along with the temporary relative stabilisation. But then in dealing with Comrade Stalin's statement that there is no immediate war danger, pacifist illusions could develop in the minds of some members of our Party and be fostered in the minds of some of our contacts. So we must still guard against the idea of inevitability developing because both cannot but weaken the struggle for peace.

It seems to me that the war danger is real but not immediate. It seems to me also that the danger lies not in the anti-Soviet propaganda and declamations, although that plays a part, but it lies along the line, the inevitable direction of U.S. monopoly capital, aiming at world domination, and that the danger will not become immediate until and unless the U.S. monopolists meet with yet greater success, even then a proviso that these madmen might succeed to promote desperate actions.

My view is that the danger is not immediate because of the great array of forces against U.S. monopoly capital: the U.S. people, the struggle of the unions in the U.S., the independent nations, the colonial struggles, the influence of the Soviet Union, of the new democracies, the existence of U.N.O. There are progressive forces in Germany and Japan, and here one would say also Italy, although there is a difference, the labor movements in all the countries of the world, stronger trade unions, the World Trade Union Federation, the Women and Youth Federations, and the Communist Parties.

I think the danger is not immediate and will be finally repelled because U.S. policy will gener-

We have to wage a very powerful ideological and organisational drive to mobilise the people in the struggle against this danger.

The ideological influence of American Imperialism as revealed in the slander campaign against the Soviet Union, the drive against the labor movement and the attacks upon the Communist Party, must be combatted. Wherever Australian-American factories or industries are established we want Party organisation and trade union organisation there, and we must follow them into the country as well as the city.

There is still stronger opposition, that is what the report makes clear. I think the danger will be seen not to be immediate when we realise that U.S. strength absolutely as an imperialist power is greater than that of any other imperialist country in history, but it is at the same time relative and must be seen in relation to all the world-wide opposing forces which, taken as a whole, are very strong, will become stronger and can defeat the U.S. imperialism.

If we see the economics of it, the politics of it, the geography in relation to military strength, I think we see the danger is not immediate, but it is a danger. Not only is there a danger of war, but obviously the development of a big war must involve the Soviet Union whether the attack should commence upon the Soviet Union or not. But I have no doubt that the warmongers can be defeated.

My impression is that these frenzied outbursts by people in the U.S. and some here in Australia in the Federal Parliament and elsewhere are indicative of the fact that the capitalist class is losing confidence in its own system, consequently they lose their heads and will be driving into ever more crazy declarations and possibly into actions.

There will be a long period of intense struggle for democracy, which includes the struggle to defend the national independence of the struggle of Australia and other lands as well as the colonies, a long period of intense struggle between the forces of democracy and those of imperialism and war led by U.S. monopoly capital, but victory for democracy will mean a democratic stabilisation opening up the way for a further advance to socialism.

The anti-Soviet propaganda must be seen as largely a smoke-screen for the real, immediate aims of U.S. imperialism. Does the spy scare lead to any direct action about the Soviet Union? No, but it leads to a lot of action against the democratic forces in the U.S. and Canada.

That line of the monopolists, the neo-fascists, is expressed also in Australia, and it's all done in the name of democracy, of God and the Four Freedoms, and it is aimed primarily at the democratic forces in the capitalist world.

Similarly, anti-Communist propaganda must be answered, but here also I see a certain similarity in the ideas I have expressed about the anti-

Soviet propaganda. Comrade Sharkey in his speech spoke of the imperialists finding new ways to develop to fascism, and in dealing with what are undoubtedly fascist trends in the U.S. points to the fact that while there are many demands for direct suppression of the Communist Party and the Communists, practical action is already being taken to weaken the democratic forces with a direct attack upon the trade unions.

Similarly here in Australia. We have the old countries, including demands for the suppression of

C. JONES

Comrade Henry's report has made quite clear the need to fight more vigorously the aims of Yankee imperialism. What we have to be concerned about is the need to fight the battles of the Australian people. In Queensland we have the opportunity around Empire preference and its implications to the sugar industry.

The terms of the U.S.A. loan to Britain seek drastic revision of preference and jeopardise the markets for such commodities as meat, sugar, mutton, pig meat, peanuts, etc.

So that from the North of Cairns to Tweed Heads every town is affected. It also involves the right of Australia and other countries to place embargoes on importation.

In relation to sugar, which is the biggest industry and one we know most about, a Queensland State Government inquiry worked out that the direct employment in connection with the sugar industry was: Direct employment on farms 33,240; mill employment 6,400; indirectly employed in sugar districts 35,600 and other districts 15,750, a total of 90,998.

On the average each member of the Queensland working population supports approximately 1.5 additional persons. On this basis it is possible that these 90,998 workers represent over 200,000 persons, or about one fifth of the State's population.

J. D. BLAKE

The developments that have taken place in the new democracies of Eastern Europe, and some of the statements that have been made by Party leaders from those countries, are of enormous importance to us.

I do not think there is any doubt if an examination is made of these statements, that we have here a further development of the Marxist teachings on the State.

For example, the statement of Comrade Dimitroff puts this matter probably in the sharpest way when he said:

"Analysing the general situation and taking into account the particular post-war problems involved, we find that in Bulgaria it is quite possible, in the course of time and after necessary preparations, to pass over to Socialism without the dictatorship of the proletariat."

the Communist Party, for the use of legal action against Communists; but Menzies says "No," we should not make the Communist Party illegal, yet see what he demands in relation to the trade unions, and what Treacht also demands in his policy speech about the trade unions.

While answering anti-Communist propaganda, we must not make the mistake of treating it as being too simply directed just against the Communists.

Railway workers, wharves, seamen, clerical and professional workers and others, if the sugar industry closes down it affects all these people.

Very broad sections of the Queensland people are menaced by American Imperialism in its manoeuvring to gobble up the markets of the world. When we started to speak about this in Queensland, the newspapers used to ignore it, but the secretary of the C.S.R. came out with a fairly strong statement and the newspapers of North Queensland started to write editorials about the need to develop the sugar industry. The essential thing to see is that we can develop a very wide struggle with very diverse sections around this question. When the discussion came up first on the sugar industry, Hanlon jumped off from Townsville to Canberra to see Chifley and insist that a sugar man be sent to Geneva to discuss the problems of the sugar industry. If the A.W.U. wants to maintain its position in Queensland it has to struggle for retention of the sugar industry. This struggle embraces all sections of the population.

We have to learn to handle the problems of the Australian people in a statesmanlike way, to learn to present them correctly in the broadest way. If we do that correctly we are really striking a blow, not only against American imperialism and its infiltration in Australia, but for the victory of progress and democracy.

Comrade Gomulka, the leader of the Polish Party, made a statement virtually the same. Comrade Gottwald of the Czechoslovakian Party has in different words expressed the same view, and we have all the leaders of the East European Parties.

Here I think it is essential for us to try to get down to some understanding of what is being driven at, and to understand also the difference in the situation that prevails in these countries, in order that we shall be able in our own circumstances here in Australia to make the very fullest use of the lessons those parties in these countries have to teach us.

As we know in accordance with Marxist teaching the proletarian dictatorship is born of the proletarian revolution. It is a state which is established on the basis of the working class seizing power and

being conscious of the fact that it has seized power alone as a class. As we know from the experience of the Soviet Union, the classic country of the Dictatorship of the Proletariat, this dictatorship is based on a system within which there are a number of non-party mass organisations, and in which a single party, the Proletarian Party, in this case the Bolshevik Party, is the leading, directing force. And a characteristic feature of the Dictatorship of the Proletariat in this regard is that the Party of the Proletariat does not share its leadership with other political parties.

What is the position in the new East European democracies in this regard? Here we must note the term "peoples' democracies," because often our comrades in discussing this matter have used what Engels had to say about "peoples' democracy," "peoples' State, considering that the treatment of the question by Engels in his time actually applies to the position in the East European democracies today.

Actually the situation is altogether different. It is one in which all the circumstances are quite different from those Engels was dealing with when he spoke about the "Peoples' State, Peoples' democracies.

These peoples' democracies in Eastern Europe must be considered first of all on the basis of the tremendous and unprecedented political development that has taken place amongst the masses of the people, almost the whole population of these countries, during the war and since the war. This is an extremely important fact that must be borne in mind in relation to those countries and the developments in them.

Secondly, and of course without putting one against the other in order of importance, the increase in the power and strength of the Soviet Union, the existence of a powerful Socialist State, provided also the necessary backing and support for the development that has taken place in those countries. So that these new States are in fact new States. They are not proletarian states and not bourgeois states; they are states which arose from the struggle carried on by a broad class alliance which was victorious in the struggle to defeat the Nazi occupation forces, and in doing so they defeated and largely destroyed the old ruling class which had collaborated with the Nazis.

On the basis of that development which took place during the war and in the immediate period after the war, the old bourgeois states in these countries have been largely dismantled as a result of the efforts of the masses of the people, under the direction of the Communist Party in alliance with the other Parties.

A new State machine with a new content has been brought into existence in those countries, in which we have the movement of the peoples in varying forms.

Moreover, whilst these developments were going on new types of people's armies were brought into

existence. In Yugoslavia the people's army arose out of Tito's partisan army. In Poland the people's army was reared on Soviet soil and whilst that was going on it so happened, because of the way things developed during the war, that the remnants of the old armies of Poland led by Anders were in Italy and Scotland, and as we know the old armed forces of Yugoslavia were with King Peter or Mikhailovich.

On the basis of this complete change in the situation in those countries the whole material and economic foundation of society and the state was radically altered. In the first place the estates of the big landlords were broken up and the land distributed to the peasants in varying degree in the various countries, nationalisation of industries, along lines proposed by Lenin, has taken place.

The other feature of the developments in those countries is that the power is shared by different parties and different classes. There are opposition parties which exist openly and run candidates.

We are aware of the fact that the Communist Parties in those countries have proportionately different weight. But nevertheless the basic line of policy, the basic line of advance, followed in all those countries is, in essence, the same line of advance. This does not arise fortuitously. In Poland the Socialist Party and the Communist Party polled the same number of votes and secured the same number of deputies and work on the basis of a united front.

It is clear that the form of state that exists in those countries is not the dictatorship of the proletariat and it is not the bourgeois state, it is a new type of people's state or people's democracy.

How is it possible to reconcile the statement made by Dimitroff that these countries are going to Socialism without the dictatorship of the proletariat with Comrade Stalin's statement about strengthening the Socialist State in the U.S.S.R.? Here I think we should note that Comrade Stalin draws attention to two functions of any state, and he also speaks of two phases in the development of the Socialist State. Comrade Stalin separates these two functions into—first, the internal, punitive function to suppress the class enemy and, secondly, that of external defence, or in some States to add to their territory by aggression. Comrade Stalin makes it clear that in regard to these two functions, the first, the internal, is primary. With regard to external defence it is also necessary for us to bear in mind what we know about the creation of national people's armies of the same class basis as the states which exist in these Eastern European countries.

Comrade Stalin spoke of the first phase of the dictatorship of the proletariat as one in which the emphasis was on the overthrow of the exploiters, the restoration of the industry and the agriculture of the country, the elimination of the capitalist elements and the laying of the foundation for the establishment of a Socialist society.

In the second phase he speaks of the drive to establish the Socialist economic system all over the country and to eliminate capitalist elements, and in

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this second phase he indicates the function of military suppression in the country ceased and died away because of the fact that exploitation of man by man and class differences had been eliminated and no one was left to suppress. He indicates that the army, the punitive organs, turn their edge outside against the external enemies.

Comrade Stalin said in 1938: "We now have an entirely new, Socialist State, without precedent in history, and differing considerably in form and functions from the Socialist State of the first phase." Then he went on to say, such a State will continue to exist even under Communism provided capitalist encirclement remains.

It seems to me that the statements that have been made by the leaders of our brother Parties in the last European democracies apply in particular to that Comrade Stalin describes as the first phase, with the conception of working out the tasks of the creation of a Socialist society in a non-violent way without the dictatorship of the proletariat. In other words in a State where the power is shared by different parties, in which it is possible for a peaceful conflict of opinion within the united organs of the State to take place and all the issues to be fought out in that peaceful way.

In some matters it will take longer periods of time to reach certain aims and objectives. One of the leaders of the Czech Party indicated that there will be differences and conflicts, but the Communist Party of Czechoslovakia relies on its contact with the masses, and it will take the differences to the masses, and the masses will decide. If one of the parties sharing the power in any of these countries proposes a broad line of policy, the task before the Communist Party is to take this issue in a big way to the masses and win support for the policy that should be pursued.

Dimitroff indicates that they will have to march along a road that will take more time and involve more difficulties, but it is a peaceful road and the conditions that create the possibility for that throwing the bourgeoisie from power, the creation of a new State machine and the breaking up of the old state.

The people of these countries have the backing and support of the Soviet Union, so that it is possible to set out to win the masses to Socialism in the course of the struggle, and from the conviction that takes place in the process of the struggle.

It is clear that the key positions now occupied in the economic life of these countries by nationalised industries and the new developments in agriculture, the future development of co-operative farming, are eliminating the class differences in the country in much the same way as this kind of thing developed in the Soviet Union.

We must agree that the parties in the Eastern European countries are thoroughly justified in opening up this path and in taking it. It must be said, however, that when Socialism has been built in these countries, the States existing, providing that anything remains the same relatively in the world,

will be Socialist States, but they will be Socialist States, the nature of which will be something like the Soviet State in its second phase.

In other words in those countries they can get to socialism without what we know as the Dictatorship of the Proletariat, per medium of the new kind of state machine. It seems important to me to note that there is here a new development, a further expansion of the Marxist teaching on the State, and Lenin and later Stalin drew attention to the fact that the Marxist teaching on the State has been expanded and developed in previous periods, and that this teaching is not something immutable or unchangeable.

So far as the application of all this to our position here is concerned, I have felt that some comrades in the British Party seem to have some vague idea that the line of advance in Britain will be the equivalent line of advance as in the European democracies. The all-important fact is that whilst the bourgeoisie has been deposed from power in those countries, it is still very much in power in England, in the U.S.A. and certainly here in Australia. We are confronted with the problem of the bourgeois State machine, so that we still have to orientate our line of advance to realise the first task carried out by those Parties and peoples in the East European countries.

In that regard a tremendous scope opens out for us. We can now approach these matters from the point of view of the drawing together of the vast majority of the Australian population for struggle on a common policy that meets the needs and interests of the overwhelming majority of the people of this country.

As to precisely how the forms will develop, that, of course, depends upon the alertness of the Party, but I think we must, as Comrade Henry pointed out, also have in mind the possibility of such forms as the people's government as set forth at the 7th World Congress, in other words, forms of government which could still function within the capitalist State machine, which would be transitional forms bearing in mind the task all the time of defeating the bourgeoisie.

We have still to solve this task which is mainly over as far as the European democracies are concerned.

It seems to me that it is necessary to emphasise and re-emphasise the breadth of the position we can and will occupy in regard to the basic forces of our country, and in addition to emphasise and re-emphasise the very sharp struggle that will be involved in order to secure such broad unity that will be necessary to meet the desperate opposition that will be met from the reactionaries in this country and their setting out to carry out a policy of exposing the U.S. imperialists' policy of infringing the independence of Australia by penetrating our industries and economic life generally, there can be no doubt as time goes on that we shall more and more win vast numbers of people in support of such a policy.

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Furthermore, to defeat the agents of this foreign power within our own country, and there are quite a number in the ranks of the bourgeoisie and other right-wing elements of the labor movement, we shall have to give a good deal of thought to working out in a concrete and detailed way the positive proposals we have to make to solve the problems that confront the working class and the people generally.

NOTES ON SOME QUESTIONS OF INTERNATIONAL DEVELOPMENT

EDVARD KARDELJ

(From "The Communist," organ of the Central Committee of the Communist Party of Yugoslavia)

MUCH time has already elapsed since the final resistance of the Hitlerite Fascist Axis was broken, but the world still does not fully enjoy the blessings of peace. Bitter fighting is still going on in many parts of the world, while all the international relations reveal the profound antagonisms which are rending the world to-day—things which show that the Second World War has not only failed to extricate capitalism from its general crisis, but has rendered this crisis even deeper. And—as has always been the case with capitalism—the capitalist world is seeking a way out from its predicament by increasing reactionary pressure and violence. This explains the aggressive campaign against the truly democratic forces, a campaign launched on the morrow of the conclusion of hostilities by international imperialist reaction, and which is reflected in all international relations and within each capitalist country.

All these phenomena are, however, but an introduction to the far more serious internal crisis which the capitalist world will have to face. It is unlikely that the capitalist world is moving towards some sort of relative stabilisation in the coming years. It is, on the contrary, far more likely that the economic crisis, and the sharpening of all the contradictions, will, in the coming years, result, not merely in a serious economic crisis, but also in extremely violent political upheavals, for the capitalist world.

A certain amount of confusion, as regards future political developments in the world, is noticeable among the broad masses of the people and in certain democratic circles, in the capitalist countries. These masses are, therefore, vulnerable to empty democratic phrases, which are but a mask for imperialist reaction. The smoke of war events has not yet dissipated, and many people have not yet become accustomed to view yesterday's events through the prism of today's realities. Many of the slogans of the glorious liberation war against Fascism have not lost their power for a considerable section of the masses, who fail to see that these watchwords have, now that they are being proclaimed by imperialists and reactionaries, lost their soul and substance and remained mere phrases in the mouths of those who are interested in creating ambiguity and confusion. Many of

I do not think we should have any doubt that in approaching these questions we are approaching them from the standpoint of the working class of Australia. There is need to see we are not doing so in any narrow way, but it remains a fact that the basic interests of the working class in these matters are also the basic and vital interests of the nation.

these glorious slogans have, moreover, become a cloak for fascist and all kinds of other reactionary tendencies in the world. There can, on the other hand, be no doubt that the masses of the people are becoming increasingly aware of this, and that the imperialist reactionary forces are finding it more and more difficult to take cover behind such phrases, and they are, therefore, and all the more, resorting to a policy of openly imposing their will by violent means, both in international relations, and within the different capitalist countries—insofar as their strength permits.

Several fascist States, with Nazi Germany at their head, have been smashed in the war, i.e., the fascist dictatorships in these States have been overthrown and crushed. Can it be said, however, that the fascist peril has been eliminated, and that the democratic principles, for which millions and millions of men from all continents fought and died, have truly prevailed in the world? Unfortunately, this is far from being the case. On the contrary, it would be a very great mistake to identify the destruction of a concrete fascist set-up, such as Hitler's Fascist Axis and its satellites, with the destruction of Fascism as a general phenomenon of imperialism, and with the destruction of its sources. It seems, moreover, to me that it is already becoming inaccurate to speak of the "remnants of Fascism"—for the simple reason that what we have before us today are not merely the remnants of the former Fascist dictatorships in Germany, Italy, Japan, etc., but, above all, that an entire system which, under certain conditions, ineluctably gives birth to Fascism, is in existence. It is a fact that the main sources of Fascism in the world are still in existence, although they have been weakened; that these sources are now becoming more and more active, that they are gaining an increasing measure of influence in certain countries, and that they will constitute an increasingly grave peril for freedom-loving mankind—if the latter does not oppose them with the utmost resolution, both inside each individual country, and in the field of international relations.

In his article "A Caricature of Marxism" and on "Imperialist Economism," Lenin wrote—

"The political superstructure over the new economies, over monopoly capitalism (im-

perialism is monopoly capitalism)—is a change from democracy to reaction. To free competition corresponds democracy. To monopoly—corresponds political reaction. Later on in the same article, Lenin quotes Adolf Hilferding, the well-known Social-Democrat of the Second International, who wrote in his book on Finance Capital—

Finance capital strives towards domination and not towards freedom. . . . Rudolf Hilferding "forgot" this fact in his tactical politics during the First World War, just as many contemporary Social-Democrats are forgetting it today. The entire development of the capitalist world after the First World War, and particularly in the course and the aftermath of the Second World War, convincingly bears out these observations of Lenin's at every step.

Freedom-loving forces must, obviously, take these facts into account. They must wage a determined struggle in all parts of the world against the anti-democratic activities of the imperialist reactionary forces, if they wish to avoid the danger of finding themselves, once again, one day, in a position similar to the one on the eve of the Second World War, i.e., to be faced with the slaughter of the general reactionary and Fascist offensive.

The law of the uneven development of the capitalist countries, with all the consequences this entails for the capitalist system, expressed itself powerfully both in the course of the war, and after the conclusion of hostilities. Germany and Japan have disappeared from the world political scene, as great powers. Italy has been thrown to a completely subordinate position, the role of France has decreased considerably, while certain circles in Britain feel that the only way to save the British Empire is to make it play second fiddle to the policy and strength of the United States. The old capitalist Europe is no longer the centre of the capitalist world. The eyes of the capitalist, and of other reactionary forces, are now turning in another direction. They are turning towards the American Continent.

Capitalist Europe has been weakened, while the role of the United States of America has increased tremendously. The U.S.A. has become, both by its economic power and by its political influence, the centre of the capitalist world. We once used to say that the whole of the capitalist world was under the domination of a few imperialist States, where finance capital had been concentrated; to-day, it could already be said that there is an increasing tendency on the part of the finance capital of a single great capitalist power, i.e., of the United States of America, to control to various degrees, or bring pressure to bear upon, practically the whole of the capitalist world. The concentration of finance capital has now assumed gigantic proportions. American production has, in the course of the war, increased by over 50%, and it needs markets, sources of raw materials, and

possibilities of investment throughout the world. The great monopoly organisations of different countries, with American finance capital playing a dominant part, are conquering economic positions throughout the world, and bringing large and important countries into a state of financial and general economic dependence.

Capitalist monopolies on both sides of the front maintained a mutual contact throughout the war, regardless of the fact that a life and death war, waged on the battlefields, and struggle was being waged on the war policies exerted an essential influence on the war policies of the capitalist countries. This influence was not, of course, exerted towards positive ends, towards the victory of the bloc of anti-Nazi States. The weakening and the retarding of the growth of the war potential of the Allied countries, and the delaying of the progress of the war for the purpose of enriching the financial oligarchy and the weakening of the democratic forces in the world—such was the policy pursued by the capitalist monopolies in the course of the war.

To-day, these same monopoly alliances are bringing the defeated, and many of the large and small victorious nations, under their economic yoke, they are destroying the vestiges of independence the small "independent" countries may still have possessed, and are, in all the capitalist countries, linking themselves up with the most reactionary elements, bringing them to power, or attempting to do so, provoking civil wars and endeavouring to bring about a general offensive on the part of political reaction.

Even countries like Great Britain and France have, to a considerable extent, been brought into a state of financial dependence on the United States. Protesting against the conditions of the recent American loan to Britain, Lord Beaverbrook exclaimed that the Empire had been sold at a puny price, and that in future the United States would reap what the British had sown.

And the Economist wrote that it was said that Britain, having lost a quarter of its total national wealth in the common struggle, had, by way of reward, to commit itself to paying for the next half century 35 million pounds a year to those who had enriched themselves in the war.

It was not, however, these £35,000,000 which so disturbed British public opinion, as the conditions Britain was compelled to accept in connection with the loan. These conditions are such that they open the door of all parts of the British Empire to the expansion of American capital.

The situation of France is similar, while the fifth "Big" allied country, i.e. (Kuomintang) China has, in actual fact, again become a semi-colony of the United States, particularly after the recent treaty of "Friendship, Commerce and Navigation" with the United States, which completely delivers China to exploitation by American capital.

In short, American monopoly capital has conquered a dominant position in the capitalist world. The American monopoly alliances had, during the war, greatly strengthened, in the first place, their

position inside the country, by liquidating a number of small and middle-sized firms, while at the same time conquering one after the other economic positions throughout the world. Such a high degree of concentration is obviously bound to have far-reaching consequences for the entire further development of the capitalist world. The greatest economic expansion in history is taking place before our eyes. American finance capital is not merely well on the way to winning; all by itself, dominant positions in the economic life of the defeated countries, it has not only enslaved, from an economic point of view, practically the whole of South America, the Philippines, China, etc., but is also reaching for the "independent" capitalist countries, more especially for the British and French colonies. Dominions and spheres of influence. All the British Dominions, and particularly Canada, are more dependent to-day upon the United States of America than upon Great Britain. Having, moreover, built up a powerful industry in the course of the war, mostly with the participation of American capital, the Dominions are competing with the British home country on many of the markets. In the same way as in the Dominions, the American capitalists are conquering economic positions in North Africa, in the Middle East, in India, Korea and in all parts of the world.

Such economic expansion, obviously, not merely weakens the economic and political position of the other capitalist countries, which depend upon the export of commodities and of capital, depriving them of markets, sources of raw materials and investment possibilities, but also, the same as any other colonial system, retards the economic development of the dependent countries. It does so for political reasons—because of the general imperialist tendency to prevent the industrialisation of the backward agrarian countries, so as to maintain them in a state of economic and political dependence; it does so by the very system of exploitation to which it subjects the economically dependent countries. The Soviet review, "Mirovoie Hoziaistvo" (World Economy) quotes, for instance, a Chilean author who describes the exploitation of Chile in the following terms:—

95% of the copper produced by Chile belongs to American companies, 60% of the nitrate is produced by American-controlled companies. Out of each dollar which we receive for the nitrate, 85 cents remain in the USA for the payment of debts, of dividends, of transportation expenses, of insurance fees, and for services of the agents . . .

This gigantic octopus, United States finance capital, which has stretched its arms throughout the capitalist world, of course sucks huge super-profits. The process of concentration of finance capital thus develops spasmodically and at a great pace. The economic expansion of American finance capital is, naturally, accompanied by the corresponding political actions, while various "political philosophies" are appearing more and more in the

American press and are explaining the necessity of American world domination with the same ingenuity with which the German imperialists once did on behalf of the German "Herrenvolk." The American bankers and trusts are to-day making every effort to achieve that in which Hitler failed, viz. to achieve world domination, at least in the capitalist world, for the time being.

It would, of course, be a mistake to say that Britain has completely ceased to play an independent part. On the contrary British capitalist circles are doing their utmost to save and restore the former greatness of the British Empire, to stay the internal disintegration of the colonial empire, caused by the expansion of American capital, and to save the markets and sources of raw materials which American capital is wrenching from them, even in their own colonies. They are attempting to do so by means of various political measures, and this was, among other things, the aim of the endeavours to create a "western Bloc." This will, undoubtedly, for all the reasons we have just given, result in the constant appearance of Anglo-American antagonisms throughout the world.

All this, however, cannot fundamentally stem the process which is developing. Although production in Great Britain has increased during the war, this country has suffered considerable impoverishment as compared to the United States of America. From a creditor, it has become a debtor, a debtor even of its own colonies, such as India, for instance. Britain's foreign investments have decreased considerably. And the conditions which Britain was compelled to accept in order to obtain the loan from the United States have, to a large extent, disarmed it in the struggle against the pressure of American economic expansion. British production, can, obviously, under such conditions, even less enter into competition with American production, which is on a far higher technical level.

France's position is, of course, still far more difficult in this respect, because her economic positions are being grabbed from her not only by American capital, but also by British capital, which is thus endeavouring to compensate for the losses it is suffering in its own domain.

Neither Britain nor France, can, therefore, prevent American finance capital, under present conditions and with the present economic means, from establishing its economic domination over the capitalist world. Whether they will succeed in doing so by political means is a question to which the future will provide an answer. However, that may be, these antagonisms will still further exacerbate the general crisis of capitalism.

II.

We must, however, note that these are not the only economic contradictions and antagonisms which are worrying and perturbing the capitalist world to-day.

We have already mentioned that the industrial production of the United States has increased by

at least 50%, as compared to pre-war production. Great Britain's production has also increased.

At the same time, production in Canada, as well as in Australia and South Africa has also augmented tremendously, owing to the remote position of these countries from the battlefronts. Industry has also grown considerably, at least in certain branches, in such countries as South America, and even in such colonies as India, Korea, etc. It is a well-known fact that the industry of neutral countries, such as Switzerland and Sweden, for instance, has also increased considerably. And all this means that the struggle for markets will be more violent than ever before.

It is true, at the same time, that the industrial capacity of practically all the European countries which were under German occupation, or were Germany's satellites, has decreased. On the other hand, however, due consideration should be given to the fact that the European nations which were under German domination have been considerably impoverished, as a result of the war, and that they cannot, therefore, despite their considerable needs, provide a rich market for foreign capitalists. In addition to this, industry is being revived in these countries, while some of them, which do not desire to permit foreign capital to exploit their destitution in order to enslave them, have embarked upon a policy of industrialisation. This especially applies to those countries of Eastern and South Eastern Europe which have freed themselves from imperialist domination.

All this means that the capitalist world is confronted with unsolved problems and with an economic crisis which will, perhaps, perturb it to a greater degree than any of the previous crises. The fear of the economic crisis is already haunting the entire capitalist world. This fear is, for instance, causing capitalist countries, such as the United States and Canada, to destroy their own war factories, and ruthlessly to smash machines which could have been converted to peace-time production. This fear is causing these countries, already, to retard, by all possible means, technical advance. Legions of capitalist economic theorists are already busily preparing plans as to what should be prevented from developing, in order to ward off, or at least delay, a hyperproduction crisis, and to enable capitalism to attain some sort of temporary stabilisation. As the monopoly alliances in the capitalist world are absolute masters of patents and scientific discoveries in the technical field, they are in a position either to use them or to pigeonhole them. It has, for instance, been ascertained that the patents policy of the American trusts and cartels during the war considerably impeded the development of the American war industry, and that the German intelligence service and diversionist activities very adroitly make use of this fact through the I.G. Farbenindustrie, which was linked up with the monopolies in the United States.

The parasitical character of imperialism, the fact that imperialism is decaying capitalism, has

never yet appeared in such a drastic form. Let us only recall current discussions on the use of atomic energy. The release of atomic energy is undoubtedly the outstanding contemporary discovery achieved by the human mind; and is bound to have extremely far-reaching consequences for the entire development of human society. This discovery should give an entirely new trend to the whole technique of production. The application of atomic energy in the technical field could bring about a tremendous advance in the welfare of the working people. It is, at the same time, a discovery which, by its very nature, points to the inevitability of socialism, whose full application necessarily requires the existence of socialism.

It is obvious, therefore, that reactionary circles are not opposed to the publication of the "secret of the atom bomb," merely for the sake of the bomb itself, merely for military reasons—this would, moreover, be useless, because such a discovery cannot remain the "secret" of one country for any length of time. Of not less decisive importance, perhaps even more important, is, in this connection, the fear of the reactionary financial oligarchy, which is clearly aware that the application of atomic energy in the field of production would mean a considerable aggravation of all the contradictions, and, ultimately, would pave the way for the victory of socialism in the world. And thus atomic energy, which is potentially a tremendous benefactor of mankind, and which could spare the working man a considerable part of his efforts, must, for some time, remain the captive of American financial oligarchy. This, of course, will not and cannot last for long, but this very fact is, none the less, characteristic of the present phase in the development of imperialism, when the reactionary capitalist forces can no longer, it is true, prevent the rapid maturing of the conditions for the victory of socialism, but are impeding the advent of socialism by increasing their struggle against the development of science and technique, as well as by all sorts of political devices.

The capitalist system does not, of course, have the economic means of settling the increasingly numerous contradictions which are characteristic of the present phase of imperialism. Only the political means are left. And the political means of monopoly capitalism can only be—an increasing measure of reactionary pressure, new Fascist tendencies. Imperialism generates reaction and Fascism every day and continually. It would be a great mistake for the freedom-loving forces to lose sight of this fact, even for an instant.

I should, in this connection, like to point out that one of the fundamental traits of Fascist dictatorship consists in the fact that the financial oligarchy, and the leaders of monopoly in general, have become directly interwoven with the leaders of the State. Fascist dictatorship is direct, unfettered rule of finance capital. The bourgeois democratic parliament corresponded to the free competition phase of capitalism. Monopoly

capitalism, with its tendency to concentrate capital and production in the hands of a few leading monopolists, must necessarily tend towards the "concentration" of power in the same hands. That is why Fascists used to speak and speak even now of "a planned economy"—which means in practice that they wish to subordinate the entire economic life to the interests of capitalist monopolies. Phrases to the effect that the greatness of the State is all mean, under conditions of Fascist dictatorship, that all the forces of the people should be placed in the service of the expansion of finance capital and of imperialist aggression. Hitler used to speak even of "German socialism" and everybody knows to-day that this "German socialism" was, in actual fact, the dictatorship of the most reactionary imperialist cliques, based on the economic omnipotence of the monopolists.

Fascism, however, did not confine itself merely to enslaving its own people, its own country was too small for it. Monopoly and expansion are two inseparable phenomena. Monopolies strive towards a domination of the markets, of sources of raw materials, of production; they strive towards economic and political world domination. Hence the interference in the domestic affairs of other countries, hence the interventions, the bribing of foreign governments, the establishing and strengthening of the dictatorships of various reactionary cliques, the abolition of democratic institutions in the countries under the influence of these monopolies, economic enslavement, the drawing of countries into their expansionist policy, the preparing of conflicts and wars, etc. Monopoly rule in the big capitalist countries must therefore, if the democratic forces are not sufficiently resolute in their opposition, lead ineluctably to aggression, reaction, the abolition of democratic rights, and to a Fascist and semi-Fascist form of Government within these countries themselves, as well as, often, even earlier and with greater rapidity, in the countries under their influence.

Such was our experience of the Fascist dictatorship in Germany. That dictatorship has been broken. Can it be said, however, that the tendencies of the capitalist monopolies have also been destroyed?

To assert this would be to labor under a great illusion. It is a matter of common knowledge that the power of the capitalist monopolies has increased in the large capitalist countries. It is thus a well-known fact that the monopoly alliances have never been so closely interconnected internationally as they are to-day. This applies particularly to the American monopoly organisations, which have swallowed up a number of similar organisations in Europe and throughout the world and are still waging a violent struggle in order to destroy or squeeze out their rivals from economic positions in different parts of the world.

I should not like to draw analogies. However, it is possible to deny to-day the fact that the all-

powerful American monopolies are linked up with those in charge of the Government policy of the United States? Who can doubt the influence that these monopolies exert on the policy of the American Government? Democratic forces within the United States are still too weak to be able to prevent this fatal influence, which is growing and developing along its own lines.

Thus only can we explain the present aggressive policy of certain circles in the United States, the constant tendency to interfere in the domestic affairs of other countries, the policy of intimidation by economic and political means including the atom bomb, the policy of restoring reactionary regimes in different "independent" countries, the rehabilitation of Fascist elements, the setting-up of bases throughout the world, etc. This explains, too, certain occurrences in the sphere of home politics such as the de facto abolition of democratic rights and institutions, the frantic "anti-Communist" campaign, which serves as a cloak for a hue and cry against all those who are offering resistance to the omnipotence of monopolies and to their exclusive influence on government policy.

The only freedom which monopolies allow the masses of the people is the "freedom" to live in darkness and political backwardness. And while this goes on, the imperialist agitators speak of democracy and of the "four freedoms." No sooner, however, do internal contradictions begin to assume a more acute form and to imperil the rule of the monopolies, no sooner does the political consciousness of the people begin to grow, than the democracy of the monopolies begins to disappear. And it is truly brazen to speak to-day, for instance, of "freedom from fear," when the entire foreign policy of certain big capitalist countries is based on methods of intimidation and all kinds of threats, including atom bomb and war threats.

We have, thus, the paradox that the most extensive and far-reaching imperialist expansion which history has known is being carried on under the cloak of phrases on "the four freedoms," on the securing of democracy, on free trade and economic co-operation.

It is sufficient to glance at the practical consequences of such a state of affairs in international relations, in order to convince ourselves of the serious danger which the trends of capitalist monopolies constitute for peace, and for the fate of democracy in the world, if they do not meet with the most resolute opposition on the part of freedom-loving people.

(To be continued next issue.)

THE ROLE OF THE SOCIALIST PARTIES AFTER THE SECOND WORLD WAR

S. IVANOV

(Continued from last issue)

THE Socialist Parties of the countries of Eastern and South-Eastern Europe: Poland, Czechoslovakia, Hungary, Bulgaria, Roumania, etc., present quite a different picture.

What is there that is new and characteristic in these parties, that distinguishes them from the Socialist parties of Western Europe? Above all, the fact that they participated, with the Communists and other democratic parties and organisations, in the building of the economic, political and governmental life of their countries, on the principles of a new, popular democracy. In the course of the war and the struggle of the masses to free themselves from the German occupation forces and their auxiliaries, a considerable section of the Socialists of the Eastern and South-Eastern European countries had to revise their old conceptions from top to bottom. They took part in the building of the new political organs of the State: National Committees, People's Committees, Fatherland Front Committees, initiated by the masses, which became the pillars of the State apparatus. The Socialists came out in favour of maintaining these organs, even in the future, as an organisational factor in the political system of the State and a guarantee of the stability of the popular democratic regime.

The Socialists of Eastern and South-Eastern Europe—and this is their second distinctive feature—are not only in favour of unity of action with the Communists, but they carry it out in practice: in the trade union movement, the factory and workshop committees, in the elected institutions of the State, in the Government and in all sections of the State apparatus.

Very often, Socialists and Communists are united in opposition to the attacks of internal and international reaction against unity of action. There have been cases, in Poland, Czechoslovakia and Hungary, when Socialists and Communists demanded insistently and even by ultimatum that the other parties of the democratic bloc radically purge their ranks of reactionaries. This widely exercised practice of unity of action is encouraged by the leaders of the Socialist parties, it is reflected in their directives and their articles.

In Hungary, Arpad Skachitch, who leads the Social-Democratic Party, indicated to the Congress of the united Trade Unions, held early in December, 1945, that between Socialists and Communists there could be differences only on particular questions, but not on that of the unity of action of the working class.

"We do not have to struggle against each other, we must struggle against reaction. This

struggle we must lead in common, until the last traces of Fascism are rooted out."

The leaders of the Socialist Party of Poland have declared themselves no less clearly. "Robotnik," central organ of that Party, wrote on December 6, 1945, on the occasion of the Polish Communist Party's Congress:

"The unity of the Socialist Party and the Communist Party in Poland is the fundamental basis of the new Poland."

It was to the development of this argument above all that Julian Gochfeld devoted a long article in the theoretical review of the Socialist Party of Poland of January, 1946. In this article he emphasises, among other things, that the revival of the Socialist Party of Poland and its restoration are included above all:

"On the basis of the complete liquidation in the Party of all that, from the personal, organisational and ideological point of view, constituted a Pilsudskyst and anti-Russian, then anti-Soviet complex."

The Czechoslovakian Social-Democratic Party also is taking the road of co-operation with the Communists. The right-wing leaders of the Socialist Parties of Western Europe declare that the Czechoslovak Socialists are not "real Socialists" and they pester them because they have renounced their former errors and show sympathy towards the Soviet Union. Lansmann, prominent member of the Social-Democratic Party of Czechoslovakia, at present Minister for Industry, made a suitable retort to the accusations of these so-called Socialists:

"Czechoslovakian Social-Democracy," he declared, "is following its own road. . . . Czechoslovakian Social-Democracy has been and will remain an independent Party. Nothing can prevent it from co-operating with the Communists."

The practical activity of the Socialists of Eastern and South-Eastern Europe, the resolutions passed at their congresses and the declarations of their most noted leaders, who are at the same time responsible statesmen, witness the change in their attitude towards the Soviet Union.

After revising their former incorrect opinions, the Socialists of Eastern and South-Eastern Europe have today, in the great majority, a friendly attitude towards the Soviet Union. They see in her a great power whose help and co-operation will ensure the revival and democratic development of their countries. They see in her the sure guarantee of their political and national independence. They vigorously oppose every attempt to create a Western bloc.

The General Secretary of the Polish Socialist Party, Tsihrankovich, at the Central Committee meeting of November, 1945, violently attacked imperialist atomic diplomacy and emphasised the need to strengthen the friendly links between Poland and the U.S.S.R.

At the Congress of the Socialist Party of Poland, in July, 1945, Tsihrankovich declared:

"The Socialist Party of Poland does not agree with the carving up of Europe into blocs which would endanger Poland's independence."

And he added that Poland could ensure her independence only by relying on an alliance with the Soviet Union.

Tsihrankovich amplified the same idea in the "Robotnik" of September 20, 1945:

"Poland's alliance with the Soviet Union," he said, in this article, "is dictated not only by a sound political conception, but by the people's instinct of self-preservation. . . . As far as the Socialists are concerned, this feeling is intensified by the fact that they reason like Socialists and they value the U.S.S.R., which won not only a military victory, but also an ideological victory over Fascism, at her true worth."

The article ends with the following conclusion: "The task of the Polish Socialist Party consists of strengthening this unity on the basis of a correct estimation of the U.S.S.R., as a force that safeguards democracy on the world scale, as a perspective of the approach of the working class towards Socialism."

When the Polish Socialists speak of friendship with the U.S.S.R., they try likewise to improve relations with England and the United States. The Socialist press, however, comes out against what it terms the "English disease" from which some Socialists and some activists of other Polish parties are suffering. The groups supported by reactionary circles, which are trying to bring Poland's policy within the orbit of English policy, are the ones that have this "English disease."

The attitude of the Hungarian Socialists towards the Soviet Union is determined by the fact that they recognise their ideological identity with the great Socialist State, our spiritual brother," as the great Socialist fighter Horvat Zoltan wrote in an article, "Democracy's Foreign Policy" ("Nepszava" of April 7, 1946):

"The millions of Hungarian workers," he wrote, "see in the Soviet Union the real guarantee of the freedom which they have just been given."

The head of the Hungarian Social-Democratic Party, Arpad Skachitch, called on his Party comrades, at the Congress of August, 1945:

"To study not only the old Marxists, but likewise Lenin and Stalin, who are the continuators of the work of Marx and Engels."

The Czechoslovakian Social-Democrats, too, constantly emphasise the need to strengthen by every possible means the friendship and alliance with the Soviet Union which are the bases of the new Czechoslovakian Republic's foreign policy.

The article published at Morava Ostrava, in the newspaper "Czechoslovakian Democracy" of December 22, 1945, is quite indicative of their attitude towards the Soviet Union. In this article, written on the occasion of Comrade Stalin's 60th birthday, it was emphasised that in the face of the dilemma "East or West" the Czech Social-Democrats adhere to a quite clear and definite point of view.

"With the East, the Socialist East, the treaty of alliance with the U.S.S.R. is and must be the basis of the internal and foreign policy of our Republic."

And further on the article states:

"It is from this clear and indisputable point of view that our attitude towards Stalin, towards the man who, after Lenin, became the mighty figure of the Great Revolution carried out in Socialist Russia, is determined. . . . We appreciate what the great patriotic war gave to world Socialism in general and that is why our gratitude to Russia is closely linked to our gratitude to Stalin who, by his brilliant leadership, established once and for all Russia's whole greatness, her glorious victory and, at the same time, our liberation from the tyrannical fetters of Nazism."

"For us, Stalin is a person whom we respect, but also from another point of view. He came from the ranks of Russian Social-Democracy, from its left wing; he was a pillar of the struggle of the Bolsheviks against the Mensheviks; he is the leader of Russia, because he is the leader of the Communist Party (Bolsheviks). His great gift is an extraordinary grasp of practical politics, thanks to which he succeeded in crushing the trends which threatened the cause of the proletarian revolution and thanks to which he concentrated all the forces for the building of Socialism in a single country, without regard to the development in other countries. By his sense of reality, he led Russia to power such as she had never had; he also opened the way for the mustering of the Socialist forces of the whole world around the U.S.S.R., while retaining a critical point of view towards some Communist Parties."

The fact that new left-wing fighters have assumed the leadership of the Socialist Parties of Eastern and South-Eastern Europe has played no small part in the development of the moral and political authority of these parties. And what has become of the former right-wing leaders of the Socialist Parties? Some have emigrated and have long been playing the role of agents of imperialism and reaction against their own countries. The

others either have been completely dismissed from the leadership or else their role and influence are very limited. Some among them have left their Party, they are trying to create separate groups which are connected all along the line with reaction at home and carry out the political orders of international reaction.

The leaders of the Socialist Parties of Western Europe are trying by every possible means—from intimidation and blackmail to praise and flattery—to win influence over the Socialists of Eastern and South-Eastern Europe so as to smash their unity of action with the Communists and range them against the Soviet Union. The same thing is being done with the Social-Democrats of the Soviet occupation zone of Germany, who have learned the lessons of the past and have united with the Communists.

Yet on the whole the Social-Democratic Parties of Eastern and South-Eastern Europe are not being turned away from the right path. Take as an example their attitude towards the attempts to restore the Second International. In a controversy with the journal of those Bulgarian Social-Democrats who are in the Opposition (against the Fatherland Front), the central organ of the Bulgarian Social-Democratic Workers' Party, "Narod," of July 19, 1946, protested against the assertion that "only the Labor Party can become the leader of the International and reconstitute it," and it wrote:

"To counterbalance the London Conference of May 16, to which only a limited number of parties were invited, the Conference of Socialist Parties held on April 16 of this year, and at which the Socialist Parties of Italy, France, Poland, Austria, Switzerland, Roumania, Bulgaria, Czechoslovakia and other countries were present, particularly emphasized the necessity, if the International were created, of maintaining the principle of equality for all the Socialist and workers' parties and doing everything possible to achieve international working-class unity by seeing that the working class of the U.S.S.R. also takes part in this political International."

The newspaper "Narod" points out further on that the true international workers' front supposes the crushing of reaction, of the remnants of Fascism and its flunkies.

The opinion of Dr. Gahek, Czechoslovakian member of Parliament, who was present at the Congress of the Italian Socialist Party at Florence as a representative of the Social-Democratic Party of Czechoslovakia, is most interesting in this connection. In the central organ of his Party, "Pravo Lidu," in May, 1946, Gahek told how the right wing, in collaboration with the left-wing/maximalists, had tried to defend, at the Florence Congress, a proposition that recalled the old traditions of the Second International, and he pointed out that this proposition can in practice lead to supporting those

who aspire to isolate the Western Socialists from the Soviet Union and to the formation of an ideological Western Bloc of Socialists, which would be opposed to the actual content that is demanded of Internationalism. Gahek states:

"The Socialists of Czechoslovakia, Italy, Roumania, Bulgaria, Greece understand this very well; it is also understandable to Nenni, in Italy, and to the most progressive groups in the majority of the Socialist Parties of Western Europe. . . . The desire to link up the anti-Soviet trends with the Labor Party's stand would assist only the opponents of Socialism. . . . only bad Socialists will try, in co-operation with the Labor Party, to develop anti-Soviet feelings within Social-Democracy. Sincere Socialists reject such a stand and do not wish to renew the traditions of the Second International."

Recalling that in 1938 Czechoslovakian Social-Democracy had left the Second International because it had not a correct outlook on the Munich pact made by world reaction, Gahek writes:

"Czechoslovakian Social-Democracy sees in alliance with the U.S.S.R., in alliance with the peoples on the march, in the road of Socialist reconstruction, in alliance with all the forces of progress of Western Europe and in solidarity with the Socialist peoples of struggling Spain, a far greater advantage for international Socialist policy than in the attempt to revive forms which have had their day, which do not answer the demands of the moment and even act as a brake on progress."

Several causes explain the divergence in position, activity, tactics and political position between the Socialist Parties of Western Europe on the one hand and those of the countries of Eastern and South-Eastern Europe on the other. The attitude of the heads of the Western Socialist parties is above all influenced by the capitalist monopolies, the banks and the trusts. In Western Europe, the Resistance Movement and the struggle for National Liberation against the occupation forces did not succeed in depriving bourgeois reaction and opportunism of the financial and industrial oligarchies, and consequently did not succeed in radically removing the economic pillars of the Socialist parties from their economic bases. In these countries monopolistic capitalism still has immense resources at its disposal and holds the popular economy in its control, directly or indirectly using the leaders of the Socialist Parties for their own interests.

Quite different is the present situation in the countries of Eastern and South-Eastern Europe. In these countries, the National Liberation movement led to the liquidation of the power of monopolistic capital and the agrarian magnates—those economic pillars of internal reaction and foreign imperialism—and thus led to the liquidation of the main source of opportunism. The Socialist parties of this country play an active part, by the side of and together with the Communists, in the popular liber-

ation struggle of the masses, in the building in this country of a new political, economic and cultural edifice. These parties value at its true worth the old historical importance of our Socialist State Union, which answers the interests of all peace-loving peoples.

In these Socialist parties new men, who have shown that they were honest leaders, able, and devoted to the people, have attained the leading positions. The old reactionaries and incorrigible reformists have been excluded or removed from the leadership.

It is characteristic of the Socialist Parties of Eastern and South-Eastern Europe that they are gradually revising and correcting the incorrect attitudes that they had before the war, that they are overcoming the bourgeois prejudices spread among the ranks of the Party, that they are turning more and more to systematic ideological and theoretical education in the spirit of scientific Socialism and consequently to a decisive struggle against the penetration of reactionary bourgeois ideology into the working-class movement.

Obviously it would be quite incorrect to consider that the Socialist Parties of Eastern and South-Eastern Europe are marching unwaveringly and without hesitation along a new path of development; that they are proof against every attempt at splitting from the right wing; that they have already overcome all the political and ideological heritage of reformism and reactionary Social-Democracy. As we can see, the former leaders of the right wing have not ceased, but are intensifying their underground work; and the pressure exerted by the reactionary leaders of Western Social-Democracy not only is not weakening, but is growing stronger. We must likewise take into account the repercussions of bourgeois and petty-bourgeois associates, together with the different social positions of the members who make up the mass of the Socialist Parties.

Let us briefly summarise the essential points of the life and activity of the Socialist Parties of Western Europe after the war and try to give a general estimate of their role.

In the course of the war and since, these parties have undergone great changes as they took the path of a bourgeois degeneration which is visibly increasing since the end of the war.

The social basis and social composition of these parties have changed considerably. Their influence constantly lessens among the working class, but it increases among the petty bourgeoisie and certain strata of the bourgeoisie.

These parties, which call themselves Social-Democratic, remain the avowed adversaries of the political activity of the masses, the adversaries of popular democracy and the new way of development of the European countries. They obstinately oppose the workers' demands and the proposals of the Communists to bring about unity of action

and the political and organisational unity of the working class. The leaders of the Socialist parties of France, England, Belgium, Sweden, Holland are carrying out a policy of defending and strengthening the domination of monopoly capital, in the home countries as well as the colonies.

The bourgeois-reactionary degeneration of the Socialist leaders is expressed in their conception of democracy. This conception, which is only a vulgar and exaggerated edition of bourgeois views, sees the essence of democracy in the renunciation of the will of the masses, so that reactionary and bourgeois capitalist circles (a tiny minority) can re-establish their momentarily shaken position, their privileges, and can once more, unhindered, direct the policy of the State to the advantage of their greedy class interests.

The leaders of the Socialists of Western Europe, by trying with all their strength to isolate the Communists, are systematically and obstinately struggling against the creation of a single bloc of all the democratic forces, gathered around the working class, and seek by every means in their power the formation of centrist coalitions and blocs. By taking up a position at the centre of democracy and reaction, these leaders, with their everlasting vacillations, give preference to the right, weaken democracy and favour the camp of reaction.

With a few exceptions, the leaders of Social-Democracy in Western Europe are carrying on a campaign against the Communists. This drive against the Communists also answers the interests of reaction.

The ideological understanding of the Socialists and the Catholics becomes more and more marked. Leon Blum and Co., who have cast out from their vocabulary even verbal recognition of the class struggle and dialectical materialism, have openly gone over to the bourgeois world outlook.

On international questions, the leaders of Western Social-Democracy as a general rule take up a stand favourable to reaction and the imperialist bourgeoisie.

Such an "evolution" of the Western Socialist parties cannot fail to have repercussions on their internal life. The gap between the rank-and-file and the heads is inexorably widening. In the French Socialist Party a sharp crisis is maturing, which the last Congress did nothing to overcome. The Socialist workers stand for unity with the Communists, for a firm friendship with the Soviet Union. A similar phenomenon can be noted, to a more or less high degree, in the other Socialist Parties.

This growing opposition of the Socialist workers and the basic organisations to the official line of their opportunist leaders has great political importance. It shows that the European working class as a whole, including the Socialist workers, taught by the experience of the trying ordeals it has just gone through, is beginning to have a better idea on questions of home and foreign policy and to determine more correctly the line of its political activity.



BOOK REVIEW

ISLES OF THE TORRES STRAITS
(Gerald Peel)
T. WRIGHT



In the numerous islands of the Torres Straits lives a subject population of about 4,000 native inhabitants ruled by the Queensland State Government. Although until recent times these islanders were treated in the same way as the Aborigines of the mainland, they have little in common with the Australian Aborigines, being akin to the Papuans and at a similar, although not quite as advanced stage of social development at the time of first white contact. There are two languages, one related to New Guinea and the other to the Australian mainland in the division of the Islands which probably had an earlier population related to the Australian Aborigines. Cultivation of gardens and fishing provided the islanders with an abundance of food before the advent of whites to develop a prosperous trade in pearl shell, trochus, and beche de mer.

Gerald Peel, in his book *Isles of the Torres Straits*, has given the history of the Islanders, as it is known, and has provided a text book for the Australian Labor Movement, and all friends of the native races who feel some responsibility for their protection and assistance.

The early days of contact with whites included the usual acts of barbarity, murder, and pillage, visited on native races. As late as 1877, when the Queensland Government already had jurisdiction over the island, the whole population of men, women and children of one of the islands was massacred in a punitive expedition.

The story of the missionaries in these islands is also a clear example of how, in the name of religion, the native races are prepared for capitalist exploitation and are killed off in the process. Fortunately for these natives, missionising has given way largely to secular control, and the way is open for reform measures which will give greater economic security and political freedom to this island people.

For nearly a hundred years the natives have been subjected to exploitation, particularly in the pearl shell, trochus and beche de mer industries, and, as is to be expected, their numbers are considerably less than at the time of first white contact. However, stricter control by the Government, which has prevented indiscriminate contact with whites in recent years, has arrested the decline and the native population is said to be again increasing.

While primary education has been made general and churches have been built and policemen and courts installed, it is a sad commentary on the administration by the Queensland Government, that natives have no ploughs or agricultural machinery but depend on hand implements. Nothing appears to have been done to develop or assist native agri-

culture, all the emphasis being given to the gathering of marine wealth for export. There is no attention given to water conservation or irrigation and nothing is done to provide electric power, telephones, theatres, or any of the other amenities of modern life, although the population lives in well-organised village communities.

The system of administration gives the Government officials complete dictatorial powers over the lives of the population. This applies whether the natives are employed by private interests or, as many of them do, share in co-operative enterprise in the gathering of shell and beche de mer. A percentage of all money income is taken as a tax for island administration, and a large part of the remainder is banked without the consent of the real owners, who thereafter have little say as to its disbursement. It is one of the scandals of native administration, on the mainland as well as for the islands of the Torres Straits, that a veil of secrecy hides the administration and eventual disposal of the funds. An urgent demand which the trade unions should make on the Queensland Government is to abandon this system; to give to the islanders all of the money which is rightfully theirs, and to give an exact reckoning of funds already administered.

The most important section of Gerald Peel's book is concerned with the present set up, and his conclusions as to a programme of what should be done. Under the present administration there has evolved a system of elected island councils with very restricted powers and absolutely subject to the Government officials. Progress demands that these island councils should be given much greater authority, democratic bodies of the islanders, and that a central island council should be elected for the islands as a whole.

Experience has already shown that the marine wealth of the islands can be developed through co-operative enterprises of the natives themselves, and it should be the policy of the Government to systematically aid this development and to see that the resulting profits are used directly by the natives themselves for the development of the island communities. During the war the white traders vanished before the southward advancing Japs, and the native population were free of them for a period. It would be quite appropriate for the Government to see that private exploiters were kept clear of the island for good. Certainly if private enterprise is permitted to operate, the native population must be ensured the recognised trade union standards for the competent work which they perform, and must be given freedom of organisation as enjoyed by white trade union-

ists. These same white traders in the pre-war period had also employed numerous Japanese in diving for shell, under conditions not much better than conceded to the islanders.

The chief legislation to be considered is the Torres Straits Islanders' Act adopted by the Queensland Government in 1939. Gerald Peel suggests numerous improvements which could be made in this act. Particular attention should be given to the powers and can play a very important role for good or evil. Some explanation from the Government is required for the exorbitant prices of necessary commodities sold to the natives by the Board, which is

supposed to operate in the interests of the islanders and not as a source of revenue for the Queensland Government.

Not the least interesting part of the book is the account of marriage and other customs. In these the original clan organisation of the tribe had become modified with the development of village communities and land ownership for cultivation, and would be well worth further investigation.

Gerald Peel has now left Australia, but in this book he has given a valuable contribution to the labor movement of Australia which will help solve one of the problems that in the past has been sadly neglected.

RAISE WAGES — REDUCE PRICES (R. Dixon) W. A. WOOD

"If wages go up, prices must rise also," runs the bosses' slogan which has caught on with some of the workers. To help them see that the reverse is true — wages must rise to overtake soaring prices — is one of the biggest Communist Party jobs today. And here, to give us the necessary facts and ammunition, is R. Dixon's "Raise Wages, Reduce Prices," price 3d. Although this pamphlet sticks closely to economics, no more inflammatory document has ever been placed before the Australian workers. Marie Antoinette, with her well-known advice to the Parisians, has nothing on the bigshots who control our essential foodstuffs and other supplies. The villainy here revealed is appalling to a degree. The facts about the price of pumpkins, as recorded by Mr. Dixon, are in themselves enough to kindle a flame.

As he indicates, a direct wage-cut of 10 or 20 per cent would usually start a strike. But

you can get precisely the same result as a wage-cut by putting a penny here or twopence there on to the prices of essential goods, and the workers may scarcely wake up to what is going on, let alone take action about it.

And so it has happened that, while no Court has decreed a general wage-slash since 1939, our money is going just that much less far than it used to.

The Australian people have been the victims of a swindle beyond the dreams of Jay Gould or Clarence Hatry. While proving this, Mr. Dixon also shows we can catch up with the buccaners.

This isn't the sort of review that saves the trouble of reading the pamphlet. We have to read the pamphlet itself (15 pages of good, big type) and master its arguments. We have to flood it into factories, farms and working-class suburbs and then—watch the Bastilles fall!



Questions & Answers

conducted by
L.H. GOULD

Can the housing shortage be solved?—
R. T. Scobie.

Not under capitalism! The housing shortage can be, and is being, solved in the Soviet Union. Socialism is the answer to housing and all other social problems. The housing shortage is also on the road to solution in the New Democracies, because there too the State power serves the popular needs as it does (though in different forms) in Soviet democracy.

This is not to say that improvements, and really big improvements, in housing conditions under capitalism cannot be achieved. Much can, and must, be done. But first let us examine briefly the general problem of housing under capitalism.

Seventy years ago Engels showed the impossibility of capitalism solving the housing problem. He summarised his analysis: "It (the housing shortage) is a necessary product of the bourgeois social order: it cannot fail to be present in a society in which the great masses of the workers are exclusively dependent upon wages, that is to say, on the sum of foodstuffs necessary for their existence and for the propagation of their kind; in which improvements of the existing machinery continually throw masses of workers out of employment; in which violent and regularly recurring industrial vacillations determine on the one hand the existence of a large reserve army of unemployed workers, and on the other hand drive large masses of the workers ten-

porarily unemployed on to the streets; in which the workers are crowded together in masses in the big towns, at a quicker rate than dwellings come into existence for them under existing conditions; in which, there must always be tenants even for the most infamous pigsties; and in which finally the house owner in his capacity as capitalist has not only the right, but, in view of the competition, to a certain extent also the duty of ruthlessly making as much out of his property in house rent as he possibly can. In such a society the housing shortage is no accident; it is a necessary institution and it can be abolished together with all its effects on health, etc., only if the whole social order from which it springs is fundamentally refashioned."

In answering the various petty-bourgeois and "bourgeois Socialist" theories on this question, Engels discussed at length a number of additional aspects, such as the then existing differences in housing conditions in the old cities (e.g., London) and the new (e.g., Manchester); or how the ownership of their homes by handicraftsmen in parts of Germany provided German capitalists with cheap labor for competition on the world market. But these issues do not concern us here.

How to improve present housing conditions? It should be emphasised that the capitalists see the problem only at those times when the shortage affects themselves. Usually, it is not a problem for official capitalist society; the toilers can "solve" the problem by doubling and trebling up, and more, in one house. Capitalism, "private enterprise," is not the least interested in providing the workers with homes; it constructs houses only when it is profitable. Hence the jerry-built houses; hence the vast slum areas in all capitalist countries.

One of the best (or worst) examples of housing by "private enterprise" is Broken Hill. This superlatively rich mining region has yielded tens of millions of pounds for the capitalist investors. Yet 75 per cent of the houses are without kitchen sinks and other elementary conveniences. The walls of almost all houses are of corrugated iron; many inside walls are of canvas, papered over.

A recent survey in Fitzroy, Victoria, revealed 16 per cent of houses in the suburb had no baths. Other percentages were: no laundries, 67; no kitchen sinks, 80; no gas stoves, 26; infested with rats and vermin, 79; leaking roofs, 86; damp and rotting walls, 73.

Little need be said about the so-called "garden cities" of the Lever soap trust and Cadbury's of England. First, these cater for only a few hundred workers and their families when millions of new homes are needed. Second, these homes are paid for, not by generous-hearted monopolists (who don't exist), but out of the colossal profits extracted from the labor of the workers. And third, company housing plans, like stock-participation schemes, may benefit temporarily a few workers,

but their special purpose is to stifle class consciousness and organisation among the workers, to create a docile laboring force that will "be loyal to the old firm" when wage-cuts and dismissals occur, as they sooner or later do.

As already indicated, all the foregoing does not at all mean that nothing can be done under capitalism to improve housing conditions. Far from it! In saying that capitalism inevitably brings slums, crises and wars, there is the corresponding presupposition that the toilers will struggle against those evils; in doing so they will advance their working and living standards and thereby, and at the same time, create the conditions necessary for the ultimate change to Socialism.

At the request of the Commonwealth Housing Commission in 1943, the ACP submitted proposals for a post-war housing scheme, to which the reader is referred. Some of the sub-titles of the Party statement indicate its scope and practical value: land acquisition; abolition of slums; rural housing; subsidised rents; home ownership; financing the scheme. Although written in wartime, the plan is applicable in all essentials today. The tasks set are attainable — provided the "sacred rights" of private enterprise are made subordinate to the needs of the people, and provided Labor struggles unitedly and resolutely for them.

The following remarks from R. Dixon's introduction to the Party programme are to the point:—

"Housing, to a greater extent than most other fields of capitalist activity, exposes the utter failure and the inability of private enterprise to plan.

"We believe that the government should itself enter the field of home construction and ownership with the purpose of providing homes for low income families, leaving private enterprise to cater for the wealthier sections of the community.

"The bad housing conditions of the workers and other sections of the people are associated with the low wages and general poverty which is their lot under capitalism. This is why the housing question cannot be separated from the general struggle to improve the economic and social position of the masses. We consider it absolutely essential that the government, as part of its general post-war programme, take steps generally to raise the living standards of people on low incomes."

The introduction referred to the government's plan of building 50,000 homes in the first post-war year, and then working up to 80,000 in the fifth post-war year.

That plan should be begun! And to the old cry of where the money is to come from, the answer in big part is the money saved from war budgets on the basis of a successful campaign for universal disarmament.

(References: Engels, *The Housing Question*; Communist Programme Series, No. 1, *Housing, Slums, Private Enterprise and the Future.*)